



## ENTREPRENEURIAL COMPETENCIES AND MANAGEMENT STUDENTS: AN EMPIRICAL STUDY OF HIMACHAL PRADESH

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### Abstract

Present study has been conducted to know the entrepreneurial competencies possessed by the management students, enrolled in a university of Himachal Pradesh. This is a quantitative study, in which a cross-sectional design was adopted. Primary data has been collected through standardised questionnaires using Google forms (online survey). Purposive sampling used and a sample of 123 has been taken. From the present study it has been concluded that commitment to work contract, sees and acts on opportunities, systematic planning and initiative competencies are mostly present among management students' and there is a lack of concern for high quality work, self-confidence, assertiveness, efficiency orientation, information seeking, use of influence strategies and persistence competencies among the students.

**Keywords:** Entrepreneur, Entrepreneurship, Management Students, Entrepreneurial Competencies

### Introduction

The 21<sup>st</sup> century is meant for the creators and innovators and entrepreneurship is an instrument which lies the foundation and promote creative, innovative ideas which are required to succeed in this age of uncertainty. In the era of globalization, to increase the economic progress of a country entrepreneurship is only the way out which will help to maintain the country's competitiveness (Venkatachalam, 2005) in the global market.

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Entrepreneurship becomes more important in the context of developing countries of the world like India. Even Prime Minister of India Narendra Modi's "Aatmanirbhar Bharat" and "Make in India" slogan generally believed that corporate houses and multinational corporations alone are not going to make development. Instead, much of it depends on the small entrepreneurs who are considered as the engines for a country's growth and advancement." Therefore, it is very much desired that entrepreneurship should be entrenched into the root structure of the society. Thus, universities especially business schools have a challenging task to promote entrepreneurship education and to prepare their students as "job providers and not as the job seekers". And to accomplish this task it is important that business schools should make their students aware regarding the avenues which entrepreneurship present to them and present it as a potential career option to their students. Albert , Sciascia & Poli (2004) empathized that " although individuals might have the appropriate entrepreneurial knowledge and skills, they still need to acquire a positive perspective about entrepreneurship". It is also important that proper resources or facilities should be provided in the universities to the management students to boost their entrepreneurial competencies. Sahiwala, 2017 asserted that entrepreneurship education in the universities benefits students in many ways by shaping their mindset which helps them to think out of the box, instil self-confidence and helps students in possessing unique skills, knowledge, attitude and competencies. Scott Belsky, the Co-founder of Behance said, "It's not about ideas alone. It's about making ideas happen. Translating a business idea into a successful business calls for not just a lot of planning and careful execution, you also need to have the right set of competencies that could help you in successfully setting up, expanding and diversifying a business from scratch". Due to lack of entrepreneurial competencies, many business students are not in a position to take advantage of their entrepreneurship education.

Therefore, the main objective of the present study is (a) to study the demographic profile of management students. (b) To understand which entrepreneurial competencies are present among the Management students.

## **Literature Review**

Globally, entrepreneurship is considered a pivotal source to fuel economic growth, employment generation and economic competitiveness. Davey (2011), has asserted that entrepreneurship is very much significant in this rapidly changing world because it has been believed that people with entrepreneurial mindset and attitude will create tremendous benefits for the society at different levels. (Man & Lau, 2005) found that entrepreneurial competencies were comprised of both individual factors as well as the situational or work related factors. The individual factors has been defined as those which are deeply ingrained into the personality, behaviour, societal aspects and attitude of an individual whereas work related factors are those which can be cultivated at workplace through specific training and education. Man & Lau, (2005) found eight dimensions of entrepreneurial competencies viz. " opportunity, relationship, conceptual, organizing, strategic, commitment, learning and personal strength". Mitchelmore & Rowley, (2013) mainly classified four clusters of entrepreneurial competencies which includes "personal and relationship, business management, entrepreneurial and human resources competencies". In an attempt to find the characteristics of successful entrepreneur, "Entrepreneurship development Institute of India (EDII)" Ahmadabad under the

guidance of Professor McClelland, conducted a cross-cultural study in India, Malawi, and Ecuador. And finally validated 13 major competencies named “initiative, sees and acts on opportunities, persistence, information seeking, concern for high quality of work, commitment to work contract, efficiency orientation, systematic planning, problem solving, self-confidence, assertiveness, persuasion, use of influence strategies”. Essia &Uwen, (2012) asserted that business schools shape the minds of students to think and act entrepreneurially and also stated that competencies like opportunity seeking, risk taking, and self-confidence can be improved if universities design and implement curriculum which is actually required to promote entrepreneurship. (Satarupa et al , 2018) in their study on agriculture post-graduate students in Gujarat revealed that majority of the post-graduate students possessed moderate level of entrepreneurial competency and among different component traits of entrepreneurial competency “information-seeking behaviour, concern for high-quality work and efficiency orientation” were most important.

Though entrepreneurial competencies have been studied in great depth in developed countries. This concept is in nascent stage in the Indian context, so considerable amount of work is still needed to be done in this field. Few studies focusing on entrepreneurial competencies of business students can be found in the context of India but only in the South parts of India. If we talk about North India especially Himachal Pradesh, no such study has been found which talks about the entrepreneurial competencies of MBA students. Present study addresses this gap, for a specific group of young/budding entrepreneurs.

### **Significance of the study**

According to “Centre for Monitoring Indian Economy 2019” report, Himachal Pradesh ranks at third position with unemployment rate (20.2%). More than 60,000 youth in the state are added into the queue seeking job every year. And now present time is more difficult because of COVID-19 pandemic, which contributes into the unemployment level due to massive corporate downsizing. In the present scenario, no big fancy degrees or diplomas holds the guarantee of jobs for youngsters. One of the ways to solve unemployment among the educated youth is entrepreneurship. And to become a successful entrepreneur, entrepreneurial competencies played a very important role. The aim of the present research is to examine the extent of the entrepreneurial competencies of management students which would help in determining the readiness of management students to pursue entrepreneurship as a profession. This would also provide knowledge regarding the competencies which are significantly higher in management student and also about those on which work needed to be done through education and/or training. The purpose of choosing MBA students is that MBA pedagogy itself can develop certain entrepreneurial qualities and the mindset of students.

### **Research Methodology**

#### **Research Design**

The research design of the present study is of descriptive nature and it has been conducted on management students of Central University of Himachal Pradesh. The research design for this study is cross-sectional. Quantitative study has been conducted by collecting Primary data through self-administrated questionnaire by using Google forms (online survey).

## **Sampling Design**

The sampling frame in this study consists of first and second year registered MBA students of Central University of Himachal Pradesh. Purposive sampling design was used and google form was sent to all the 180 MBA students of Central University of Himachal Pradesh. Only 123 completely filled questionnaires were received which were used in the study (i.e. 68.33% response rate).

## **Data Collection Instrument**

Entrepreneurship Development Institute of India (EDII), Ahmadabad developed a set of 13 entrepreneurial competencies which includes “opportunity seeking, persistence, commitment to work contract, demand for quality & efficiency, risk taking, goal setting, information seeking, systematic planning & monitoring, persuasion & networking, and self-confidence”. These 13 competencies given by McClelland formed the basis for the measurement of competencies in the present investigation. Five-point Likert scale has been used ranging from “5 = very well; 4 = well; 3 = somewhat; 2 = Very little; 1 = Not at all” to know the level of entrepreneurial competencies of business students. To measure the normality of the instrument, kurtosis and skewness of the data has been calculated and it’s been in the prescribed range i.e. for the skewness it is between -1 and +1 (Hildebrand, 1986) and for the kurtosis it is between -3 and +3 (George and Mallery, 2010).

## **Reliability (Cronbach Alpha):**

Cronbach’s alpha depicts the reliability of the instrument . The generally acceptable lower limit for Cronbach’s alpha is 0.70 (Hair et al., 1998). Hence, this questionnaire is certainly reliable, since  $\alpha$  is 0.945, indicating higher level of internal consistency. The Cronbach’s Alpha values of 13 latent variables of entrepreneurial competencies has been given in table no. 1

<i>S.N.</i>	<i>Measures</i>	<i>Cronbach’s alpha</i>
A.	Initiative	.750
B.	See and acts on opportunities	.749
C.	Persistence	.755
D.	Information seeking	.780
E.	Concern for high quality of work	.788
F.	Commitment to work contract	.803
G.	Efficiency orientation	.746
H.	Systematic planning	.794
I.	Problem solving	.703
J.	Self confidence	.791
K.	Assertiveness	.716
L.	Persuasion	.748
M.	Use of influence strategies	.751

*Table 1: Values of Cronbach alpha.*

## Results and Discussion

### Demographic profile of Respondents

Descriptive analysis of the respondents has been done in the table no. 2 which includes details regarding their age, gender, caste, previous educational background before joining MBA, previous job experience, family and friends engaged in business activities and support of family and friends regarding entrepreneurial activities in terms of frequency and percentage. In terms of age maximum respondents are of age group between 20-25 years i.e. 82.1% (101 respondents). On the basis of gender the percentage of male respondents is 52% (64 males) and female respondents is 48% (59 females). If segregation has been made on the basis of caste then maximum respondents comes from general category i.e. 61% (75), then OBC 15.4% (19), SC 14.6% (18) and ST 8.9% (11). As, the respondents are pursuing their post - graduation in management studies, so it is important to know their previous education background, 35% (43) respondents had commerce in their graduation while 27.6% (34) respondents had engineering & technology. Students from science 24.4% (30) and humanities 13% (16) had also opted management studies. Among all the respondents 32.5% (40) had previous job experience while 67.5% (83) do not have any job experience. Families members and friends of 52.8% (65) respondents have been already engaged into business activities while there are 47.2% (58) respondents whose families are not engaged into business activities. 52.8% (65) respondents admitted that they found support from their families and friends regarding entrepreneurial activities and 47.2% (58) respondents did not seek such kind of support from their families.

<i>S.N.</i>	<i>Demographic details</i>	<i>Frequency</i>	<i>Per cent (%)</i>
1.	Age		
	20-25	101	82.1
	25-30	22	17.9
2.	Gender		
	Male	64	52
	Female	59	48
3.	Caste		
	General	75	61
	OBC	19	15.4
	ST	11	8.9
	SC	18	14.6
4.	Previous educational background		
	Engineering & Technology	34	27.6
	Sciences	30	24.4
	Commerce	43	35
	Humanities	16	13
5.	Previous job experience		
	Yes	40	32.5
	No	83	67.5

6.	Family and friends engaged in business activities		
	Yes	58	47.2
	No	65	52.8
7.	Support from family and friends regarding entrepreneurial activities		
	Yes	65	52.8
	No	58	47.2
	Total	123	100

*Table 2: Demographics analysis of the Respondents*

### **Entrepreneurial Competencies present among Management students**

It is not always important that each and every entrepreneur should possess the given set of competencies, they may possess different set of competencies (Wilken 1979, Khanka 1990). Table No. 3, depicts the extent of entrepreneurial competency among business students. With the mean value 4.0244 “commitment to work contract competency” is highest among the MBA students. It implies that respondents can put much efforts into their work and can also do personal scarifies to complete their jobs. See and acts on opportunities is at the second rank with the mean value of 4.0179, implies that students like to take challenges and new opportunities. Calvin, R. J. (2003) also specified that risk-taking or accepting a challenge shows that entrepreneurs considers themselves as a businessman, not a gambler. Systematic planning and problem solving competencies are at third and fourth rank with the mean value 3.8602 and 3.7724. Implies that management students understand the importance of good proactive planning which involves foreseeing the future opportunities and problems and preparing themselves in advance with the solutions. They are good in idea generations and always have alternative solutions for a single problem. After that, Initiative with mean value 3.6927 is at fifth rank, concern for high quality work with the mean value 3.6472 is at sixth rank, self confidence with mean 3.6293 is at seventh rank and assertiveness with the mean value 3.6033 at the eighth rank depicting that respondents have the entrepreneurs’ ability to attempt to do things better, faster, or cheaper. They could set high standards of excellence and will not comprise on the standard they established. They have also the sense of self confidence regardless of countless hindrances and failed attempts to be successful. All the other entrepreneurial competencies i.e. efficiency orientation (3.5626), information seeking (3.5171), use of influence strategies (3.5008), persuasions (3.2309) and persistence (3.2256) are at the lower ranks. But the mean values of all these competencies are not that much small as compared to the higher-ranked competencies which depict that the overall level of entrepreneurial competencies among MBA students of Central University of Himachal Pradesh is good. Educators and Policy makers needs to develop such kind of entrepreneurial course curriculum which would help these students to develop more entrepreneurial competencies.

S.N.	Entrepreneurial competency traits	Mean	Rank
1.	Initiative	3.6927	5 <sup>th</sup>
2.	See and acts on opportunities	4.0179	2 <sup>nd</sup>
3.	Persistence	3.2256	13 <sup>th</sup>



### *Entrepreneurial competencies and management students...*

4.	Information seeking	3.5171	10 <sup>th</sup>
5.	Concern for high quality work	3.6472	6 <sup>th</sup>
6.	Commitment to work contract	4.0244	1 <sup>st</sup>
7.	Efficiency orientation	3.5626	9 <sup>th</sup>
8.	Systematic planning	3.8602	3 <sup>rd</sup>
9.	Problem solving	3.7724	4 <sup>th</sup>
10.	Self confidence	3.6293	7 <sup>th</sup>
11.	Assertiveness	3.6033	8 <sup>th</sup>
12.	Persuasion	3.2309	12 <sup>th</sup>
13.	Use of influence strategies	3.5008	11 <sup>th</sup>

*Table 3: Mean values of different entrepreneurial competency of management students.*

## **Conclusion and Recommendation**

### **Conclusion**

The management student has a fair chance to understand what entrepreneurship is as compared to students from other disciplines. Also through the management curriculum they could develop the required entrepreneurial competencies to become a successful entrepreneur. Management students have an opportunity to enhance their entrepreneurial competencies, if they take their business studies seriously and also effectively utilize the opportunities they get during their MBA courses. Assessing their level of entrepreneurial competencies is very important as it provides them the understanding about various entrepreneurial competencies in which they are lagging behind and need to develop. From the present study it has been concluded that the top most competency among management students is commitment to work contract. Apart from this management students scored slightly higher on “sees and acts on opportunities, systematic planning and initiative competencies”. While they scored lower on “concern for high quality work, self-confidence, assertiveness, efficiency orientation, information seeking, use of influence strategies and persistence competencies”. Therefore, it is very much important that business students must develop these entrepreneurial competencies to become successful entrepreneurs.

The outcomes of the study revealed that there exists a slight difference in scores of entrepreneurial competencies between management female and male students. But the difference is not very much significant. Female students were found to have slightly higher score in “persistence, information seeking, commitment to work contract, systematic planning, problem solving, assertiveness and persuasion competencies” than male students. It is also found that male students scored significantly higher on

“initiative, sees and acts on opportunities, concern for quality work, efficiency orientation and use of influence strategies competencies”.

In addition, relative variables and demographic factors such as previous job experience, family and friends engaged in business activities and support of family and friends regarding entrepreneurial activities also have an effect on the entrepreneurial competencies of the students, and support of family and friends regarding entrepreneurial activities also affect the students' entrepreneurial competencies. Out of all the respondents, 40 (32.5%) respondents had job experience before joining the MBA course while 83 (67.5%) respondents had no previous job experience. From the study, it has been concluded that those students who had previous job experience were found to have slightly higher entrepreneurial competencies than others. However, the difference is not very much significant, other students can also increase their level of entrepreneurial competencies and in this business school would help them. Out of 123 respondents, family and friends of 58 (47.2%) respondents were found to be engaged in business activities. It was observed that respondents, whose family and friends are engaged in business activities, possess higher competencies in terms of commitment to work contract, assertiveness, self-confidence, systematic planning, and concern for quality work. In case of other competencies all the respondents were at par with each other with a slight difference in their mean values. 65 (52.8%) respondents revealed that they got support from their family and friends regarding entrepreneurial activities. It has been found that respondents who received support from their family and friends had higher level of entrepreneurial competencies than others.

### **Recommendations**

Business schools, universities and academic institutions are the places where entrepreneurship can be nurtured among the students and they could be the future entrepreneurs. To increase the level of entrepreneurial competencies among the management students following are the recommendations:

1. In present study an attempt is made to understand the level of various entrepreneurial competencies among the management students. Outcomes of the study gives an insight that which competencies are higher among management students and on which they need to do more work means they are lacking behind. Competencies can be developed through teaching and training and curriculum plays a very important role in the teaching process. Therefore, it is recommended that academic institutions should review the curriculum which they offer for management degree program. It should be the one which encourage entrepreneurship and should focus on practical aspects like internship, fieldwork programmes, and development of business plan etc. so that it would contribute in developing the entrepreneurial competencies among the students.
2. Role of women in reviving the economy and in making India Self-reliant is inevitable. At present females are at par with males in each and every field, entrepreneurship is not an exception. Like males, females are also showing their inclination towards management and also get themselves enrolled into the management courses. In the present study we have 59 female respondents. As women are new in this field, it is recommended that proper mentoring and



career counselling should be provided to them. Universities should also organise lecture series with the successful women entrepreneurs, who would share their journeys along with the difficulties they faced and inspire these female business students to become business successful business women.

3. Man and Lau, (2005) had stated that “Entrepreneurial competencies consist of components that are extremely rooted in a person’s background (traits, personality, attitudes, social role and self-image) as well as those that can be obtained at work or in the course of training and education (skills, knowledge and experience)”. Therefore, universities can play significant role in developing these competencies among the students by developing relevant course curriculum and also provide training to them by involving these students into activities that would provide them entrepreneurial exposure. From the study it has been revealed that students who have previous work experience are scoring high on different entrepreneurial competencies as compared to those who do not have. Therefore, Student should be engaged with the MSMEs working in the nearby areas. At these live projects, students get the appropriate training and also the opportunities to develop and showcase their entrepreneurial skills and competencies.
4. It is also recommended that business schools should make their students aware about the various opportunities, programs and policies which has been introduced by the Union and State government to promote and facilitate entrepreneurship. Our Prime Minister regularly talks about “Aatmanirbhar Bharat” i.e. making India self-reliant and to achieve this several initiatives and policies has been framed by the government. Business students can really makes a difference in making India a self- reliant country.

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*Entrepreneurial competencies and management students...*

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