

# ENTREPRENEURIAL COMPETENCIES

**Meaning :-** A competence is an underlying characteristic of a person that helps one perform better. Thus, the entrepreneurial competence means one's underlying.

Characteristic that helps the entrepreneur perform his entrepreneurial role in a better or superior manner.

**Entrepreneurial competence has three main components:-**

(i) Knowledge

(ii) Skill and

(iii) Motive

**Knowledge:-** It means one's awareness or familiarity with something through the collection and retention of information and facts on it; but with knowledge, one also needs to have skills to translate knowledge into action.

**Skill:-** Skill is the ability to demonstrate a system and sequence of behaviour which results in something observable, something that one can see also.

Both knowledge and skill are required to perform a task effectively.

**Motive:-** It is an urge or drive that makes one move to achieve the set goal. It is one's achieving motive that motivates one to make continuous efforts to achieve the set goal.

Thus, it becomes quite clear that in order to perform any task effectively including establishing and running an enterprise, a person or say, an entrepreneur needs to possess a set of attributes, namely knowledge, skill and motive which could together be called as competencies.

**MAJOR ENTREPRENEURIAL COMPETENCIES:-**

**Initiative:-** The entrepreneur initiates a business activity i.e., he takes the first step to start an enterprise.

**Passion:-** The entrepreneur should possess a passion for his enterprise. He, therefore, develops more than a casual interest in the enterprise of that he could overcome various hurdles and obstacles coming on the way of starting an enterprise.

**Tenacity Despite Failure:-** Because of hurdles and obstacles that must be overcome, the entrepreneur must be persistent and must not give up easily. Many successful entrepreneurs succeeded only after they had failed several times.

**Self-Confidence:-** Entrepreneur is a strong believer in his strengths and abilities. He believes that he possesses the ability to accomplish whatever he sets out to do and achieve. This confidence is not unfounded, however.

**Sheer Grit And Strong Determination:-** The life history of successful entrepreneurs reveals that they are characterized by self-motivation and strong determination in their goal. They act out of choice. They are never victims of fate.

**Creativity:-** One of the reasons that entrepreneurs are successful is that they have imagination and can envision alternatives scenarios. They have the ability to recognize opportunities that other people do not see.

**Change Seeks:-** To the most of people change is often frightening and is something to be abided but , successful entrepreneurs see change as normal and necessary.

**High Need for Achievement:-** Successful entrepreneurs have high need for achievement” than the general population. The achievement motive is converted into drive and initiative that results in accomplishment.

**Risk Taking Attitude:-** The life stories of successful entrepreneurs reveal that they take high risks than the common people. It is their risk bearing attitude that makes them tenacious achiever.

**Team Spirit:-** Successful entrepreneurs build team and work with tem makes. Team is a group of individual who work in a face to face relationship to achieve a common goal they share collective accountability of the outcome of the team’s effort.

### DEVELOPING ENTREPRENEURIAL

Competency can be developed and sharpened following a procedure. This procedure involves the following four steps:-

- Competency Recognition
  - Self-Assessment.
  - Competency Application.
  - Feed-back.
1. **Competency Recognition:-** Acquisition of a new behaviour begins with understanding and recognition of what a particular behaviour means.
  2. **Self-Assessment:-** Once the particular competence, the next step towards acquiring a particular behaviour is to see whether one possesses that particular competence or not.
  3. **Competency Application:-** In order to make a new behaviour a part of one’s personality, the particular competence needs to be applied frequently even in the simplest activities that one performs in one’s day –to-day life . This is because practice makes a man perfect.
  4. **Feed Back:-** After understanding internalizing and practicing a particular behaviour or competence, one needs to make an introspection of the same in order to sharpen and strengthen one’s competency this is called feed back.

Feed back means to know the strengths and weaknesses of one’s new behaviour.

## ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES(EDPs)

**Meaning of EDP:-** EDP is a programme meant to develop entrepreneurial abilities among the people. In other words, it refers to inculcation, development, and polishing of entrepreneurial skills into a person needed to establish and successfully run his/her enterprise. Thus, the concept of entrepreneurship development programme involves equipping a person with the required skills and knowledge needed for starting and running the enterprise.

**Need for EDPs:-** One of the important fact that made people to appreciate need for and importance of the entrepreneurial training. Now popularly known as “EDPs” to induce motivation and competence among the young prospective entrepreneurs was the “Kakinada Experiment.”

Based on this, it was the Gujarat Industrial Investment Corporation (GIIC) which, for the first time, started a three-month training programmes on entrepreneurship development impressed by the results of GIIC's this training programme, the Government of India embarked, in 1971, on a massive programme on entrepreneurship development. Since then, there is no looking back in this front. By now, There are some 686 all – India and State – level institutions engaged in conducting EDPs in hundreds importing training to the candidates in thousands. Till now, 12 State Governments have established state-level Centre for Entrepreneurship Development (CED) or institute of Entrepreneurship Development (IED) to develop entrepreneurship by conducting EDPs. The impact of India's EDP movement is borne by the fact that the Indian model of entrepreneurship development is being adopted by some of the developing countries of Asia and Africa.

## COURSE, CONTENTS AND CURRICULUM OF EDPs:-

The course contents of an EDP are selected in line with objectives of the EDPs. The EDP training programme is usually for six weeks duration. It consists of following six inputs:-

1. **General Introduction to Entrepreneurship:-** First of all, the participants are exposed to a general knowledge of entrepreneurship such as factors affecting small – scale industries, the role of entrepreneurs in economic development, entrepreneurial behaviour and the facilities available for establishing small – scale enterprises.
2. **Motivation Training :-** The training inputs under this aim at inducing and developing the need for achievement motive among the participants. This is, in fact a crucial point of entrepreneurship training. Efforts are made to inject confidence and positive attitude and behaviour among the participants towards business.
3. **Management skills:-** Running a business, whether large or small requires the managerial skills. Since a small entrepreneur cannot employ

management professionals to manage his business he needs to be imparted basic and essential managerial skills in marketing human resource and production.

4. **Support System and Procedure:-** The participants also need to be exposed the support available from different institutions and agencies for setting up and running small-scale enterprises.
5. **Fundamentals of Project Feasibility Study:-** Under this input, the participants are provided guidelines on the effective analysis of feasibility of the particular project in view of marketing finance, organization and social aspects.
6. **Plant Visits:-** In orders to familiarize the participants with real life situations in small business plant visits are also arrange.

On the whole, the ultimate objective of entrepreneurship training programme is to make the trains prepared to start their own enterprises after the completion of training programme.

### **PHASES OF EDPs:-**

An entrepreneurship development programme consists of the following three phases:-

1. Pre-training phase
2. Training Phase
3. Post-training Phase

### ***These are discussed in turn:-***

1. **Pre-training Phase:-** The activities and preparations required to launch the training programme come under this phase. This phase, accordingly, includes the following:-
  - Selection of entrepreneurs.
  - Arrangement of infrastructure.
  - Tie-up of Guest faculty of the training purposes
  - Arrangement of the inauguration of the programme.
  - Selection of necessary tools and techniques to select the suitable entrepreneurs.
  - Formation of selection committee for selecting trainees
  - Arrangement of publicity media and campaigning for the programme.

- Development of application form.
- Finalization of training syllabus.
- Pre-potential survey of opportunities available in the given environmental conditions.

### SELECTION PROCEDURE OF EDP TRAINEES

Selection of the trainees is the most vital component in an entrepreneurship development programme (EDP). Initially, the selection procedure for edp trainees comprises of the following:-

- Psychological Tests like thematic Appreciation Tests (TAT), risk-taking, personal efficacy.
- Find out the social-economic background of the candidates and
- Personal interviews.

Realizing that an entrepreneur is required to perform a number of activities starting from self-management to human and technical management, it was decided to assess the suitability of the trainees by making the use of the following methods:-

1. Analysis of the application blank.
2. Psychological tests.
3. Group planning exercise and
4. Personal interview.

1. **Analysis of Application Blank:-** Like most of other selection application, application blank comprises of questions relating to demographic, educational, family-back-ground, previous-experience, social participation, and level of aspiration of candidate.
2. **Psychological Tests:-** The different psychological tests developed and used to assess the suitability of the candidate to attend the EDP training are:-
  - (a) **TAT (thematic Appreciation Test):-** This is used to assess the need for achievement or the need for power a candidate has. It is basically a semi-projective test in the sense that in this test six deliberately thematic pictures are shown the candidate for a short period usually 30 seconds. Then, the candidate is asked to write a story about each picture within a short time for 5 minutes. Based on experiments, it is assumed that a careful analysis of this test may give an indication about the candidates need for achievement.
  - (b) **Ring Toss Game:-** The ring toss game is played with three rings and one peg the trainer marks the distance from the peg and asks the candidates to

(c) **Locus Of Control:-** The locus of control is measured by administering a well-structured and developed questionnaire consisting of 29 pairs of statements representing internal and external locus of control, in simple words, the persons who believe. That they are the makers of their destiny or they are responsible of what happens with them is not under their control and it is their destiny is called persons with external locus of control' the candidate's responses to the statements are given scores. It is assumed that a high score on internal locus of control is indicative for entrepreneurial behaviour.

- ### EVALUATION OF EDPs:-

One way of evaluating the EDPs is to assess their effectiveness in developing evaluation of EDPs the behavioral scientists are the following criteria to asserts the effectiveness of EDPs in motivating the entrepreneurs:-

- Activity level of the respondents.
- New enterprise established.

- Investments in fixed assets made
- Total investments made
- Number of people employed
- Number of jobs created
- Increase in profit.
- Increase in sales.
- Quality of products / service improved.
- Quicker repayment of loans.

In other behavioural experiments, the impact of EDPs is measured with the help of indices relating to the entrepreneurial behaviour. The entrepreneurial behaviour is measured on the following four dimensions:-

- Planning Orientation.
- Achievement Orientation.
- Expansion Orientation.
- Management Orientation.

### **PROBLEMS OF EDPs:-**

EDPs suffer on many counts. The problems and lacuna are on the part of all those who are involved in the process, be it the trainers and the trainees, the ED organizations, the supporting organizations, and the state governments the important problem EDPs face are as follows:-

- Trainer-motivations are not found upto the mark in motivating the trainees to start their own enterprises.
- ED organizations lack in commitment and sincerity in conducting the EDPs.
- Non-conducive environment and constraints make the trainer-motivators role ineffective.
- The antithetic attitude of the supporting agencies like banks and financial institutions serves as stumbling block in the success of EDPs.
- Thus, it is clear that the problems are not with the strategy but with its implementation.

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