

# Entrepreneurial Competencies and Venture Performance: A Literature Review and Conceptual Development

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## Abstract

The linking of entrepreneurial characteristics with the business success has been the primary area of research in the field of entrepreneurship. The present study has highlighted that the competencies of an entrepreneur play an important role in shaping the fortunes of his enterprise. The various studies conducted on the subject have been thoroughly reviewed and an integrated view is presented. The present study concludes that there is a need to develop a broad based comprehensive entrepreneurial competency model incorporating all the business sectors. There is a need to assess the relationship between various kinds of entrepreneurial characteristics like personality traits and competencies and also, attempts should be made to study various antecedents of entrepreneurial competencies.

**Keyword:** Entrepreneur, Entrepreneurial Competency, Business Success

## Introduction

It is a wide-held belief that the capabilities of the persons operating and managing entrepreneurial ventures have a bearing on the success of those enterprises. The competency approach has become an increasingly popular means of studying entrepreneurial characteristics (Man, Lau, & Chan, 2002). The influence of an entrepreneur is addressed by the competency approach from a process or behavioural perspective. Competence is behavioural, observable,

and partly intra-psyche and therefore, offers strong relationship between individual differences and venture outcomes (Bird, 1995). McClelland (1973) is credited for the onset of competency movement. In his paper "Testing for competence, rather than for intelligence", he proposed that assessing competence is more important than assessing intelligence in recruiting employees, admitting new students to the colleges and predicting job performance. The concept of competence has its roots somewhere in the management literature. Competence became popular after work of Boyatzis (1982) on managerial competencies. In his model of managerial competencies, he proposed 21 discrete competencies organised into four clusters, which was based on the study of over 2000 managers working in 12 organisations. The model has included three different levels of each competency: unconscious motives and traits which are deep structures of psyche difficult to change, conscious self-image and role taking which are more mutable and under self-control and behavioural skills which are most changeable. Spencer and Spencer (1993) define 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. Competencies are exhibited through superior performance that means to identify a competency you have to look at a superior performer (McClelland, 1973). Competencies are the underlying characteristics of a person in that it may be a motive, trait, skill, self-images or social role, or a body of knowledge which he or she uses (Boyatzis, 1982). These definitions of the competencies do make it clear that competency is the total ability of a person which makes him/her competent or effective for a particular job or task.

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It is believed that competencies can be taught and learned and therefore, can be instilled in an individual and hence this approach leaves a scope for intervention in terms of training and development of entrepreneurs. The competencies thereby associated with the successful entrepreneurs can therefore, be identified and taught to the ones in need of it. The ever debated question regarding entrepreneurship that, whether entrepreneurs are born or made seems to get an answer from this approach. Primarily, the relevance of this approach lies in the fact that it involves a causal relationship with the outcome variable, that is, performance (Boyatzis, 1992). Since the competencies can be nurtured through training and development (Chandler & Jansen, 1992; Bird, 1995; Mitchelmore & Rowley, 2010), therefore the research into the understanding of the entrepreneurial competencies can be used to instill those competencies in the entrepreneurs hence to accelerate their growth (Churchill & Lewis, 1983).

## Entrepreneurial Competency

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 a person (Boyatzis, 1982). Entrepreneurial competencies are considered as 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. Man *et al* (2002) defined entrepreneurial competencies as the total ability of an entrepreneur to perform a job/role successfully. Entrepreneurial competencies are considered to be necessary for the survival and growth of a business (Bird, 1995). It is believed that mere possession of competencies does not necessarily make a person competent, rather they can only be demonstrated in ones behaviours and actions (Man, 2001), which means that it is an action based perspective of an individual's characteristic. The importance aspect of the competencies is that it can be observed in a particular behaviour displayed by an individual while engaging in a particular job, e.g. capabilities displayed by a teacher while teaching, by a sports man on the job and similarly by an entrepreneur in the entrepreneurial process. The concept of the competency is relatively new to the management and entrepreneurship literature. So, it has been often confused with skills, knowledge and is not well defined or not defined specifically at all (Mitchelmore & Rowley,

2010). It becomes imperative to conceptualise the concept fully more importantly in the context of entrepreneurship which is the area of interest here.

Entrepreneurial competencies are carried by the entrepreneurs (Bird, 1995), who lie in the centre of the debate and who create and carry the burden of success or failure of the organisations. Therefore, entrepreneurial competencies assume vital importance and for the present study they are defined as:

*“The underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles and skills which result in venture birth, survival, and/or growth (Bird, 1995; Boyatzis, 1982).”*

To describe it fully, it could be deduced from the Spencer and Spencer's (1993) “Ice Berg Model”, the underlying elements of competencies which include the following:

- **Motives** are the consistent thoughts or desires that cause a particular action. They impel behaviours toward certain actions or goals and not toward others. Example: Achievement motivation.
- **Traits** refer to the physical characteristics and consistent responses to situations. Examples: “reaction time and good eye sight of combat pilots”.
- **Self-concept** refers to an individual's attitudes, values and self-image. Example Self-confidence.
- **Knowledge** refers to a body of information a person has in specific content areas. Example: “A surgeon's knowledge of nerves and muscles in the human body”.
- **Skills** refer to the ability to accomplish a certain mental task such as analytical thinking and conceptual thinking or a physical task such as “a dentist filling a tooth without damaging the nerve”.

Further, the authors made a distinction between those which are skill-based and more visible and the others which are more abstract type as shown Fig. 1.

In entrepreneurship while assessing competence, the focus is on the individuals involved in launch, survival and growth of new venture (Bird, 1995). Due to the lack of separation between owner and manager in the small businesses, the entrepreneur in small businesses plays a multi-faceted role. Research suggests three different roles played by the entrepreneur i.e. the entrepreneurial role, the managerial role and the technical/functional role (Chandler & Jansen, 1992). Each role performed by an

entrepreneur requires the capability/competency on part of the entrepreneur to do well. It is indicative of the fact that there may be various types of competencies needed by

an entrepreneur. In the same vein, Bird (1995) suggested that distinction needs to be drawn between competency necessary to launch a venture (baseline competency) and those which contribute towards success (success competencies).

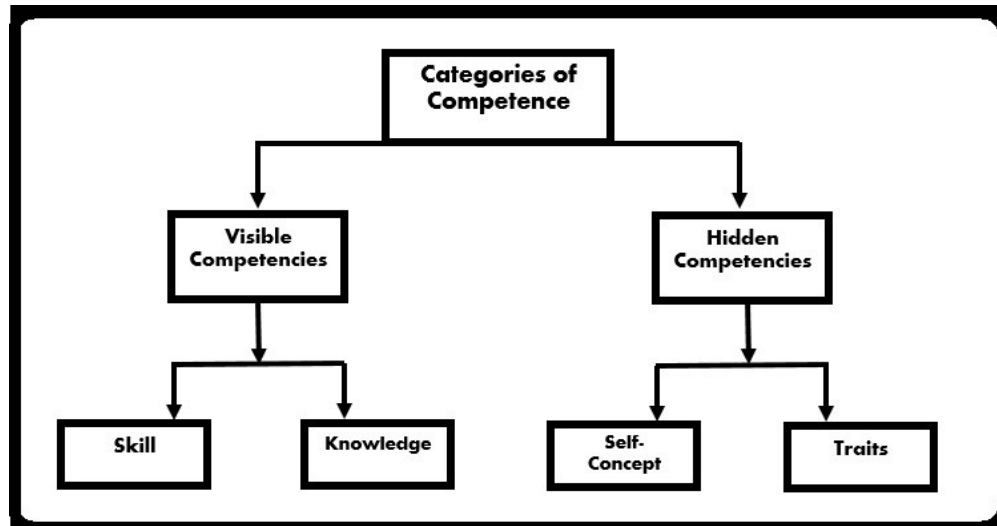


Fig. 1: Types/Categories of Competency

Source: Spencer and Spencer (1993)

## Entrepreneurial Competencies and Venture Performance

As the competency refers to the quality of action taken by entrepreneurs, it is directly related to venture outcome (Bird, 1995). One of the main drivers of research and practice relating to entrepreneurial competencies is their supposed association with the business performance and growth and thereby with the economic development (Mitchellmore & Rowley, 2010). The growing body of literature on this subject emphasizes on this fact that entrepreneurial competencies are strongly associated with the business performance (McClelland, 1987; Chandler & Jansen, 1992; Man, 2001; Baron & Markman, 2003; Man, Lau, & Snape, 2008; Kyndt & Baert, 2015).

One of the oldest and most acclaimed researches in this direction was that of McClelland (1987). The study was conducted in India, Malawi, and Ecuador with a purpose to assess and identify the competencies and other personal characteristics of entrepreneurs in these countries. The sample for the study included successful, average, potential and startup entrepreneurs. The study revealed that successful entrepreneurs differ from average entrepreneurs on many of the competencies. They have

identified 14 personal entrepreneurial competencies (PECs) which appear to characterise the behaviour of successful entrepreneurs. The study, conducted in India, Ecuador and Malawi, also found that these PECs transcended culture, country and continent. These competencies can be grouped into three main clusters and the model has merged some of these competencies to derive 10 PEC (Personal Entrepreneurial Competencies), which are:

### Achievement Cluster

- i. Opportunity Seeking and Initiative
- ii. Risk Taking
- iii. Demand for Efficiency and Quality
- iv. Persistence
- v. Commitment to the Work Contract

### Planning Cluster

- i. Information Seeking
- ii. Goal setting

- iii. Systematic Planning and Monitoring
- iv. Power Cluster
  - v. Persuasion and Networking
- vi. Independence and self-confidence

It is a broad-based model involving both manufacturing and service sector. It is also referred to as generic entrepreneurial competency model encompassing nations and cultures. McClelland (1987) believed that training can be used to instill competency and on providing the training to potential and start up entrepreneurs their performance can be increased.

Subsequently the scholarly works on the entrepreneurial competencies in the field of entrepreneurship has since increased in length and breadth. In 1995, Bird proposed the theory of entrepreneurial competencies in which it was highlighted that entrepreneurial competencies are responsible for venture birth and success. The author proposed four competencies necessary for entrepreneurship, which are sustaining temporal tension, sustaining strategic focus, developing intentional posture, and entrepreneurial bonding. With respect to the type of competency, Bird (1995) postulated that distinction needs to be made between threshold and success competency. The former is involved in launching an enterprise and latter in superior performance. The same fact was acknowledged by the Chandler and Jansen (1992) by arguing that an entrepreneur is involved in multiple roles e.g. entrepreneurial, managerial and technical and accordingly there are multiple competencies and various types of them. Further, the study identified five competency areas: ability to recognise opportunities, political competency, drive to see venture through fruition, human/conceptual competency, and technical/functional competency. These were found to be significantly associated with business success. Similar findings were highlighted by others in their quest for looking into the impact that the competencies have on the business performance (Makhbul & Hasun, 2011; Islam, Khan, Obaidullah, & Alam, 2011; Chittithaworn, Islam, Keawchana, & Yusuf, 2011).

The competency movement gained more breadth with the study of Man (2001) in the Hong Kong's service sector which again highlighted the importance of entrepreneurial competencies in the entrepreneurial process. This happens to be the most acknowledged work in the contemporary times. The study was conducted in two parts. Initially the study was based on a qualitative technique involving interview of 19 SME owners. The qualitative analysis

involved in assessing behaviours reflecting competence, behaviours reflecting incompetence and self-perceived competencies. This threefold approach presented a clearer and complete picture of entrepreneurial competencies. Eight areas of entrepreneurial competencies were found, namely opportunity, relationship, conceptual, organising, strategic, commitment, learning, and personal strength. Subsequent validation of these competencies was done in the quantitative study by Man (2001), with a large and more representative sample of 153 entrepreneurs which resulted in a model of entrepreneurial competencies with eight competency areas. Following this model, Ahmad (2007) developed a broad based entrepreneurial competency model that incorporated a cross-national perspective based on a comparison of Australian and Malaysian small business entrepreneurs. The work of Ahmad (2007) was largely as an extension of Man's (2001) model in which Man's (2001) model was empirically tested in these two countries. The study also added two more competency areas: Ethical and Social Responsibility in addition to the validation of Man's (2001) model. Subsequently the same set of entrepreneurial competencies were used by scholars while testing the competency-performance relationship across other economic and cultural contexts (Li, 2009; Lans, Bergevoet, Mulder, & van Woerkum, 2005; Sanchez, 2012) with the same results, which means that the entrepreneurial competencies have a strong impact on the performance of small and medium size enterprises.

Following this, Winterton (2002) proposed that cognitive competence, functional competence, personal competence are the competencies required to succeed in the context of SME's. Cognitive competence means the possession of appropriate work related knowledge and ability and to put that to effective use (Cheetham & Chivers, 1996). Functional competence is the ability to demonstrate the role or any task effectively. Similarly, personal competence is the personal strength of an entrepreneur in being able to manage self and also influence others, building teams and behave ethically. Winterton (2002) further emphasizes that SME's in future will need much more than these competencies to overcome the challenges and uncertainties that the future poses and hence advocates the need of meta-competencies. Meta-competency is the higher order capability which has to do with being able to learn, adapt, anticipate, create, rather being able to demonstrate that one has ability to do (Brown, 1993). In fact, these higher order capabilities mean a skill to learn another skill (Hall, 1986). While highlighting the competencies as being important characteristic of successful entrepreneurs by associating them with the business performance, there are other types

of researches which have highlighted the same fact by comparing entrepreneurs with non-entrepreneurs, mostly managers. Wu (2009), in his paper titled “A competency-based model for success of an entrepreneurial startup”, made an attempt to describe as how to facilitate a person’s efforts to become a small firm entrepreneur by developing an entrepreneurial competency model. The author in a bid to find out the difference between small firm entrepreneurs and large firm managers has found that out of 23 competencies, only two of them – “Analytical Thinking” and “Developing Others” are the essential determinants when we wish to discriminate between a small firm entrepreneur and a large firm manager. A small firm entrepreneur is good at the competency “Developing Others” and large firm manager is good at the competency “Analytical Thinking”. The other competencies include analytical thinking, business acumen, client service orientation, commitment to learning, communication, conceptual thinking, order and quality, developing others, empathy, expertise, flexibility, influence, information seeking, initiative, innovation, organisational awareness, personal motivation, relationship building, results orientation, self-confidence, self-control, team leadership, verbal and written communication. Similar studies were carried out by Li (2009) and Wagener, Gorgievski and Rijdsdijk (2010) who maintain that entrepreneurs and non-entrepreneurs (managers) can be differentiated on the basis of their entrepreneurial competency level.

Inyang and Enuoh (2009) revisit the question in the Nigerian context that despite providing financial resources to entrepreneurs in the country, there are still high failure rates. The entrepreneurial competencies were proposed as missing links to successful entrepreneurship in the region. The competencies highlighted are time management, communication, human resource management, marketing management, business ethics, social responsibility, decision making, and leadership. The entrepreneurial competencies continue to figure in the entrepreneurship researches as an important antecedent of entrepreneurial success. In a study by Baum, Locke, and Smith (2001), they have tested a multilevel model of venture growth, linking traits, general motives, competencies, situational specific motivation, competitive strategies, and business environment with the performance of the enterprise and have found that environment had no direct impact on venture growth. However, specific competency i.e. industry specific skill and technical skill directly affect performance as do vision, goals and self-efficacy (situationally specific motivation). Similar revelations regarding the business success were made by Ahmad *et al.* (2010) by highlighting the fact that the entrepreneurs

can minimise the negative influence of environment by displaying their competencies as only competencies have been found to have an impact on performance while as environment has been found to have played no role.

On the methodological front, studies reviewed above are mostly empirical studies, though there are many other studies like that of Morris *et al.* (2013) who adopted a Delphi Methodology to identify the entrepreneurial competencies required for entrepreneurial success. The authors proposed a set of thirteen entrepreneurial competencies namely opportunity recognition, opportunity assessment, risk management/mitigation, conveying a compelling vision, tenacity, creative/imaginative problem solving, guerilla skills, value creation, maintain focus yet adapt, resilience, self-efficacy, building, and using networks. The important finding of this study is that competencies can be learned and taught, which was evident with the significant improvement in scores on 13 competencies shown by the students who were enrolled in an entrepreneurial learning programme. This also lends support to the very basic idea of entrepreneurial competencies that they can be nurtured through learning and teaching. Entrepreneurial competencies play an important part in organisation capability and competitive scope and are also directly related to firm performance. Another study in this direction was exploratory in nature which analysed the competency portfolio of entrepreneurs and has revealed three cluster competencies, action and attainment skills, people management, and analytical reasoning skills through behavioural event interview (Camuffo, Gerli, & Gubitta, 2012). The study has made a distinction between threshold competencies and distinctive competencies, the former includes self-control, information gathering, and visioning which help an entrepreneur in launching an enterprise whereas the distinctive Competencies like planning, empathy, business bargaining, organisational awareness, directing others and benchmarking differentiate unsuccessful entrepreneurs from successful ones.

While undertaking a literature review on entrepreneurial competency by Mitchelmore and Rowley (2010), the authors reiterate that entrepreneurs need both entrepreneurial and managerial competencies. Further, they argued that the later are more important to support business growth. The study has proposed four clusters of competencies: entrepreneurial competencies, business and management competencies, human relation competencies, and conceptual competencies. In a follow up research work done by Mitchelmore and Rowley (2013), a questionnaire-based survey of female entrepreneurs was

undertaken and the competencies so reported were factor analysed which revealed four clusters of entrepreneurial competencies: personal and relationship, business and management, entrepreneurial and human relation competencies, which were reported as predictors of business growth. The study has hinted towards the gender specificity in entrepreneurial competencies. Moreover, the entrepreneurial competencies highlighted so far need an explanation regarding their generalisability in terms of various parameters like geographical area or business sector in which an entrepreneur operates. Entrepreneurial competencies are sharpened by the requirements of external environment like industry difference and stages of business development, what is observed today may not be a full picture on the competencies of entrepreneurs (Man, 2001). Using the six clusters of competencies identified by Man (2001), Lans *et al.* (2005) has highlighted the importance of these competencies in agribusiness but emphasized on the fact that relative importance of competencies may vary in different sectors of agribusiness like dairy farming, floriculture and vegetable business, there by hinting at using cautious approach at generalisations. Similarly, Man and Lau (2005) conducted a research with a purpose to measure entrepreneurial competencies in contrasting industrial environments (wholesale and IT). The two industries showed consistently high ratings for relationship, commitment, personal strength and learning competencies. However the IT services industry have significantly higher ratings for innovative, strategic and learning competencies owing to the fact that industry has opportunities for innovations, a high level of industrial growth, higher demand for new services, and a more heterogeneous market structure. This sheds some light on the fact that the competencies may vary across industrial sectors.

So far, the importance of entrepreneurial competencies regarding the entrepreneurial process was highlighted by equating it with the business performance. Mole, Dawson, Winstanley, and Sherval (1993) highlighted the fact that competencies can be studied from three perspectives, antecedents, process or behavior, and outcomes. The part of the story which remains untouched is its antecedents. This part of the entrepreneurial competencies has not received much attention from the researchers. Bird (1995) proposes that education, industry and entrepreneurial experience are antecedents to the competencies. Similarly, Calvo and Wellisz (1980), Davidson and Homig (2003), and Ilhan and Gurel (2011) highlighted the impact of education on entrepreneurial capabilities while others like Sluis, Praag, and Vijverberg, (2008); Shapero, (1980);

Fallows, (1985); Laukanen (2000) find no relevance of education on entrepreneurial capabilities. Regarding the influence of industrial and entrepreneurial experience on competencies, Kyndt and Baert (2015) and Krueger and Brazeal (1994) have found positive impact. Nevertheless this aspect of entrepreneurial competencies has a scant presence in the literature.

Competencies are largely an outcome of skill and knowledge which will vary as per the requirements of the environment. They are therefore, considered as context bound, subject to change, connected with the environment (Lans *et al.*, 2005). So, competencies identified today may not be valid tomorrow. Mitchelmore and Rowley (2010) argue that the search for the entrepreneurial competencies to support business growth, as well as economic development of countries is akin to the pursuit of Holy Grail. The ultimate target of the research may be unobtainable or even non-existent, but that does not mean that the journey is not worthwhile and there are not many interesting experiences and lessons to be gathered along the way (Mitchelmore & Rowley, 2010). Arguably, the research on entrepreneurial competencies has sharpened over the last few years. Various entrepreneurial competency models have been proposed linking the entrepreneurial competencies with the venture outcomes as argued in the discussions presented already. Moreover, competencies highlighted in different contexts are a bit different but have innate resemblance as the competencies are always associated with the tasks performed. Therefore, a general categorisation of the competencies will be cherry on the cake.

## Components of Entrepreneurial Competencies

Playing the multiple roles of being an owner, manager and sometimes a professional within a firm, it is reasonable to believe that required competencies for being an entrepreneur has a broader scope than being a manager (Man, 2001). The competencies proposed by different authors are in clusters or groups with specific behaviours attached to them. Bird (1995) classifies them as threshold and baseline; similarly Mitchelmore and Rowley (2010) classified them into entrepreneurial competencies, business and management competencies, human relations competencies, conceptual and relationship competency. There are many other classifications as revealed earlier. The present study, however, relies on the competency clusters identified and validated by Man (2001), primarily because it is a comprehensive model covering

all the aspects of entrepreneurial competencies. A brief description of key areas of entrepreneurial competencies mainly based on (Man, 2001) is given as under:

**Opportunity Competency:** It includes a set of activities involved in spotting opportunities and developing opportunities (Man, 2001). It also involves seizing unusual opportunities to start a new business, obtain finances, equipment, land, work space and assistance (McClelland, 1987). Chandler and Jansen (1992) proposed that one of the important competencies of entrepreneurs is ability to recognise and envision and taking advantage of opportunities. The same set of competencies was also used by Li (2009), Ahmad (2007), Lans *et al.* (2005). Morris *et al.* (2013) name it as opportunity recognition/assessment and Guriela skills, while Camuffo *et al.*, (2012) calls it initiative and information gathering.

**Organising Competency:** The ability to lead, control, monitor, organise and develop external and internal resources towards the firm capabilities forms the part of organising competency (Man, 2001). The competency “Systematic Planning and monitoring” proposed by the McClelland (1987) can be classified under organising competency area. Chandler and Jansen’s (1992) human/conceptual competency can be classified under the same cluster as they define it as the ability to organise, motivate and supervise. Morris *et al.* (2013) call it as resource leveraging and value creation.

**Relationship Competency:** Businesses do not operate in isolation. An entrepreneur has to be constantly in touch with the people and organisations within and outside the firm. In doing so, entrepreneurs need to have good public relation skills to enable them to advance the interests of their businesses. McClelland (1987) calls relationship building as persuasion and networking. Developing long term trusting relationship with others, maintaining a personal network of contacts and communicating with others forms relationship competency (Man, 2001). Bird (1995) describes it as entrepreneurial bonding, the creating and restructuring of relationships. The same set of competencies was used by Inyang and Oliver (2009) as communication skills. Similarly Winterton (2002) classifies it under personal competence.

**Commitment Competency:** Successful entrepreneurs are often considered as diligent people with a restless attitude towards their work. They are totally committed, determined, dedicated as well as proactive towards their responsibility and duty (Man, 2001). Chandler and Jansen (1992) call it a drive to see the enterprise

through fruition. Commitment competencies are required to sustain entrepreneur’s effort aimed at achieving success in entrepreneurship. Successful entrepreneurs make personal sacrifice or extend extraordinary effort to complete a job (McClelland 1987). Morris *et al.* (2013) define commitment competency in terms of tenacity and to be focused which towards the goal.

**Strategic Competency:** Being the owner of a firm, an entrepreneur needs to take long term decisions. Strategic competency calls for an entrepreneur to be a visionary, having a clear frame of mind, capable of formulating and implementing strategies to achieve specific goals. McClelland (1987) calls it systematic planning. This competency calls for the abilities and skills from a broader perspective (Man, 2001). Bird (1995) calls it strategic focus involving entrepreneurs orientation towards goals or methods of doing business. Morris *et al.* (2013) name it as “conveying a compelling vision”.

**Conceptual Competency:** Conceptual competency represents a category of competencies which are not easily identifiable behaviours but are often considered important for entrepreneurial success (Man, 2001). It involves innovative and analytical thinking, take reasonable job related risks, exploring new ideas (McClelland, 1987, Man, 2001). The ability to cope with uncertainties depends highly on conceptual competencies. Bird (1995) calls it sustaining temporal tension; successful entrepreneurs are more vigilant, intuitive and aware of business timing. Morris *et al.* (2013) name it as analytical reasoning skills (Camuffo *et al.*, 2012) and Mitchelmore and Rowley (2013) in their classification put it under entrepreneurial competencies.

**Learning:** It refers to the ability to learn from a variety of means including from one’s past experiences, failures and mistakes and to continuously learn to improve (Man, 2001). Bird (1995) in this regard has argued that successful entrepreneurs compared to less successful are those are open minded and generally learn from their experience. Winterton (2002) calls it as one of the most important competence areas and classifies it under meta-competencies.

**Personal Competency:** It refers to the ability to maintain a high level of energy, self-motivation, self-confidence and to recognise one’s own short comings (Man, 2001). McClelland’s (1987) independence and self-confidence can be classified under this category. The successful entrepreneurs express confidence in one’s own ability to complete a difficult task or meet a challenge (McClelland,

1987). To take actions in the face of significant obstacles and take personal responsibility for the performance are necessary to achieve goals and objectives (McClelland, 1987). Morris *et al.*'s., (2013) resilience and self-efficacy come under this domain. Similarly Winterton (2002) named it as personal competence.

**Technical Competency:** This competency refers to the possession of business skills and ability to use specific tools and techniques in a specified area of business. Baum *et al.* (2001) call it industry and technical skills. Chandler and Jansen (1992) call it technical/functional competency. Winterton (2002) has also highlighted the functional competence as an important competence area.

## Conclusion and Research Propositions

The arguments presented above have so far highlighted the use of competencies as a basis for the linking entrepreneurial characteristics with the venture performance. Although a considerable amount of work has been done on the subject across the globe, the competency area of research is still considered in the earlier stages of development. The core concept of entrepreneurial competencies, its measurement and its relation to entrepreneurial performance is in need of further rigorous research and development (Mitchelmore & Rowley, 2010). While assessing the literature available on the subject as presented above following are some propositions which need to be researched thoroughly:

There is need to develop a more comprehensive model of entrepreneurial competency by taking samples from all the sectors. This will generate a more generic set of competencies and delineate any difference among the sectors.

The inclusion of failed firms in the sample while assessing entrepreneurial competencies will give a complete picture of the reasons of their failure and highlight the level of entrepreneurial competencies needed to succeed as an entrepreneur.

An attempt should be made to assess the competency needs of the entrepreneurs at the different stages of business life cycle (birth, growth, maturity and decline as also recommended by Ahmad, 2007, Mitchelmore & Rowley, 2010). This will delineate threshold competencies from success competencies (Bird, 1995).

Since the competencies are context bound, subject to change, connected to activities and tasks, subject to

learning and development process and are interrelated (Lans *et al.*, 2005). Hence there is a need to conduct such studies in various economic contexts. Also the type of competencies identified by the researchers may not be valid today. This field of entrepreneurship calls for a rigorous continuous research.

The debate between the use of competency or traits will get a new direction by researching the relationships between the traits and competencies and the impact of various demographic factors like education and experience on the entrepreneurial competencies which is very scant in the literature.

Since the important aspect of the competencies is that they can be nurtured and developed, it becomes important to look into its antecedents. This aspect of the entrepreneurial competencies, more importantly empirical part of it has been overlooked in the literature.

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