

Entrepreneurial Skills Development

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Abstract— In this article we will analyze the concept of entrepreneurship and the importance of skills development to create a culture of entrepreneurship.

A search of articles was based on the keywords "entrepreneurship" and "skills of the entrepreneur, the period being considered between 2010 and 2014.

The goal was to identify personal skills (cognitive, social and relational skills, technical skills and management skills) and business skills (strategies adopted by the company, products and/or services, corporate image, and management systems: human resource management, financial management, marketing, among others, and the formal and informal structure of the company). The literature review was based on entrepreneurship studies with the goal to identify soft skills that entrepreneurs need to develop to create and manage innovative business.

Key-words: entrepreneurship, entrepreneurial, skills, entrepreneurship

1 Introduction

Entrepreneurship can be currently regarded as part of a strategy to boost the economy. It can be undertaken as a challenging task, either internally within organizations, either externally, by the creation of new businesses that are sustainable in a market and in a complex economic environment. Examples are studies on the importance of entrepreneurship in transition economies [1].

Thus, it is considered that entrepreneurship is associated with two different aspects:

- Creation and development of business/innovative companies - entrepreneurship
- Development of a function in an innovative way – intrapreneurship.

In the context of this article, the focus will be in the first part, associating entrepreneurship to the creation of innovative businesses.

The main objective of the research was to build a model of skills development for entrepreneurs, which will be presented and discussed in this article.

The article briefly explores the concept of entrepreneurship, followed by the presentation of the methodology used for building the skills development model, and the analysis and discussion of results. The article concludes with implications for practice and findings.

2 Literature review

2.1 Concept of Entrepreneurship

The origin of the word 'entrepreneurship' is 'rooted in the Latin language, from the words *prehendere* and *apprehensione*.

Entrepreneurship can be understood as a individual or collective system and internal or external to the organizational structure, developing something new, from conception of ideas to the creation of a business.

The concept of applied entrepreneurship [2] argues that an entrepreneurial firm focuses on innovation, is open to risk and proactive in relation to its competitors.

Entrepreneurship has grown as a concept, and in the level of importance placed on the development and sustainability of the economy.

2.2 Entrepreneurial Capacity

Being entrepreneurial and the creation of an entrepreneurial culture goes beyond the fear of risk [3] and the stigma of failure, that influence decisively the entrepreneurship context.

Implementing ideas is not an easy process even though we can say that entrepreneurs profile are crucial to define a business idea and implement it successfully, but it is important to note that there is also the possibility of developing entrepreneurial characteristics and here come the educational institutions that should play a key role, very early in the creation of knowledge and skills related to entrepreneurship.

The example of an innovation is a discipline that can come into teaching from the earliest years of school, because it is a specific tool of entrepreneurs, used to explore new opportunities for business or a different product or service.

It's important to know how to reduce the risk, seek for new sources of innovation, use creativity tools, and learn from the market, these are skills that every entrepreneur or potential entrepreneurs need to have [4]; [5].

Every day we witness the birth and death of companies, products, processes and services, and the goal of entrepreneurship learning is to seek and to systematically explore new business/new practices that add value to the market and streamline the economy.

In this sense, entrepreneurship is built based on the different types of skills widely studied in the literature and referred as soft and hard skills.

Entrepreneurship skills are the target of analysis in the next section and the basis for building the skills development model [6]. The soft skills can be defined as the behavioral skills required for the application of hard skills and knowledge in organizations [7]. [8] also suggest that soft skills are a set of skills and talents of an individual.

Other authors categorize the soft skills such as: 1) interpersonal skills; 2) personal and social skills; and 3) cognitive skills [9].

With regard to soft skills inherent to managing entrepreneurial projects, [10] relates that are skills and practices of successful managers. He states that "the emphasis of the future have to be in leadership skills and

interpersonal management practices that ensure project success."

To identify the soft skills of the entrepreneur we used a qualitative methodology, which will be explained in the next section.

3 Methodology

The methodological approach of the research was qualitative and quantitative. With regard to the specifics of this investigation the main technique used was content analysis from the literature review of studies on entrepreneurship. The content analysis was used to determine the presence of certain words or concepts within the articles to identify and analyze the skills of entrepreneurship.

A systematic analysis allows identification of keywords contained in articles selected from the scientific databases.

It is an exploratory and descriptive study comprising the data collection, analysis and synthesis of results arising from research in scientific databases Web of Knowledge and Science Direct.

A search of articles was based on the keywords "entrepreneurship" and "skills of the entrepreneur, the period being considered between 2010 and 2014

Finally to identify factors that could aggregate the competencies identified in the theory we used factor analysis

4 Data Analysis

In this section we will first consider how the theoretical concepts discussed in the literature, can be measured and related to the group of skills through factor analysis.

Statistical analysis of data has been carried out using SPSS. As a primary set of measures, the Kaiser-Meyer-Olkin (KMO) was 0.755 which provides solid support for proceeding with factor analysis. It's also important to refer that in the factor analysis process, the number of observations was 50 and two factors with eigenvalue > 1 were detected. They explain 71.8% of total variance and the extraction method was iterated principal factors and the rotation was oblimin oblique.

Table 1 outlines the items taken into account and that were considered for the identification of the two factors. The first of these factors is strongly correlated with indicators reflecting personal skills, mainly related to problem solving and the creation of new knowledge critical to innovation process. The second factor is correlated to the creation of new products and improvement of the existing ones.

Table 1 – Factorial Analysis – Entrepreneurship Skills

Items	Factor 1	Factor 2
	Skills Personal Development	Business Skills
Cognitive skills	0.84	-0.03
Social and relational skills	0.90	-0.02
Technical skills	0.92	0.65
Management skills	0.87	0.40
Strategies	0.64	0.65
Product/Service	0.41	0.78
Management system	0.70	0.79
Organization structure	0.50	0.65

5 Analysis and discussion

Despite the dilemmas we face, we know that the economy's performance depends, in large part, of the business environment, including, most creative and innovative companies supported by people with certain technical skills and characteristics - the entrepreneur.

It is assumed that the profile of the entrepreneur embraces the idea that entrepreneurial characteristics can be acquired / learned throughout life.

Based on different studies we present a range of characteristics that are associated to the entrepreneur profile:

- Ability to achieve goals, particularly planning and autonomy to achieve results.
- Self-confidence to achieve defined goals and overcome obstacles.
- Sense of responsibility for the success or failure of business.
- Ability to learn using failure as a learning experience in a positive way.
- Ability to develop and maintain a successful business through hard work and effort.
- Ability to develop innovative new approaches to the market, new concepts, new products and services.
- Capacity of initiative identifying and implementing new business opportunities.
- Ambition to achieve goals.
- Persistence to face obstacles and reset strategies.

- Ability to establish a network of contacts, to develop and maintain business relationships.
- Social and relational skills in order to establish interpersonal relationships.

5.1 Model Development Skills

The characteristics identified were the basis for building a model of development of personal skills that fits the dimensions: skills, attitudes and creative thinking.



The knowledge of the entrepreneur is based on the cognitive skills, social and relational skills, technical skills and management skills. This mixture is crucial to creating and running a business.

Cognitive skills include creative thinking, formulation and problem solving, decision making and initiative.

Social and relational skills include communication skill, capacity for teamwork and ability to adapt to new situations.

Technical skills integrate concepts of technical expertise including working methods, processes and contexts.

Management skills integrate knowledge about potential strategies to adopt in the company, capacity planning and setting strategic goals and ability to make strategic decisions on company policies in their various areas of expertise.

On the other hand, the entrepreneur must acquire skills with regard to business development, which includes the strategy that the company will adopt, products and/or services, the corporate image management systems (human resources management, financial management, marketing, etc.) and the formal and informal structure of the company.



With regard to strategies, skills development is needed to understand the mechanisms that contribute to the creation and implementation of technological, organizational and market innovations.

Knowing the specifics of the markets it is possibility the internationalization through various modalities, export, licensing, franchising, joint venture and foreign direct investment.

Identify the best marketing strategy for business development, taking into account the analysis of the environment, competitive analysis, market analysis and the company itself. Know how to create a corporate and brand name for products and services such as media publicity image.

In terms of products and/or services skills development it is important the technical specifications and forms of using the products and/or the implementation of services, as well as the types of possible customizations to meet the needs of the market, and more specifically, potential customers.

Management systems put into practice the company's processes: business management, marketing, human resources management, financial management and risk management.

The formal structure of the company and the informal structure are also important to define and manage, especially for the leaders.

Finally knowing how to create and manage informal networks related to partners and formal networks related to customers, suppliers, official bodies.

6 Implications for practice

6.1 Contribution of Entrepreneurship to the Economic Growth of the Country

In a country with an economy that does not grow or grows very little entrepreneurship can help:

- to create and maintain businesses and create innovative products or processes that add value to existing ones;
- Increase exports;
- Helping firms to internationalize, overcoming a culture of risk aversion;
- To attract foreign investment, as the economy continues to develop and companies are becoming competitive.

However, entrepreneurship is not an easy road, although some organizations emerge and develop many others arise and quickly disappear from the market.

6.2 Roles and responsibilities in creating an entrepreneurial culture

Until recently, as a result of a culture that never invested in the development of entrepreneurial skills, entrepreneurship was a word that was not part of our

life's. There is also a lack of an entrepreneurial culture in some companies, they don't value people, not privilege ideas and not implement best practices

Several actors have the responsibility to create an entrepreneurial culture and develop entrepreneurial skills:

- a) Government - It is responsible for creating policies (economic, financial, educational, social, etc.) that promote entrepreneurship.
- b) Schools and universities - responsibility to produced programs and the implementation of learning methodologies to develop entrepreneurial skills.
- c) Companies - leadership is a key aspect in the development of an entrepreneurial company, therefore it is up to the CEO to implement and manage an organizational culture among employees that fosters creativity and innovation.
- d) Government, schools / universities and businesses - partnering by these entities to encourage and promote a new attitude towards risk.

7 Conclusions

The aim of this investigation was to identify skills for developing a culture of entrepreneurship. The literature review made based on the methodology used allowed us to identify personal skills (cognitive, social and relational skills, technical skills and management) and skills about the business (strategy that the company will adopt, products and/or services, the corporate image, the management systems: human resource management, financial management, marketing, among others - and the formal and informal structure of the company).

With regard to future studies it's important to acknowledge that entrepreneurs need to take risks, have the ability to overcome difficulties, take the initiative and reach objectives.

The development of entrepreneurial skills is critical to create a culture where entrepreneurship is something natural becoming an integral part of our evolution and a new model of economy.

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