THE CONCEPT OF ENTREPRENEURIAL COMPETENCY, COMPETENCY MODEL AND REVIEW OF EARLIER STUDIES

Introduction

Competency – the concept and components

The concept of entrepreneurial competency

Historical perspective on

The concept of an entrepreneur

The concept of entrepreneurship

The theoretical perspectives

Psychological theories of entrepreneurship

Sociological theories of entrepreneurship

Approach to the study

The competency model of the study

Antecedents of entrepreneurial competencies

Components of entrepreneurial competencies  attitudinal competencies

Behavioral competency attributes

Managerial competency attributes

Review of earlier studies

Conclusion
CHAPTER II

THE CONCEPT OF ENTREPRENEURIAL COMPETENCY AND REVIEW OF EARLIER STUDIES

INTRODUCTION

The focus of organizations has been changed in favour of being excellent in their respective areas of operations. But the firm’s performance is inevitably constrained by the opportunities and the threats that are presented by a number of factors including its environmental conditions, in which the firm operates (J. Covin & Slevin, 1989; Entrialgo et al., 2001; Naman & Slevin, 1993; Tsai, Mac Millan, & Low, 1991; Zahra, 1993). Under these circumstances small and medium enterprises are more vulnerable to external influences than large firms (Entrialgo et al., 2001; Stokes, 2006). However, smaller firms are also better placed than larger firms to respond to their environments and the opportunities it presents in a way that serves their interests (Rice, 2000). It is important that the entrepreneurs must react with the environment proactively in order to minimize the negative effect of the challenging business environments. The entrepreneurial competency comes in to play its critical role in taking such proactive approaches with the environment.

Therefore, the role of an entrepreneur’s competency is highly a critical factor in achieving excellence in performance to ensure a sustainable growth and success of a venture amidst a competitive business environment. Therefore the importance of entrepreneurial competency has been increased during the past few decades due to the strategic role played by the human factor particularly the entrepreneur of a business enterprise.

The person behind the successful performance is called the entrepreneur and the caliber required to carry on his business successfully is called his competency. The focus of the present study is on the entrepreneur of a business organization and his competency required to carry on the business successfully.
It was suggested that the entrepreneur’s demographic characteristics, attitudinal, behavioral, managerial and technical competencies are often cited as the most influential factors related to the performance of small and medium sized enterprises (Man, Lau and Chan, 2002; Noor et al., 2010). Further, the policies, the programmes and strategies of a business are basically depend on the personal competency of its entrepreneur which in turn influence the profitability of the firm. (Morris, Schindehutte and Allen, 2005). Keeping in mind the critical role of an entrepreneur in the venture performance, the present research focuses on the concept of entrepreneurial competency without denying the importance of other factors which contribute to the successful performance of an enterprise.

COMPETENCY – THE CONCEPT AND COMPONENTS

Literature review suggests that definitions of competency may be drawn from the domain of knowledge, skill, attitude and performance indicators. The term competency has a number of definitions which depend on the specific task to be performed by individuals under different conditions. These definitions differ on different counts.

Competency was first popularized by Boyatzis (1982), who performed a comprehensive study of over 2000 managers and he identified and assessed over a hundred potential competencies. He defined competency as, “A capacity that exists in a person that leads to behavior that meets the job demands within the parameters of organizational environment, and that, in turn brings about desired results.” The competency is considered to be an underlying characteristic that an individual brings to a job situation, which can result in effective and/or superior performance in such job.

David McClelland claimed that competencies could be used for predicting job performances and further he held that competencies were not biased by race, gender or socio-economic factors. His study helped to identify performance aspects which are not attributable to a worker’s intelligence or degree of knowledge and skill.

Spencer and Spencer (1993) define “a competency as an underlying characteristic of an individual that is causally related to criterion referenced effective and/or superior
performance in a job or situation. Similarly, “A Competency is a set of skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job” (UNIDO, 2002).

Although theses definitions vary in different forms, however the following components are found commonly in all the definitions:

Competency is composed of knowledge, skills, abilities and other characteristics which underlie effective or successful job performance;

These competency attributes are observable and measurable; and These attributes distinguish between superior and other performers.

In fact, the competency is a wider concept which includes the knowledge, attitudes, behaviors and skills which help a person capable of transforming his ideas in to realities with an excellence in its performance in a given context. It does not refer to those behaviours which do not demonstrate excellent performance. Therefore, they do not include knowledge, but do include “applied” knowledge or the behavioral application of knowledge that produces success. In addition, competencies do include skill, but only the manifestation of skills that produce success. Finally, competencies are not work motives, but do include observable behaviors related to motives.

THE CONCEPT OF ENTREPRENEURIAL COMPETENCY

The business operation is considered to be very complex in a competitive business environment which is constantly changing with fast technological advancements. An entrepreneur is expected to interact with these environmental forces which require him to be highly competent in different dimensions like intellectual, attitudinal, behavioral, technical, and managerial aspects. Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavors.

Based on the work of Boyatzis (1982), entrepreneurial competencies are defined as underlying characteristics possessed by a person which result in new venture creation,
survival, and/or growth (Bird, 1995). These characteristics include generic and specific knowledge, motives, traits, self-images, social roles, and skills that may or may not be known to the person (Boyatzis, 1982). That is, these characteristics may be even unconscious attributes of an individual. Some of these competencies are innate while others are acquired in the process of learning and training and development.

Muzychenko and Saee (2004) differentiate between innate and acquired aspects of competencies of an individual. The former involve traits, attitudes, self image and social roles and are sometimes referred to as “internalised elements” (Bartlett & Ghoshal, 1997) and the latter involve components acquired at work or through theoretical or practical learning (i.e., skills, knowledge, and experience), and they are often referred to as “externalised elements” (Muzychenko & Saee, 2004). The internalised aspects of competencies are difficult to change, whereas the externalised elements can be acquired through proper training and education programs and need to be practised (Garavan & McGuire, 2001; Man & Lau, 2005). In the context of a small business enterprise, these competencies are normally studied as characteristics of the entrepreneur, who owns and actively manages the business (Gibb, 2005; McGregor & Tweed, 2001).

Stuart and Lindsay (1997) similarly also defined competencies as a person’s skills, knowledge, and personal characteristics. Entrepreneurial competencies have also been understood in terms of traits, skills and knowledge (Lau et al., 1999).

For the purpose of the present study, entrepreneurial competencies are defined as individual characteristics that include both attitudes and behaviours, which enable entrepreneurs to achieve and maintain business success. Specifically, in this study, entrepreneurial competencies are comprised of the entrepreneur’s motives, traits, self-image, attitudes, behaviours, skills, and knowledge (Boyatzis, 1982; Brophy & Kiely, 2002).
CONCEPT OF ENTREPRENEUR - A Historical Perspective

The term entrepreneur was first used by Richard Cantillon in his essay on “The Nature of Commerce” (1755). According to him an entrepreneur was one who buys factor services at certain prices in order to combine them to produce a product and sell it at uncertain prices at the moment at which he commits himself to his costs. This analysis recognizes that an entrepreneur has the willingness to bear risk. Cantillon viewed the term entrepreneur from the supply side and ignored the demand side.

It can also be supplemented with Hoselitz’s (1951) words. The word entrepreneur comes from the French word ‘entreprendre’, which means ‘to do some thing, and it was originally used in the Middle Ages in the sense of a ‘person’ who is active, who gets things done.

The term entrepreneur was later applied to architects. Seeing such activities as the entrepreneurial function, Bernard f.de.Bolidor, Says and Hoselitz, defined it as buying labour and material at uncertain prices and selling the resultant product at a contracted price. (Gautam, 1979).

Vesper (1980) mentions that there are 11 types of entrepreneurs operating in the community. However, all of Vesper’s types are private sector related. Ciastkowski and Vailey (1990) write: “It is of interest to note however that when entrepreneurs are defined, they are rarely characterized by the pursuit of financial gain. Thus persons who work in the public or social system might also be defined as entrepreneurs if the entrepreneurial processes of searching for opportunities and accessing resources are applied to this public or social role.”

Harold (1994) stated that entrepreneurs take personal risks in initiating change, and they expect to be rewarded for it. They need some degree of freedom to pursue their ideas, this in turn requires that sufficient authority be delegated.

Sarmah and Singh (1994) stated that an entrepreneur is one who can transform raw materials into goods and services, who can effectively utilize physical and financial resources for creating wealth, income and employment, who can innovate new products,
standardize or upgrade existing products for creating new markets and new customers.

Based on the above review, the present research views an entrepreneur as a change agent, an innovator who is also a risk taker, who exploits business opportunities in his environment and utilize resources effectively to develop new technologies, produces new products and services to maximize his profits and contributing significantly to society’s development. This view encompasses the desire of the entrepreneur to maximize profit and contribute to economic and social well being of the society. It shows the entrepreneur as one who is also imbued with the ability to organize a business venture with the desire to achieve valued goals or results. He is a catalyst of economic or business activities. The compound of all these attributes in operation may be termed as ‘entrepreneurship’

THE CONCEPT OF ENTREPRENEURSHIP

Increasing attention is being given to entrepreneurship as a component of economic growth. Entrepreneurship plays a vital role in the economic development of any country and it can be as well linked to economic growth and ultimately to the overall prosperity of any nation.


Sociologists maintain that certain cultures are more effective in promoting entrepreneurship than others (Shapero and Sokol, 1982: Young, 1971). They suggest a need for a national programme of social enlightenment to promote entrepreneurial values and related sociological qualities among non-traditional entrepreneurial classes.

Social psychologists, on the other hand, associate entrepreneurship with certain psychological characteristics and traits that members of a society exhibit. These traits include need for achievement (McClelland, 1961), propensity to take risk, and locus of control (Brockhaus, 1982) and so on. Policy implications stemming from this view
have emphasized the provision of rigorous training to particular individuals in order to instill the psychological qualities necessary for entrepreneurial success. For example, McClelland (1961) argued that the “urge to achieve” is shared across different social groups subject to the condition that the members of such groups develop their entrepreneurial competency.

THE THEORITICAL PERSPECTIVES

Entrepreneurship was developed in a systematic way since the beginning of the industrial revolution in Europe. Many scholars have taken multiple approaches to the study of entrepreneurial development. They all have differed in their approaches and it was understood that no single factor was attributed to the emergence of entrepreneurship.

However, there have been efforts to bring out few variables to analyze entrepreneurship. For instance, ethical values (Spirit) are said to be dominant factors for the growth of capitalism, i.e., entrepreneurial behaviour (Max Weber). Minority group morale and status withdrawal is said to be the cordial principle for entrepreneurial development (E. Hagen). Psychological need for achievement motivation (David McClelland) is said to be responsible for accomplishing industrial development. Boulding and Hoselitz argued that it is the political system which determines the happening of entrepreneurship. For a few others exposure to new ideas and opportunities (Tripathi and Sharma) explain the occurrence of entrepreneurship. Thomas Tim berg and K.L. Sharma postulate the importance of family background in the development of entrepreneurship. However, it must be said that the few variables as have been suggested by various authors are not the only causative factors. The stress is on the point that these variables are the important ones out of several variables.

Out of a large number of theories having a bearing on entrepreneurial characteristics, behaviour and competency, a two-fold categorization has been made for the purpose of the present study. In the first category are the theories which fall within the realm of psychology and in the second category is the theories having sociological basis. Those
advocated psychological theories include J.A. Schumpeter, D.McClelland, E.Hagen and John Kunkel. The theories having sociological orientation are postulated by Max Weber, Cochran, Frank Young and Hoselitz.

PSYCHOLOGICAL THEORIES OF ENTREPRENEURSHIP

J.A. Schumpeter (1947) has given a model of economic development. According to Schumpeter, entrepreneurs renew the economic activities by introducing new ideas, new processes, new products and services for the development of an economy.

McClelland found high correlation between the need for achievement motivation (n/ach) and successful economic activities in his study of motivational orientation. He has viewed that Jains and Parsis in India progressed economically due to high degree of their need for achievement motivation as a result of their child rearing practices. K.L. Sharma explains that McClelland comes closer to Weber when he takes legends, child rearing practices and ideologies as factors generating need for achievement motivation because these reflect ethical values too. McClelland tries to relate motivation directly with entrepreneurship assuming that it is the immediate cause of the entrepreneurship.

Hagen stated that the disadvantaged minority group is mostly the source of entrepreneurship. He argues that the forces of disruption against the stability of traditional society will be powerful to have creative personalities. The ‘withdrawal of status respect’ may occur when a traditionally alike group is displaced by force from its previous status by another traditional group, or when any superior group changes its attitude toward a subordinate group, or on migration to other place or a new society.

The historical views imply that entrepreneurs are not equally distributed in the
population, and the minorities, on the basis of religion, ethnic, migration or displaced elites have provided most of the entrepreneurial talent but not all the minority groups are the sources of entrepreneurship.

However Kunkel argues that the marginal situation is not the guarantee for the growth of entrepreneurship. There must be some additional significant factors at work. Kunkel’s model suggests that entrepreneurial behavior is a function of the surrounding social structure and it is influenced by manipulable economic and social incentives. Therefore, his model is based upon experimental psychology but identifies sociological variables as the determinants of entrepreneurial growth.

**SOCIOLOGICAL THEORIES OF ENTREPRENEURSHIP**

Max Weber analysed religion and its impact on economic aspect of the culture. According to him, religious beliefs are the driving force for generating entrepreneurial activity. The beliefs play a very crucial role in determining the future course of action on the entrepreneurs. He observed that the spirit of entrepreneurial growth depends upon a specific value orientation of individuals and it is generated by ethical values. His observations were based on the relationship that he found between protestant ethic and the spirit of capitalism. It was also found to be true in the Indian context of communities.

But in the Indian context, Tripathi observes that the commercial development of Jains is not due to their ethic but it is due to their emergence from Hindu Vaishya, i.e. the traditional commercial community in India. He also disagrees that caste has restriction on people of non-business strata to enter manufacturing as he observes that several Brahmins have entered into manufacturing concerns. Therefore Weber’s model is not adequate to explain or to analyse the entrepreneurship in Indian situation as it is developed from the
western social system.

Young’s theory of entrepreneurship is a theory of change based on society’s incorporation of reactive sub-groups. According to Young’s theory, entrepreneurship emerges in a group if the following conditions coincide:

- when a group experiences low status recognition;
- when they are denied of access to important social networks;
- when the group has better institutional resources, than other groups in the society at the same level, then the entrepreneurship emerges.

Tripathi observes that the common factors between Parsi and Hindu entrepreneurs was not the religious values but their exposure to new ideas and values. K.N. Sharma explains the process of entrepreneurial spread by analyzing the differential responses of the social groups to the opportunities provided by the commitment of the political system to industrialization. Both of them agree on the ideology that exposure to new ideas leads to entry in manufacturing and success therein. But they differed on emphasizing the traditional collectivities and group affinities based on religion, region and caste (K.N. Sharma) and formal education (Tripathi).

**APPROACH OF THE STUDY**

Early research into entrepreneurship often focused on the psychological characteristics of entrepreneurs. Trait approaches were often employed, and long lists of entrepreneurial traits were identified.

Studies have held that the potential entrepreneur can be identified through the examination of key attitudes and intentions (Carsrud and Krueger 1995; Krueger and Brazeal 1994; Krueger 1995). Empirical studies show that intention is the single best

But it was held by different studies that entrepreneurial potentials are not found with all individuals (Learned 1992). Shapero (1981) introduced the notion of entrepreneurial potential. According to him, potential entrepreneurs surface and take the initiative when an attractive opportunity presents itself. Individuals perceive opportunities. For an opportunity to be seized, someone must first recognize it as a personally viable opportunity. When potential entrepreneurs and opportunities coincide, entrepreneurial behavior may take place, and a new firm can be founded. Thus, the joint occurrence of two events is critical for the emergence of entrepreneurship and as a result creation of a new firm. The first is the presence of an opportunity suited for a new firm and the second is a person who is able and willing to take advantage of an entrepreneurial opportunity. Hence, before there can be an entrepreneurship, there must be an individual who is competent for entrepreneurship, whether in a community seeking to develop or in a large organization seeking to innovate (Krueger and Brazeal 1994).

Measures of entrepreneurial potential often relate to various personality profiles and demographic characteristics with minimal predictive validity (e.g. Carsrud et al. 1993). It is surprisingly difficult to distinguish entrepreneurs from non-entrepreneurs. It is even more difficult to differentiate the potential entrepreneur, if we rely on personality or demographic data. Although it has been claimed that personality factors have the least predictability, yet there are good number of studies to prove that personality factors or characteristics or otherwise known as competency, could well be used to predict entrepreneurship in a given group.

The influence of an entrepreneur is addressed by the competency approach from a process or behavioral perspective. Entrepreneurial competencies are considered a higher-level characteristic encompassing personality traits, skills and knowledge, and therefore can be seen as the total ability of the entrepreneur to perform a job role successfully.

According to Bird (1995), competencies are seen as behavioral and observable but only partly intrapsychic characteristics of an entrepreneur. Consequently, competencies
are changeable and learnable, allowing intervention in terms of the selection, training and development of entrepreneurship.

The main advantage of using this approach is that it offers us a way to investigate entrepreneurial characteristics that have long-term effects and closer links to organizational performance. Twenty five major areas of entrepreneurial competencies are identified for the present study which include: Concern for high quality, Self confidence, Locus of control, Dealing with failures, Tolerance for ambiguity, Self esteem, Performance, Initiative, Sees and acts on opportunity, Persistence, Assertiveness, Need for achievement, Need for autonomy/power, Risk-taking, Drive and energy, Innovation, Creativity, Information seeking, Systematic planning, Problem solving, Persuasion, Goal setting & perseverance, Communication ability, Technical knowledge and Social skills.

We have examined previous empirical studies in entrepreneurial competencies in an attempt to categorize all of the identified competencies into relevant activities or behavior in business start up and its sustenance. Consequently, twenty five competencies are identified for this study and they are grouped in to attitudinal, behavioral and managerial competency domains for the purpose of analysis and reporting.

THE COMPETENCY MODEL OF THE STUDY

The competency model of the present study consists of two sections. The first section (Table II.1) deals with the main theme of the study namely entrepreneurial competencies and the second section (Table II.2) deals with the antecedents of entrepreneurial competencies.
### Table II.1
Entrepreneurial Competency Dependent Variables (Domain wise)

<table>
<thead>
<tr>
<th>Attitudinal Competency</th>
<th>Behavioural Competency</th>
<th>Managerial Competency</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. Self Confidence</td>
<td>B1. Initiative</td>
<td>M1. Information seeking</td>
</tr>
<tr>
<td>(S2, S9, S16, S23, S30)</td>
<td>(S36, S46, S56, S66, S76)</td>
<td>(S86, S93, S100, S107, S114)</td>
</tr>
<tr>
<td>(S6, S13, S20, S27, S34)</td>
<td>(S37, S47, S57, S67, S77)</td>
<td>(S87, S94, S101, S108, S115)</td>
</tr>
<tr>
<td>(S4, S11, S18, S25, S32)</td>
<td>(S38, S48, S58, S68, S78)</td>
<td>(S88, S95, S102, S109, S116)</td>
</tr>
<tr>
<td>Ambiguity (S5, S12, S19, S26, S33)</td>
<td>(S39, S49, S59, S69, S79)</td>
<td>(S89, S96, S103, S110, S117)</td>
</tr>
<tr>
<td>A5. Performance</td>
<td>B5. Need for achievement</td>
<td>M5. Goal setting &amp;</td>
</tr>
<tr>
<td>(S7, S14, S21, S28, S35)</td>
<td>(S40, S50, S60, S70, S80)</td>
<td>Perseverance</td>
</tr>
<tr>
<td>Quality (S1, S8, S15, S22, S29)</td>
<td>(S41, S51, S61, S71, S81)</td>
<td>(S91, S98, S105, S112, S119)</td>
</tr>
<tr>
<td>(S3, S10, S17, S24, S31)</td>
<td>(S42, S52, S62, S72, S82)</td>
<td>(S92, S99, S106, S113, S120)</td>
</tr>
<tr>
<td></td>
<td>B8. Drive and energy</td>
<td>M8. Social skill</td>
</tr>
<tr>
<td></td>
<td>(S43, S53, S63, S73, S83)</td>
<td>(S121, S122, S123, S124, S125)</td>
</tr>
<tr>
<td></td>
<td>B9. Innovation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(S44, S54, S64, S74, S84)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B.10. Creativity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(S45, S55, S65, S75, S85)</td>
<td></td>
</tr>
</tbody>
</table>

Note:

1) Alphabets like A1 to A7 refer to attitudinal competency attributes; B1 to B 10 refer to behavioral competency attributes and M1 to M 8 refer to managerial competency attributes.

2) Alphabets like S1, S2, S3 to S 125 indicate the serial number of the relevant statement in the questionnaire and so on.

The first section is the core area of the study and it is composed of twenty five dependent variables. The second section consists of two set of antecedents of entrepreneurial competency independent variables. The first set of independent variables deals with community of the respondents and second set deals with thirteen other demographic independent variables.

In the first section, as shown in table 1, the entrepreneurial competency variables are grouped under three domains namely attitudinal, behavioural and managerial competencies.
These domains are basically concerned with the nature of attitudinal strength, the nature of behavioural pattern and the nature of managerial capability of the entrepreneurs.

The first domain attitudinal competency consists of seven attributes. These variables constitute the building up of the attitudes of entrepreneurs. The second domain of the entrepreneurial competency deals with the behavioural pattern of the entrepreneurs. The behavioural competency includes ten variables. The third domain, namely managerial competency, consists of eight dependent variables and they are used to assess the nature of managerial competency among the entrepreneurs.

Each entrepreneurial competency dependent variable was tested in the light of five dimensions (statements) to elicit the respondent’s opinion in order to assess the nature of such attribute among the entrepreneurs between backward and other community entrepreneurs in the presence of demographic variables. The five statements included one negative statement in order to cross check the correctness of the respondent’s opinion.

The second section deals with the community (caste or the social group to which they belong) and other demographic characteristics of the respondents as given in table II.2. The sample respondents of the study were classified in to Scheduled cast/scheduled tribe, Most backward casts, Other backward casts and Other casts. Further these castes were divided in to two community groups namely socially and economically backward communities on the one side and other communities on the other side. The respondents who belong to Scheduled cast/Scheduled tribe and Most backward casts were further grouped under Socially and economically backward communities, herein after it will be called backward community group. Other community group included respondents belonging to Other backward casts and Other casts including Muslim and Christian respondents. The research study is basically aimed at evaluating the entrepreneurial competencies among socially and economically backward communities in Chennai city. Since the study is basically concerned with the entrepreneurial competency of the backward community groups, the other community group is included as a control group of the study. The community variable was identified as the main independent factor to find out its effect on
the entrepreneurial competency among the entrepreneurs of different social groups. An attempt is made in the present study to evaluate the impact of community factors on the attitudinal, behavioural and managerial competencies of the entrepreneurs.

Table II.2
Antecedents of Entrepreneurial Competencies

<table>
<thead>
<tr>
<th>Community factor</th>
<th>Demographic factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Main Independent Factor)</td>
<td>(Other Independent Factors)</td>
</tr>
<tr>
<td>Backward Community Group</td>
<td>1. Age</td>
</tr>
<tr>
<td>Sc/St</td>
<td>2. Religion</td>
</tr>
<tr>
<td>Mbc</td>
<td>3. Marital status</td>
</tr>
<tr>
<td>Obc</td>
<td>4. Type of the family</td>
</tr>
<tr>
<td>Others</td>
<td>5. Nature of education</td>
</tr>
<tr>
<td>Community Group</td>
<td>6. Educational qualification</td>
</tr>
<tr>
<td>Others</td>
<td>7. Nativity</td>
</tr>
<tr>
<td></td>
<td>8. Previous experience</td>
</tr>
<tr>
<td></td>
<td>9. Nature of previous experience</td>
</tr>
<tr>
<td></td>
<td>10. Training in entrepreneurship development programme</td>
</tr>
<tr>
<td></td>
<td>11. Family members or friends in engaged in business activities</td>
</tr>
<tr>
<td></td>
<td>12. Support from such family members or friends in business</td>
</tr>
</tbody>
</table>

Note: Sc/St: Refers to Scheduled caste/Scheduled tribe
Mbc: Refers to Most Backward caste
Obc: Refers to Other backward caste
Others: Refers to Other castes

The present study seeks to understand the influence of the antecedents of entrepreneurial competencies that have received attention in the entrepreneurship literature. In her proposition towards a “Theory of Entrepreneurial Competencies”, Bird (1995) suggests that it is worth looking at education, prior work experience, and industry experience as factors that could influence the development of entrepreneurial competencies. A number of studies support this view. For example, Chandler and Jansen (1992) found that education, to some extent, contributes to the development of the competencies of business founders. Krueger and Brazeal (1994) indicate that prior work experience could potentially improve one’s skills and abilities, particularly in recognising business opportunities. Maxwell and Westerfield (2002) argue that an entrepreneur’s innovativeness, which is an aspect of his/
her competencies, depends largely on the level of his/her formal education as well as prior managerial experience.

Building on these arguments, the present study also tests for the influence of the twelve other demographic characteristics as given in table II. 2 on entrepreneurial competencies of the respondents.

COMPONENTS OF ENTREPRENEURIAL COMPETENCIES

ATTITUDINAL COMPETENCY ATTRIBUTES

An attitude is a hypothetical construct that represents an individual’s degree of like or dislike for something. Attitudes are generally positive or negative views of a person, place, thing, or event. Attitudes are judgments of an individual. ‘Attitudinal Competency’ is the ability to select, maintain or adapt one’s best attitudes for the present. Behaviour in a given situation can be viewed as a function of the individual’s attitude towards the situation.

Self Confidence

Self-confidence is an essential trait in an entrepreneur because he is regularly called upon to perform tasks and make decisions that require great amounts of faith in himself. He needs to have a strong but realistic belief in himself and his ability to achieve the predetermined goals.

Self Esteem

Self-esteem of an entrepreneur represents his ability to develop healthy confidence and respect for himself. He feels confident for being capable for life, able and worth or to feel right to achieve happiness. An entrepreneur respects himself and defends his own interest and needs.
Dealing with Failures

Entrepreneurship is about getting up whenever the business fails, and learning from that failure. An entrepreneur believes that failure is part of the entrepreneurial process, and often without it, success would not be possible. Further he is able to make mistakes, learn from them, and quickly recovers and changes his direction and moves into the future.

Tolerance for Ambiguity

In the entrepreneurial process tolerance for ambiguity refers to the ability of an entrepreneur to perceive ambiguous situation as desirable, challenging, and interesting and neither denies nor distorts their complexity of incongruity.

Performance

A successful entrepreneur perceives that his performance is different from others. He believes that it is his high performance which ultimately differentiates him from low performers.

Concern for high quality

An entrepreneur perceives concern for high quality of his products and services to meet or surpass existing standards of excellence in a faster, better and cheaply. By doing this an entrepreneur remains ahead of others in the market place.

Locus of Control (LOC)

Locus of control is the system of belief of an individual who perceives the outcome of an event as being either within or beyond his personal control. Entrepreneurs tend to believe in their own ability to control the outcomes to their efforts by influencing the existing environment, rather than leave everything to luck. They strongly believe that they can shape their own destiny.
BEHAVIORAL COMPETENCY ATTRIBUTES

Behavioral competency of an entrepreneur refers to the underlying characteristics having casual relationship with effective or superior performances in the process of carrying on his business activities. The following attributes are tested in order to assess and find out the nature of behavioural competency among the respondents.

Initiatives

Initiative of an entrepreneur refers to his behavior with a preference for taking action on different responsibilities or assignments. It further denotes that he is able and willing to do more than what is required or expected of him in a job.

Sees and Acting on Opportunities

Sees and acting on opportunities refers to the unique entrepreneurial behavior which helps him to be alert to information and ability to process it in order to identify and recognize the potential business opportunities even before his competitor.

Persistence

Persistence of an entrepreneur denotes the ability which keeps him constantly motivated even when he is confronted by obstacles that seem insurmountable and willing to keep trying when things go wrong, and accepts that, ultimately, it is he who has to make his dream come true. Entrepreneurs seldom give up when things are not going well.

Assertiveness

Assertiveness of an entrepreneur is about his behavioral aspect that affirms his rights or point of view without either aggressively threatening the rights of others (assuming a position of dominance) or submissively permitting others to ignore. Successful entrepreneurs for the most part are assertive.
Need for achievement

Successful entrepreneurs are characterized by a need for achievement which motivates them to take up responsibilities for finding solutions to problems. Further this quality helps them to set challenging goals for themselves, assume personal responsibility for the goal accomplishment and they are highly persistent in the pursuit of these goals.

Need for autonomy

The need for autonomy of an entrepreneur is characterized by a drive to control and influence others, a need to win arguments, a need to persuade and prevail. Research studies had asserted that strong need for autonomy/power/control/influence usually will let the enterprises in to trouble because doctorial, adversarial, and domineering styles make it very difficult to attract and keep people who thrived on achievement, responsibility and results. Therefore successful entrepreneurs have high need for achievement while low need for power.

Risk-taking

Entrepreneurs are essentially persons who take decisions under uncertainty and therefore they are willing to bear risk. Entrepreneurs are usually moderate risk takers. However, successful entrepreneurs will always prefer to take on those risks that they can manage.

Drive and energy

Entrepreneurs are driven to succeed and expand their business. They are always on the move, full of energy and highly motivated. They are driven to succeed and have an abundance of self motivation.

Innovation

Innovation refers to the behavior pattern of an individual who has interest and desire to seek changes in techniques and ready to introduce such changes into his operations when practical and feasible.
Creativity

An entrepreneur is said to be creative when he is able to identify a gap in the market and think up a product or service to meet that gap. Creativity of an entrepreneur also implies the ability to do old thinks in a new way or able to give new solutions.

MANAGERIAL COMPETENCY ATTRIBUTES

Managerial Competency of an entrepreneur is the ability to direct his staff and define the expected outcomes clearly and finally to get the things done at the best and cheapest ways and means. Managerial competency is an approach to managing others and to ensure optimal use of available resources in meeting organizational objectives on a sustained basis.

Information seeking

An entrepreneur has an urge to look for the required information in order to make an informed decision, for example, selecting, starting and successfully managing the desired business. This calls for the entrepreneurs to personally seek and obtain information that is required to enable him make decisions and improve knowledge on his/her business.

Systematic planning

An entrepreneur is expected to have systematic planning which will help him to prepare an action plan for every area of operation in order to achieve the pre determined goals.

Problem solving

Problem solving refers to the application of appropriate knowledge and skills in order to solve a problem arising while carrying on the business. It requires an entrepreneur to have creative thinking in order to understand the various techniques involved in resolving different problematic issues of a business.
**Persuasion**

Persuasion in entrepreneurship refers to the ability of entrepreneurs to link, convince and influence other individuals, groups, agencies, creditors, debtors, customers and even competitors in order to create a contact and maintain good rapport.

**Goal setting & Perseverance**

Goal setting refers to the ability of an entrepreneur to set clear and specific goals and objectives. Successful entrepreneurs are able to achieve great things only by overcoming the obstacles that stand in their way. Therefore they need to have perseverance which implies commitment, hard work, and patience, endurance apart from being able to bear difficulties calmly and without complaint.

**Communication Skill**

Communication skill refers to the ability of an entrepreneur to transfer ideas, plans, policies and programmes to employees, debtors, creditors, customers and everyone who is connected with the business in order to inform, influence and to express his feelings.

**Technical knowledge**

An entrepreneur needs to address the rapid technical changes in the industry. Higher levels of technology must be introduced in the production methods in order to achieve productivity demands. Therefore he must up date his technical knowledge in order to serve customers quickly and more effectively.

**Social skill**

Social skill of entrepreneurs include social perception (the ability to perceive others accurately), expressiveness (the ability to express feelings and reactions clearly and openly), impression management (skill in making favorable first impressions on others), and social adaptability (proficiency in adapting one’s actions to current social contexts) in the process of managing his business.
REVIEW OF EARLIER STUDIES

The literature on entrepreneurship throws light on many issues of entrepreneurship. Some of them have made attempt to throw light on what enabled certain classes of people to transform themselves into an industrial class. Some scholars have made attempts to explore the emergence of entrepreneurship among different casts and religions in India. There is growing also a concern for the emergence of entrepreneurship among backward communities in India. Therefore it would be meaningful to examine the earlier studies in the area of entrepreneurship in connection with the various qualities that are required for an entrepreneur to be successful in his entrepreneurial career particularly for backward.

This section presents a detailed discussion on the various studies conducted on the area of entrepreneurial competency.

Gokulanathan P.P(1979)\textsuperscript{1} on his work on “Achievement related motivation among tribal adolescent pupil” states that higher level of achievement motivation was significantly higher in tribal than non-tribal pupils. A probable explanation for the higher levels of need for achievement behavior among the tribal pupil was their socio-economic and cultural backwardness of these groups and their expanding expectations in the changed and the changing contexts of free India. The higher level of achievement motive was looked up on as an urge to improve their living conditions.

Viral Acharya et.al.\textsuperscript{2} analyses in their paper to identify a model for selection of rural entrepreneurs for the different rural entrepreneurship based businesses, that the characteristics of entrepreneurs, which found direct relationships between the need for achievement, locus of control and risk taking propensity with success in most cases. Again, the entrepreneurial characteristics required to launch a business successfully are often not those required for its growth and even more frequently not those required to manage it once it grows to considerable size. In other words, the role of the entrepreneur

\textsuperscript{1} Achivement Related Motivation Among Tribal Adolescent Pupiles.Himalaya Publishing House –p.118.
\textsuperscript{2} http://www.ifmr.co.in/library/what-determines-entrepreneurial-success-a-psychometric-study-of-rural-entrepreneurs-in-india/
needs to change with the business cycle as it develops and grows. Keeping in mind these constraints, the objective of this paper is to identify and, eventually, provide a model for selection of rural entrepreneurs for the different rural entrepreneurship based businesses. In particular, the existing rural entrepreneurs of Dirshtee have been analysed for their psychometric characteristics, thus laying the foundation to building a model for their selection strategy.

Dr. Shradha Shivani et al3 observes that the socio-cultural factors influence the entrepreneurial behaviour. However, It was also observed that the nature and the influence of such factors with an appropriate structural interventions can make all these sociocultural attributes to play a favorable role for the growth of entrepreneurship in the Indian society.

Tapan K. Panda(2002)4 in his paper based on the empirical research research conducted in four Indian states on industrial units which are often categorised under the small-scale sector made an attempt to explain the relationship that exists among various socio-economic variables with different success levels among the enterprises. He has found that there are associations between the success levels of an enterprise with factors like technical education of the entrepreneur, occupational background of parents, previous background of the entrepreneur and capability to arrange working capital.

Ajay Thapa et al (2008)5 have revealed many facts concerning the socio-economic and motivational factors affecting street entrepreneurship. It was found that among many socio-economic and motivational factors, size of initial investment, number of workers, family business and promising demand of product/services were some of the major determinants of street entrepreneurial success.

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3 Structural Interventions for favourable Socio-Cultural Influences on Indian Enterprises, www.fordham.edu/economics/vinod/docs/shivani-pap.doc
4 Entrepreneurial Success and Risk Perception among Small-scale Entrepreneurs of Eastern India, India Indian Institute of Management, Lucknow Journal of Entrepreneurship September 2002 vol. 11 no. 2 173-190
Kumara, S. A. Vasantha; Kumar, Y. Vijaya (2010)\(^6\) have undertaken a study to identify the entrepreneurial competencies and self-employment intentions of pre-final year students of an engineering college. They have used Entrepreneurial Competencies Index (ECI) and a Self-Employment Intentions Index (SEI) and identified prospective entrepreneurs as those who scored high in both competencies and intention. Using correlation coefficients and chi-square tests of relationships, it was found that demographic factors have little influence on entrepreneurial competencies.

Xiang Li (2009)\(^7\) The research was conducted among the business owners and the managers to test the hypothesis that the entrepreneurs generally possess higher level of entrepreneurial competencies than the non-entrepreneurs, and the entrepreneurs and the non-entrepreneurs can be discriminated based on their entrepreneurial competency level. By employing discriminant analysis, it was found that the business owners generally possessed higher level of entrepreneurial competencies than the managers, and further, the findings stated that the business owners and the managers can be discriminated based on their entrepreneurial competency level, which supported their hypothesis.

K.R.G. Nair & Anu Pandey (2006)\(^8\) examined the socio-economic and attitudinal characteristics of entrepreneurs on the basis of primary data for the state of Kerala. The result indicates that business acumen neither runs in families nor was there evidence that religion had an impact on entrepreneurship. The economic status of the family, age, technical education/training and work experience in a similar or related field favored entrepreneurship. In comparison to the rest of the population, entrepreneurs tend to be more innovative in their attitude, but did not have greater faith in the internal locus of control.

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\(^6\) Examining entrepreneurial competencies and their relationship to self-employment intentions among engineering students: A case study from India. *Industry and Higher Education*, Volume 24, Number 4, August 2010, pp. 269-278(10)

\(^7\) A Master Thesis submitted on Entrepreneurial Competencies as an Entrepreneurial Distinctive: An Examination of the Competency Approach in Defining Entrepreneurs. Singapore Management University

\(^8\) Characteristics of Entrepreneurs, *Journal of Entrepreneurship January 2006 vol. 15 no. 1* 47-61
Ejaz Ghani, William R. Kerr and Stephen O‘Connell (2011) in their working paper have analyzed the spatial determinants of entrepreneurship in India in the manufacturing and services sectors. Among general district traits, quality of physical infrastructure and workforce education were the strongest predictors of entry, with labor laws and household banking quality also playing important roles. Looking at the district-industry level, they found extensive evidence of agglomeration economies among manufacturing industries. In particular, supportive incumbent industrial structures for input and output markets were strongly linked to higher establishment entry rates.

UNO Conference Paper (2004) The paper discussed that the governments can promote entrepreneurship through information programmes to build awareness of the opportunities afforded through entrepreneurship. It further discussed that they could introduce people to existing economic incentives for entrepreneurial activities and motivate them to take advantage of them. The more entrepreneurial opportunities are recognized, the more likely they are to be pursued. The paper concluded that the promotion of entrepreneurship rests on two primary pillars: strengthening of entrepreneurial skills and improvement of entrepreneurial framework conditions. These two pillars should be considered as an interlinked set of policies for the following reason: on the one hand, entrepreneurs do not act in a vacuum, but whether and how they use their skills and motivations to transform business ideas into profit opportunities is shaped by existing framework conditions. On the other hand, entrepreneurial behaviour can always be traced back to individuals and their entrepreneurial attitudes, skills and motivations. Experience showed that when these attitudes and skills exist, adverse framework conditions cannot totally suppress them, and individuals will seek to find ways that allow them to capitalize on their ideas.

Dawn R. Detinne and Gaylen N. Chandler [2004]\textsuperscript{11} stated that Opportunity identification represents a unique entrepreneurial behavior yet its processes and dynamics remain mysterious. Entrepreneurial alertness, a distinctive set of perceptual and information-processing skills, has been advanced as the cognitive engine driving the opportunity identification process.

Hermann Brandstätter\textsuperscript{12} has predicted that, owners who had personally set up their business were emotionally more stable and more independent than owners who had taken over their business from parents, relatives, or by marriage. The personality characteristics of people interested in setting up their own business were similar to those of the founders. In addition, independent and emotionally stable business owners were more satisfied with their roles as entrepreneurs and with the success of their business, preferred internal attributions of the business outcome and were more inclined to expand their business.

Cheskin\textsuperscript{(2000)}\textsuperscript{13} has observed in his empirical study that men and women differ significantly in their networking skills. Men spend more time networking in order to further their business goals than do women. This doesn’t necessarily indicate that women are less social. In fact women value their ability to develop relationships. It may be that men integrate business into their social lives more than women do. Women and men shared the same motivations driving them in their entrepreneurial pursuits. Further successful women and men have agreed on and embody a majority of attributes associated with entrepreneurs which included persistence, a positive attitude, creativity, and vision. However women value courage, independence, strength, and fearlessness more highly than men do. These value differences are likely a reflection of the attitudes women have had to maximize in order to succeed in the business world.


\textsuperscript{13} “Women Entrepreneurs Study” A Joint Research Project by Cheskin Research Santa Clara University Center for Innovation & Entrepreneurship The Center for New Futures January 2000
Benjamin James Inyang and Rebecca Oliver Enuoh (2009) have presented in their research paper that there was a high rate of entrepreneurial failure among their respondents despite the provision of various supports from the governments. The missing links to successful entrepreneurship were identified to be entrepreneurial competencies, defined as the cluster of related knowledge, attitudes, and skills which an entrepreneur must acquire or possess to enable him produce outstanding performance and maximize profit in the business. These entrepreneurial competencies were the critical success factors to entrepreneurship, and they deserve serious consideration in entrepreneurial discourse and not to be neglected.

Aderemi Ayila Alarape, (2007) made an attempt to find out the impact of owners/managers of small businesses participating in entrepreneurship programs on operational efficiency and growth of small businesses. It was found that those owner-managers of small businesses who had undergone training in entrepreneurship programs have exhibited superior managerial practice and venture growth when compared to owner-managers who had not undergone such training programmes.

Siwan Mitchelmore and Jennifer Rowley (2010) had undertaken a literature review of research on entrepreneurial competence in order to provide an integrated account of contributions relating to entrepreneurial competencies by different authors working in different countries and different industry sectors and at different points in time; and, develop an agenda for future research, and practice in relation to entrepreneurial competencies. After a lengthy examination various literature in the field of entrepreneurial competencies, he suggest that although the concept of entrepreneurial competencies has been used widely by government agencies and others in their drive for economic development and business successes, the core concept of entrepreneurial competencies, its measurement and its relationship to entrepreneurial performance and business success is in need of further rigorous research and development in practice.

14 Entrepreneurial Competencies: The Missing Links to Successful Entrepreneurship in Nigeria” The journal of International business research, volume 2, No.2, april, 2009
Chitramani.P\(^{17}\) presents the results of competency mapping among 100 entrepreneurs drawn from small and medium scale enterprises has highlighted 22 competencies, identified from the Entrepreneurial Competency Inventory, as to their and the relevance to the performance differences in the service and manufacturing sector. It was further insisted that in a competitive environment today, organizations have no option but to become more technology-driven, customer-focused, quality-centered, cost-effective, systems driven and managerially effective. One of the pathways to ride out the storms of competition is through unleashing the entrepreneurial spirit latent.

Charles Cox and Reg Jennings (1995)\(^{18}\) had collected data about the characteristics that determine the successful performance of Individuals entrepreneurs. The data included information on such issues as early formative experiences, significant career events, motivation, personality and values. They identified three groups of entrepreneurs namely élite independent entrepreneurs, élite modal entrepreneurs and modal entrepreneurs or intrapreneurs. On further enquiry about their characteristics, it was found that the members of all three groups do, of course, have much in common. They all work very hard and for very long hours. They are intrinsically motivated by interest in, and enjoyment of, their work and the sense of achievement it provides. Although many of them are very rich, most claimed that money was not their main motivator. They all see themselves as having good communication and decision-making skills. Much of this is not surprising as they are all attributes to be expected of successful managers. But it was also found that they had differences in respect of their innovation quality, risk-taking behavior.

The most fascinating finding was that, for those individuals who had to make their own way in the world, the process seems to start in early childhood. Successfully coping with extreme difficulties while very young seems to set a pattern of resilience and the ability not only to cope with, but also to learn from, adversity. It was this ability to learn

\(^{17}\) “Mapping Entrepreneurial Competencies in Manufacturing and Service Sectors”- journal of Asia entrepreneurship and sustainability, refered edition print issn 1177-4541 on line issn 1176-8592.

from their experience which they predicted to be the key attribute of these successful individuals.

**Todd J. Hostager et al. (1998)** studied the cause of environmental intrapreneurship by presenting a model that illustrates how ability, efficacy (perceived ability), motivation and desirability (perceived motivation) affect the performance of a key intrapreneurial task: seeing opportunities. Their model of environmental intrapreneurship adds further value for practitioners, consultants and scholars by addressing that efficacy perceptions on both a micro and a macro level (self-efficacy and collective efficacy); and the nature and effects of mutually reinforcing efficacy-performance spirals.

**Rebecca Abraham (1997)** has examined the relationships between the personality/cultural variables of vertical and horizontal individualism and collectivism, on the one hand, and the organizational criteria of intrapreneurship and organizational Commitment on the other. He suggested that horizontal individualism may explain intrapreneurship jointly with a supportive organizational climate. Vertical collectivism demonstrates a direct positive relationship with organizational Commitment.

**Colin Coulson-Thomas (1999)** in his research article he discussed that downsizing, cost-cutting and re-engineering were essentially negative activities. He emphasized for a shift to revenue generation and value creation. Also, customers increasingly demand tailored solutions and expect more imaginative responses to their particular requirements. In short, more entrepreneurial approaches are required.

There is scope for reconciling individual and corporate interests. Companies want to encourage, develop, release and retain entrepreneurial talent, while many aspiring and intending entrepreneurs could benefit from the support which corporations can

provide. Although relevant tools were available, training and development professionals were failing to encourage enterprise, develop entrepreneurs and support new corporate ventures.

Kojo Saffu(2003)\textsuperscript{22} in his comparative study explores the relevance and applicability of the characteristics of entrepreneurs espoused in the western entrepreneurship literature to indigenous entrepreneurs. Using South Pacific island countries as a case in point, the literature reviewed showed that culture impacts on the characteristics of entrepreneurs from these countries and accounts for differences between the characteristics of the Pacific island entrepreneurs and the characteristics found in the Western entrepreneurship literature. In the light of the influence of culture, perhaps a new list of characteristics that indigenous entrepreneurs in the South Pacific island countries required to succeed was warranted. An integrative model of cultural dimension and characteristics of Pacific island entrepreneurs was provided. Propositions were advanced for the study of culture as a moderating influence on entrepreneurial characteristics elsewhere, especially indigenous entrepreneurs from developing countries.

L.Louw, S.M.et al (2003)\textsuperscript{23} Discussed the levels of students’ entrepreneurial traits, to establish whether these traits were interrelated, and to determine the extent of the impact that demographic variables have on these entrepreneurial traits by applying a convenience sampling method. The study observed the best developed entrepreneurial traits among the respondents and it included ‘Competing against self-imposed standards’, Self-confidence and ‘Dealing with Failure’. Statistically significant relationships were also identified between the entrepreneurial traits of students and the tertiary institution attended, and students’ gender, race and age. Finally, the research findings have important implications for all stakeholders who were involved in entrepreneurship education and fostering of entrepreneurial ventures. It was believed that the entrepreneurial traits, which

\begin{footnotes}
\item[22] The role and impact of culture on South Pacific island entrepreneurs” International Journal of Entrepreneurial Behaviour & Research Vol. 9 No. 2, 2003 pp. 55-73 q MCB UP Limited 1355-2554 DOI 10.1108/13552550310461045
\item[23] “Entrepreneurial traits of under graduate students at selected South African tertiary institutions” International Journal of Entrepreneurial Behaviour & Research Vol. 9 No. 1, 2003 pp. 5-26 q MCB UP Limited
\end{footnotes}
seem to be underdeveloped, for any of the classification criteria (gender, institution, race, etc.). For example risk taking was an important entrepreneurial trait but it was the most underdeveloped among the respondents. Based on empirical evidence, it was found that students from different populations groups possess different entrepreneurial abilities. For example number sense was considered better developed by European students and whereas self-confidence and risk-taking were better developed among black students.

Raymond Dixon et al. (2005)\(^{24}\) has concluded that the Jamaican training academy managers believed that 39 of the 66 entrepreneurial competencies listed in the survey instrument were critically important or very important in order for instructors to function successfully in institution-based enterprises. The training academy managers also viewed the instructors' performances as commendable in over one-half of the entrepreneurial competencies. The data also revealed that a total of 18 competencies in all the categories need to be targeted for performance improvement. Those competencies targeted for improvement had importance index scores at or above the mean importance index score and performance index scores below the mean performance index score. From this study, it appears that the failure of some academy-based enterprises to produce goods and services on time may be due at least in part to instructors' deficiencies in planning and organizational competencies, such as the ability to assess risks and multi-task; lack of problem solving competencies, such as analytical skills or critical thinking skills; failure to use previous knowledge and experience to make proper decisions that relate to products, processes and services; or inability to prioritize problems. The findings indicated that some instructors were perceived to have low performance in the aforementioned competencies, despite the fact that these competencies were very important for the success of the institution-based enterprise.

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\(^{24}\) "The Critical Entrepreneurial Competencies Required by Instructors from Institution-Based Enterprises: A Jamaican Study" Journal of Industrial Teacher Education Editor: Dr. Robert T. Howell Bowell, Volume 42, Number 4
Thomas N. Garavan, Barra O’Cinneide, (1994)\textsuperscript{25} examined the design features of entrepreneurial programmes and the outcomes which accrued in terms of new projects, new ventures and employment considered six entrepreneurial education and training programmes for the development of potential entrepreneurs particularly in the area of high-technology/knowledge-based venture enterprises.

June M.L.Poon et al (2006)\textsuperscript{26} examined relationships among three self-concept traits, entrepreneurial orientation, and firm performance using survey data from 96 entrepreneurs by applying path analysis to test the direct and indirect effects of the trait variables on perceptual measures of firm performance. Entrepreneurial orientation - operationalized to reflect the dimensions of innovativeness, pro activeness, and propensity to take risks - was used as the mediating variable for explaining the relationship between self-concept traits and firm performance. The results indicated that internal locus of control was positively related to firm performance, and entrepreneurial orientation did not play a mediating role in this relationship. In contrast, generalized self-efficacy had no direct effects on firm performance; however, it influenced firm performance positively through its effect on entrepreneurial orientation. Finally, self-attributed achievement motive was not significantly related to entrepreneurial orientation or firm performance.

Hao Zhaol, Scott E. Seibert and G.T. Lumpkin (2010)\textsuperscript{27} conducted a set of meta-analyses to examine the relationship of personality to outcomes associated with two different stages of the entrepreneurial process: entrepreneurial intentions and entrepreneurial performance.

A broad range of personality scales were categorized into a parsimonious set of constructs using the Five Factor model of personality. The results showed that four of the Big Five personality dimensions were associated with both dependent variables, with agreeableness failing to be associated with either.

\textsuperscript{26} “Effects of Self-concept Traits and Entrepreneurial Orientation on Firm Performance” International Small Business Journal February 2006 vol. 24 no. 1 61-82
\textsuperscript{27} “The Relationship of Personality to Entrepreneurial Intentions and Performance: A Meta-Analytic Review” Journal of Management March 2010 vol. 36 no. 2 381-404
Multivariate effect sizes were moderate for the full set of Big Five personality variables on entrepreneurial intentions and entrepreneurial performance. Risk propensity, included as a separate dimension of personality, was positively associated with entrepreneurial intentions but was not related to entrepreneurial performance. These effects suggested that personality played a role in the emergence and success of entrepreneurs.

**Morris Boydston, Lisa Hopper Alan Wright (2000)** made an attempt to find Why small businesses were so fragile in their early years of operation? for a better understanding of the make-up of the small business owner in terms of personality, temperament, and character. After careful review, a few important characteristics: internal locus of control, confidence, independence, and tolerance to risk. Confidence, independence, and tolerance to risk were identified for testing. The research indicated that the small business owner entrepreneur was a person willing to take calculated risks, to be creative, to be independent, and to be flexible.

**Zhang Liyan** examined the Indian Entrepreneurship Education and expressed that to catch up with the pace of developed countries, India needs many entrepreneurs willing to make their businesses bigger. He has also observed that if students with high entrepreneurial potentials get proper training, they would have the best prospects for becoming “real” entrepreneurs. After all, entrepreneurship is a matter that involves everyone—the government, society, and the educational institutions. He suggested that entrepreneurship education in India’s higher education system must address the major obstacles in the pursuit of national economic development and employment.

**Jens M. Unger et al. (2011)** have integrated the results from three decades of human capital research in entrepreneurship. Based on 70 independent samples, the research has found a significant but small relationship between human capital and success. They examined theoretically derived moderators of this relationship referring

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29 “Entrepreneurship Education within India’s Higher Education System” www.asianscholarship.org/asf/ejourn/articles/zhang_l.pdf - Thailand
to conceptualizations of human capital, to context, and to measurement of success. The relationship was higher for outcomes of human capital investments (knowledge/skills) than for human capital investments (education/experience), for human capital with high task-relatedness compared to low task-relatedness, for young businesses compared to old businesses, and for the dependent variable size compared to growth or profitability.

**Gupta, and Vipin (2008)** have investigated the distinctive characteristics of entrepreneurship in India. Based on a review of both prior literature on the factor sequences and consequences associated with entrepreneurship, they challenged the assumption that entrepreneurship was not supported by Indian culture. Further by using process mapping methodology, they elaborated on the characteristics of five forms of entrepreneurship, by connecting their origins to historical phases. These phases include pre-1700 (Panchayati Raj), 1700-1950 (British Raj), 1950-1985 (License Raj), 1985-1995 (Jugaad Raj), and 1995-2010 (Invisible Raj). They have also discussed the emerging role of women as “cultural entrepreneurs,” being stewards of deep cultural knowledge.

**Keilbach, Max et al(2009)** provided unique insights into the relationships among entrepreneurship, innovation, and economic development, with in-depth comparison of Germany (developed world) and India (developing world). It was found that developed countries have scientifically evaluated the role of entrepreneurship on economic growth, market expansion, commercializing innovation, and reducing unemployment. The result showed consistently that regions or industries with higher rates of entrepreneurship had higher levels of innovation and economic growth. Consequently, most European and other developed countries were realizing the potential of entrepreneurship by introducing policy measures to strengthen their entrepreneurship capital. The literature on entrepreneurship and innovation, however, has largely ignored developing countries, despite the positive results from policy initiatives and new venture investments in India, China, and elsewhere.

31 An inquiry into the characteristics of entrepreneurship in India. Journal of International Business Research, 03/01/2008
Johanna Mair, Ignasi Martí (2006) have discussed social entrepreneurship, as a practice and a field for scholarly investigation, and further puts forward a view of social entrepreneurship as a process that catalyzes social change and addresses important social needs in a way that is not dominated by direct financial benefits for the entrepreneurs. Social entrepreneurship was seen as differing from other forms of entrepreneurship in the relatively higher priority given to promoting social value and development versus capturing economic value.

David Lingelbach and Paul Asel (2006) stated that entrepreneurship in emerging markets was distinctive from that practiced in more developed countries. Better understanding these distinctions was critical to private sector development in developing countries. It was found that the distinctions between growth-oriented entrepreneurs in developing and developed markets were rooted in the inefficiency of markets in many developing countries, but the response of entrepreneurs to these inefficiencies was often surprising and counterintuitive. The findings challenged the policy approaches to entrepreneurship development.

Narmatha et al. (2002) in their study on entrepreneurial behaviour of livestock farm women stated that innovativeness, achievement motivation and risk orientation were the most important components. And further, the component decision-making, innovativeness, management orientation, economic motivation, level of aspiration and risk orientation were found to be crucial in influencing the entrepreneurial behaviour.

CONCLUSION

The review of earlier studies provides an extensive insight into a wide area of knowledge including the emergence of entrepreneurial groups in different societies, economies, in different political and cultural settings across different countries. Studies have also made attempts to deal with issues like role of entrepreneurial personality, the composition of his knowledge, skills and competencies and the issues like antecedents of entrepreneurship. Some of the studies have also examined the relation between such antecedents of entrepreneurship and entrepreneurial competencies and firms performance in small and medium enterprises and so on.

Although a considerable amount of research was done on entrepreneurship and entrepreneurial competencies, yet the precise identification of entrepreneurial competencies remain elusive. Further, studies have not been conducted on entrepreneurial competencies among different social groups particularly the socially and economically backward communities in India in view of the changing social and economic conditions which warrant a wider participation of all sections of the society to take the advantage of all the developmental process. The present research makes an earnest attempt to fill this gap in the existing literature.