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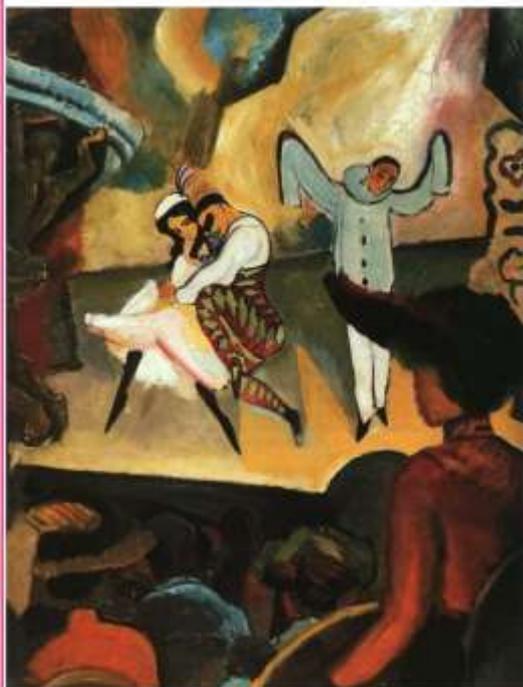
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# Entrepreneur as an Individual Review of Recent Literature on Entrepreneurial Skills

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## Abstract

The purpose of this paper is to provide some rich and deep insight to explore the characteristics, traits and key features of individual Entrepreneur via comparative qualitative research methods. As a result, entrepreneurial skills required to undertake innovative endeavors are formed through the value that shaped by the social, economic and cultural aspects of being a self-employment person. In conclusion, it is probable that one can classify the set of skills can be classified as entrepreneurship skills that are distinct in nature from other leader and management skills.

**Keywords:** Skills, performance, entrepreneurship, individual, explore.

# Emprendedor como una revisión individual de la literatura reciente sobre habilidades emprendedoras

## Resumen

El propósito de este documento es proporcionar una visión rica y profunda para explorar las características, rasgos y características clave del empresario individual a través de métodos de investigación cualitativa comparativa. Como resultado, las habilidades empresariales necesarias para emprender esfuerzos innovadores se forman a través del valor que se configura por los aspectos sociales, económicos y culturales de ser una persona que trabaja por cuenta propia. En conclusión, es probable que uno pueda clasificar el conjunto de habilidades que se pueden clasificar como habilidades de emprendimiento que son distintas en naturaleza a otras habilidades de liderazgo y administración.

**Palabras clave:** Habilidades, desempeño, emprendimiento, individual, explorar.

## 1. INTRODUCTION

The role of Entrepreneurship for the development and progress of economies and society has widely been recognized, reported and published in the academic literature and several policy manuals (Bosma et al., 2012). Entrepreneurship, generally as a term is being used in a wider meaning and it covers various facets of business and working within an enterprise (Busenitz et al., 2000). Entrepreneurship and self-employment

have extensively been considered as a change agent for future economic growth and prosperity. Entrepreneurship can help in coping with the challenges of globalization, fighting with economic issues and creating new employment opportunities, therefore, the role of entrepreneurship is more critical especially for less developed nations and generally developing countries. Although the role and importance of entrepreneurship are widely documented in the research literature, however, it is also imperative to mention the reported barriers in the performance of entrepreneurship in developing countries. There are various studies (Brennan et al., 2005), which were conducted to explore the possible issues and barriers in developing and developed countries.

Keeping the role of entrepreneurship in view, the present study focuses on the entrepreneur as an individual and aimed at exploring the literature on entrepreneurship, entrepreneurial skills that an entrepreneur should possess. A detailed literature review in the domain provides the foundation of the study and helps to ground the argument in the existing theory. The importance of exploring the investigation of the phenomena of entrepreneurship from an individual perspective is well recognized. However, the existing literature in the domain of entrepreneurship is flimsy and scattered especially in the context of developing countries. Therefore, there is a need to explore the paradigm of entrepreneurship in an individual's perspective in further details. The present study has opted to use qualitative and conceptual approach to report the existing research literature of the subject.

The rest of the paper is organized as; the next section is about entrepreneurship, its multiple aspects, existing research on entrepreneurship, and the role of entrepreneurship in economic growth and wellbeing of nations. The next section will provide some implications of the present research and suggest some possible directions for future research in the domain of Entrepreneurial skills and entrepreneurship. The next section will conclude the paper followed by the section designated to discuss some possible future research directions resulted from the foundation laid down in the current research paper.

## **2. ENTREPRENEURSHIP**

There is no agreement on the definition of Entrepreneurship among the researchers since the field is on the organic phase of development. Entrepreneurship has seemed like one of the emerging domain of scientific research. Henry et al. (2005) made a valuable contribution by extending the work of Tiernan et al. (1996) which defined the phenomena as “someone who has the ability to see and evaluate business opportunities; gather the necessary resources to take advantage of them, and initiate appropriate action to secure success” (Henry et al., 2005: 99).

There are various studies, to date, which were conducted to explore entrepreneurship as a paradigm and its precedents and consequences on the society and economy (Brunet & Alarcón, 2004). It is generally assumed that entrepreneurship is a peculiarity, which enables

the person towards Entrepreneurship venture in the future. This assumption was regarding entrepreneurship was confronted by proposing, Entrepreneurs are made and not born by (Fayolle, 2006; Fayolle, 2006).

The impact of entrepreneurship on socioeconomic development is well recognized in the research literature. It is imperative that government support is provided to entrepreneurship in order selfemployment to flourish and prove fruitful. Entrepreneurship has seemed like an imperative socio-economic topic of academic investigation and debate in the last few decades (Fayolle, 2006). The next section of the paper will provide a foundational background of the paradigm called skills, its definition and its various dimensions from the existing research literature.

### *2.1. Skills*

It seems more appropriate before proceeding discussion on entrepreneurial skills to explore some dynamics of skills and the possible implications for entrepreneurship. According to Fayolle (2006), the term skill refers to the ideas of competence, proficiency, attributes, and the ability to do something well and is related closely to knowledge, expertise, and capability. Furthermore, there is also a discussion and debate on whether skills can be developed or not? Chell (2013) proposed that skills can be learned and taught over the period of time, however, Fayolle (2006) represented the general claim that skills are critical in nature and are essentially God gifted, which can only be polished and enhanced.

However, there is no such agreement among the scholars on the specific skills set and appropriate methods for teaching and imparting skills. These differences provide an opportunity to further explore the dynamics of skills in entrepreneurship focus (Galloway et al., 2005). The next section of the paper is about the description of entrepreneurship skills, classification of entrepreneurship skills and previous studies conducted on the subject.

*2.2. Entrepreneurial skills*

Entrepreneurial skills are defined as “identifying customer needs, technical or market opportunities, and pursuing opportunities” (Hayton, 2015: 3). Chell (2013) tried to catalog the contribution of various researchers in order to propose a coherent framework to understand entrepreneurship skills. The proposed framework is drawn by incorporating various broad aspects of skills and behaviors. Table No. 1 portrays the Classifications of entrepreneurial skills.

Table 1: Classifications of Entrepreneurship skills

<p><b>Idea identification/creation</b></p> <ul style="list-style-type: none"> <li>• Idea generation / envisioning</li> <li>• Opportunity recognition and means-end analysis</li> <li>• Ability to acquire information about a potential opportunity, domain knowledge and associated skills</li> <li>• Recognition of social / market need</li> </ul>	<p><b>Capitalizing on ideas</b></p> <ul style="list-style-type: none"> <li>• Awareness of environment and factors conducive to opportunity exploitation</li> <li>• Ability to garner the necessary material resources</li> <li>• Ability to convince others of the value of an opportunity</li> <li>• Networking and social embedding</li> </ul>
<p><b>Traits/behaviours</b></p> <ul style="list-style-type: none"> <li>• Self-belief, self-awareness, trust in own judgement etc.</li> <li>• Ability to manage risk and shoulder responsibility</li> <li>• Ability to endure and cope with difficulties. Energy, motivation, persistence etc.</li> </ul>	<p><b>Managerial/leadership skills</b></p> <ul style="list-style-type: none"> <li>• Ability to manage others</li> <li>• Ability to overcome institutional and other constraints</li> <li>• Ability to develop an idea as a commercial opportunity</li> <li>• Decision-making capability</li> </ul>

Source: Adopted from Chell (2013)

Fayolle (2006) stated that research on entrepreneurial skills is still on preliminary stage and conceptual models and frameworks proposed are thus far to position, self-assessment, and external assessment of entrepreneurial skills. Therefore, there is a need for formal tools and techniques that can be implemented to assess the dynamics of entrepreneurial skills. However, some scholars consider entrepreneurial skills as primarily to managerial skills. Though some believe that entrepreneurial skills are way beyond managerial skills and are more complex and dynamic in nature (Chandler and Hanks, 1994). Consequently, Chell (2013) suggested a comprehensive approach of understanding and proposed, the knowledge, skills and abilities of entrepreneurs and innovators are many and various, but as with personality traits, they interact with situations.

There are various views on entrepreneurial skills, according to Brush (2008) proposed that critical entrepreneurial skills are social skills, bootstrapping and visioning. Furthermore, Brush (2008) explained vision as “a pattern for future; having elements of time and scope, it is values-driven, has a purpose, and often evokes a mental image or picture that can be communicated” (Brush, 2008: 23). There are various efforts to explore and determine the imperative entrepreneurial skills in the existing research literature. Lazear (2004) proposed a balanced skill approach, which was denominated by jack of all trades (JAT) theory. She suggested that the balanced skill and jack of all trades are the appropriate measures and lens for looking at the skills required to be an entrepreneur.

However, Fayolle (2006) reported that the cross-sectional results of JAT theory were unable to control unobservable characteristics of an

individual such as background and family history while proposing the set of skills required for any individual entrepreneur. Fayolle (2006) further added that, If a JAT attitude matters for entrepreneurship; it does so as an innate ability. Previous claims, on the causal effect of acquiring a balanced skill-mix on the probability of becoming an entrepreneur, should be more cautiously interpreted.

Fayolle (2006) however, proposed after a comprehensive qualitative research study on the behavior inclinations of entrepreneurs by explaining that there is a different type of skills required to undertake various tasks of entrepreneurial stages such as idea creation, business model development and execution the idea. The effectiveness of the tactics and strategy will be dependent on the type of technique used to cope with the situation. Kariv (2012) highlighted that men dealt the business growth in change-oriented business situation differently as compared to women. Fayolle (2006) proposed that the varied past work experience of entrepreneurs can also have an impact on entrepreneurship skills.

Table 2: Summary of studies on entrepreneurial skills

Behavior and Skills	Research Studies
Innovation and creative ability in order generate new ideas and ability to envision potential opportunities	Amabile (1983, 1990), Ardichvili et al. (2003), Csikszentmihalyi (1996), Hills et al. (1997), Locke (2000), Locke and Baum (2007), Rubenson and Runco (1992), Sternberg (2003), Sternberg and Lubart (1995, 1996), Kirton (1976, 1980)
Ability to Recognize the opportunity and skills to	Baron (2000); Gaglio (1997, 2004); Gaglio and Katz (2001), Kirzner (1979, 1997), Shane (2000,

work out the mean to end framework	2003)
Ability of understand and comprehend information and draw conclusions based on the context and environment	Amit et al. (1993), Nightingale (1998), Baron (2004), Frese (2007), Marsili (2002)
Assessment of the factors that are favorable for the business, required domain knowledge and skills	Gaglio (2004), Gaglio and Katz (2001), Kirzner (1979) Cohen and Levinthal (1990), Shane (2000, 2003), Amabile (1983, 1990), Ardichvili et al. (2003), Sigrist (1999), Zucker et al. (1998)
Ability to recognize social and market needs	Ardichvili et al. (2003), Harper (1996), Shane (2000, 2003) Brush et al. (2001), Stevenson et al. (1985, 1989), Timmons (1989), Wu (1989)
Power to convince other with high level of self-belief and self esteem	Jack and Anderson (2002), McClelland (1987), Witt (1998) Bandura (1997, 1999), Boyd and Vozikis (1994, Chen et al. (1998), Krueger and Brazeal (1994), Markman et al. (2002, 2005)
Predictability, judgment and self-confidence of the decisions made	Chandler and Jansen (1992), Chell and Tracey (2005), Locke (2000), Busenitz and Barney (1997), Simon et al. (2000)
Leadership skills, interpersonal skills and ability to manage people.	Baron and Markman (2003), Witt (1998)
Ability to judge the situations and make strategies accordingly	Casson (1982), Chell (2008), Frese (2007), Gaglio and Katz (2001)
Risk taking and ability to handle conflict.	Christiansen and Bower (1996), Harper (1996), Hoy and Carland (1983), Miner and Raju (2004), Timmons et al. (1985)

<p>Social and networking embedding and Social competence</p>	<p>Aldrich and Whetton (1981), Aldrich and Zimmer (1986), Ardichvili et al. (2003), Baron and Markman (2003), Birley (1985), Chell and Baines (2000), Jack and Anderson (2002),</p>
<p>Flexibility, multi skills and dynamic capabilities</p>	<p>Argyris and Schoen (1978), Bandura (1997, 1999), Chell (2008)</p>
<p>Resilience and ability to handle with difficult situations</p>	<p>Shapero (1975), Rabow et al. (1983), Chell and Baines (2000), Jack and Anderson (2002), Ardichvili et al. (2003), Sigrist (1999), Zucker et al. (1998)</p>

The next section of the paper is designated for discussion about the study of an entrepreneur as an individual person, what are the factors that can lead towards the decision of self-employment and, what are key personality characteristics an entrepreneur should possess.

**3. ENTREPRENEUR AS AN INDIVIDUAL**

Researchers have been trying to explore the key personality traits of entrepreneurs since the debate was first initiated by Fayolle (2006), who proposed that entrepreneur individuals were seemed to be different from others on a higher level of need for achievement. There have been many studies which were conducted after that on the same lines in Psychology and entrepreneurship research and proposed that there are multiple additional personality traits of the entrepreneurial individual as identified by Hayward et al. (2006) such

as high level of self-efficacy, tolerant to failure. It is important to mention that research on entrepreneurship reveals that generally, the entrepreneurs consider negatively perceived traits proportionate such as overconfidence (Hayward et al., 2006), and entrepreneurs shows a high tendency for attention deficit hyperactivity disorder.

The central theory, which is leading entrepreneurship and critical factors for the entrepreneur as an individual is called Opportunity Recognition Theory and skills were tried to map around the Opportunity Recognition Theory by the researchers. This debate on various skills was initiated by Hayward et al. (2006) who originated the discussion in *Entrepreneurship Theory and Practice* supported by the later work on social, individual and psychological aspects that are related to entrepreneur and entrepreneurship (Gartner, 1994). This discussion lead towards the multiple empirical and conceptual research studies to explore entrepreneurship from this individual perspective.

The previous studies tried to divide the perspective of the individual entrepreneur in three different approaches refers to the cognitive process, trait orientation and behavioral perspective. Hayward et al. (2006) proposed the model of individual attributes by highlighting various psychological factors that can have an impact on the ability of any individual to exploit the opportunity. Furthermore, Shane was ardent to highlight the opportunity. Figure.

1 refers to the details of the Model of Psychological and NonPsychological individual characteristics proposed by Hayward et al. (2006) in the model of individual attributes.

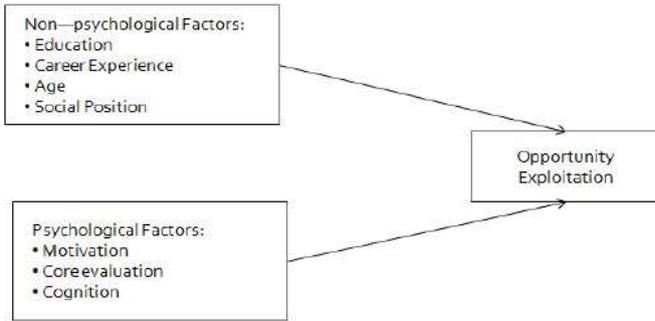


Figure 1: Model of psychological and non-psychological individual characteristics

The opportunity recognition theory has been widely accepted as a leading theory in entrepreneurship and entrepreneurial process. , Many researchers have, to date, tried to connect the skills required with entrepreneurship process under the guidelines of this theory. One of the key skills is alertness to the opportunity which is arguably on the premise that entrepreneur perhaps is born, other skills such as cognitive thinking are used by the entrepreneurs if they wanted to be successful. Furthermore, opportunity recognition theory is positioned as positivist paradigm since some of the elements of the theory are measurable; nevertheless, the overall measurement of opportunity

recognition theory and testing is still debatable and problematic among the researchers.

The substantial contribution was made in 1996 by Deakins (1996) who stated that we do not understand how entrepreneurs learn, yet it is accepted that there is a learning experience from merely establishing a new enterprise. The learning process that is involved in business and enterprise development is poorly understood, yet programs have been devised and interventions are made in business development...There is now a need for refocusing research away from the emphasis on picking successful entrepreneurs or picking winners, to identify key issues in the learning and developmental processes of entrepreneurship.

#### **4. CONCLUSION AND RECOMMENDATIONS**

The present study tried to gain deeper insight into entrepreneurship, entrepreneur as an individual and entrepreneurial skill through drawing a foundation from the existing body of literature in entrepreneurship. This paper established its argument using qualitative and conceptual approach, which on the one hand provides deeper insight on the phenomena but also on the other side lack the empirical support in terms of argument backed by the data. The present study has tried to consider the nature of skills in general and in particular the entrepreneurial skills. Various research approaches and theoretical underpinning were explored in order to

gain more profound and deeper insight into the paradigm of skills. It has been observed that the construct of skills has many dimensions and is used in various perspectives by the researchers.

Entrepreneurship and the entrepreneurial process is a complex and lengthy one and it is imperative to consider the skills required on the various phases of the entrepreneurial process. This may also trigger the debate of the skills requirements for individual and skills requirements for organizational level are the same skills level is required for both individual and organizational. The present research is largely focused on the requirements for individuals. Moreover, researchers of entrepreneurship seem unable to grasp the multidimensionality nature of skills; one of such critical skill is risk-taking inclination. More focused and comprehensive research is required for the risk-taking inclination of the entrepreneur. Regarding the implications of the present study, it provides a foundation for proposing a conceptual model for determination of association between Entrepreneurship, entrepreneurial individual and entrepreneurial skills. Below are some of the implications of the present research study:

- Present research study highlighted the importance of entrepreneurship and entrepreneurship skills with reference to the entrepreneurial process as individual entrepreneurs. Even though there are extensive research literatures on management skills and leadership skills.

- The overview of the existing research literature highlights that it is probable that one can classify the set of skills can be classified as entrepreneurship skills that are distinct in nature from other leader and management skills.

- There are some factors such as ethnic group, gender, entrepreneurship skills, geographical location, nationality, educational background and demographic factors are somewhat loosely associated with the overall level entrepreneurship skills.

- There is some evidence regarding the debate on whether entrepreneurship skills could be learned or taught. However, experiential learning can be used for developing entrepreneurial skills, which focused on the real task.

## **5. FUTURE STUDY DIRECTIONS**

Future studies may be conducted to gain more grounded and empirical research using quantitative approach. Another option for future research studies could be to explore the link between personality traits of an entrepreneur and entrepreneurial skills and the possible impact on the success of entrepreneurial ventures. Additionally, the studies may be conducted to explore the difference is skills requirements for individual and skills requirements for organizational level, furthermore, what are the practical implications of these requirements of the organizational performance.

An important step would be after reviewing the current research and findings to draw some tentative conclusion by using the meta-analytic approach of research. This will allow identifying the substantial results of a large number of research studies from positivist and quantitative context of analysis. These findings can serve as a foundation for future research and any alternation in the overall research direction. There is a need to focus on learning and learning from past experience. Perhaps, this will lead towards the emergence of skills and behavior, which are required for the overall success. The descriptive review of the literature can play a role as philosophical paradigms and uncovering fundamental that can devise the directions for future research.

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