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1. Introduction
Entrepreneurs play a critical role and are considered the prime determinant for business survival and success is the entrepreneur himself/herself (van Praag, 2005). To play this role effectively, entrepreneurs require skills and abilities to not only create new ventures but also for further growth. Man, Lau and Chan (2002) refer to these competencies as the ‘total ability of the entrepreneur to perform this role successfully’. According to these authors, entrepreneurial competence encompass the ability to recognise opportunities, developing products and/or services to meet the needs discovered, assuming risk in order to fulfil the identified goals, and employing strategic management skills.

Several studies have examined the entrepreneurial competencies (for example, Baum, 1994; Bird, 1995; Baron & Markman, 2003; Chandler & Jansen, 1992; Herron and Robinson, 1993; Man et al. 2002). These studies have found a positive relationship between the existence of competencies and venture performance. However, it is found that most of the literature on entrepreneurial competencies, and other entrepreneurship areas, are focused on developed countries (Bruton, Ahlstrom & Obloj, 2008). Recognising the importance of the entrepreneurship role in emerging economies, some researchers have shown interest in the recent past (e.g., Ahmad, Ramayah, Wilson, Kummerow, 2010).

The economic landscape of emerging economies is different from developed countries. Emerging economies are the low income countries that are experiencing rapid growth and industrialization. (Hoskisson, Eden, Lau, & Wright, 2000). Significant changes in political and market reforms encouraging liberalization, stabilization, and the encouragement of private enterprise have strengthened the market mechanism in these countries putting them on a path of rapid growth and development. Therefore, Bruton et al. (2008) highlight the importance of understanding entrepreneurship in these economies. There is an urgent need to examining the competencies of entrepreneurs operating in emerging markets as the emerging economies have different environments and challenges compared to those in developed countries, and also the emerging markets themselves have diverse sub-groups. Zahra (2007) also recommends adaptation of entrepreneurship theories developed in developed countries to emerging economies. For these reasons, we believe our study in examining the competencies of entrepreneurs in emerging economy fills an important gap.

The main purpose of the study is to investigate entrepreneurial competencies necessary in emerging economies. The paper is structured as follows. First, the term competencies is examined in the context of entrepreneurs. Second, a conceptual model is proposed based on review of extent literature. Third, a set of propositions on the entrepreneurial competencies and a conceptual model are presented. Finally the implications of this research are mentioned and concluded.

2. Definitional Issues of Competencies
A review of literature shows that competency has been defined from different perspectives for the purpose of serving the researchers own agendas (Burgoyne, 1993; Strebler, Robinson, & Heron, 1997; Hoffmann, 1999). In the context of entrepreneurship, Bird (1995, p.51) defines entrepreneurial competencies as “underlying characteristics such as generic specific knowledge, motives, traits, self-images, social roles, and skills which result in venture birth, survival, and/or growth”. According to Strebler et al. (1997) the definition of competencies has two aspects: demonstrable behaviour for effective performance in a job and minimum standard of competent performance. Hoffmann (1999)
suggests that entrepreneurial competencies can be examined from three approaches: inputs, behavioural-outputs, and standard-outputs. This study considers the ‘behavioural’ concept of competency which is closely linked to entrepreneurial performance (Herron & Robinson, 1993; Man Lau & Snape, 2008).

As mentioned earlier, Fastré & Van Gils (2007) highlighted the important role of an entrepreneur in venture performance. However, this role is multi-fold such as: being a manager (to efficiently plan and organise resources), a leader (to motivate staff and have a vision for the firm), etc. However, the tasks and roles undertaken by entrepreneurs will indicate the type of competencies required. Further, entrepreneurial researchers (Lerner & Almor 2002; Sadler-Smith, Hampson, Chaston, & Badger, 2003; Man et al., 2002; Harris & Gibson, 2006) believe that the performance of the firm will be higher when the business owner has requisite entrepreneurial and managerial competencies. According to Chandler and Jansen (1992) entrepreneurial performance depends on human/conceptual competence; ability to recognize opportunity; motivation or a drive to pursue the venture; technical/functional competence and political competence or nous.

3. Propositions on Competencies Required by Entrepreneurs

In this section, we examine relevant literature on entrepreneurial competencies and presents propositions that are relevant to emerging economies and a conceptual model that could be used for empirical testing.

Opportunity competencies: Timmons, Muzyka, Stevenson and Bygrave (1987) refer to the ability to recognise an opportunity as the ‘core’ of entrepreneurship. Business founders undertaking the classic entrepreneurial role scan their environments, identify opportunities, and take advantage of these opportunities (Chandler & Jansen, 1992). McClelland (1987) also found in his study of 24 entrepreneurs, from developing countries, that successful entrepreneurs where able to ‘see and act on opportunities’. This leads to:

\[ P1. \text{ A higher level of opportunity competencies will positively influence venture performance in emerging economies. } \]

Organising competencies: For establishing and managing a business successfully, Hebert and Link (1989) state that an entrepreneur should be “specialized in taking responsibility for and making judgemental decisions that affect the location, form, and the use of goods, resources, or institutions” (p.47). Entrepreneurs have the ability to lead, coordinate, control, monitor, and organise internal and external resources such as finance and human resources (Chandler & Hanks, 1994; Snell & Lau, 1994; Man et al., 2002). Park and Bae (2004) also underscores the entrepreneur’s capabilities in organising internal and external resources for organisational performance. In the Indian context, Panda (2002) observe that high achieving entrepreneurs have the capability to organise a large proportion of the fixed capital (over 40 per cent) and arrange for more than 90 per cent of their working capital requirement. This suggests: \[ P2. \text{ A higher level of entrepreneurs’ ability to arrange and organise resources will positively influence venture performance in emerging economies. } \]

Strategic Competencies: Much literature in the area of entrepreneurial competency relates to entrepreneurs’ ability to have a vision in mind for their business (Mitton, 1989; Snell & Lau, 1994; Thompson, Stuart & Lindsay, 1996), to have clear goals, and to formulate and implement strategies to achieve the vision and goals (Man et al., 2002). Bracker and Pearson (1986) found that the performance of the firm was better when entrepreneurs undertook structured strategic planning rather than other types of planning. Stressing the importance of the entrepreneurs’ ability to be responsive to changing market conditions and customers, Mullins (1996) attested that competency facilitates responsive behaviour thereby enhancing the firm’s survival rate and increasing its growth potential. Not surprisingly, it was found that low levels of strategic orientation are associated with high failure rates in businesses (Sexton & Van Auken, 1985). This leads to: \[ P3. \text{ A higher level of strategic competencies will positively influence venture performance in emerging economies. } \]
Learning Competencies: Man et al. (2008) identified learning competencies as providing support to the six competencies identified by them. Learning competencies include the entrepreneur’s ability to learn from a variety of sources and apply the learned skills and knowledge to actual practices (Ahmad, et al., 2010). The ability to learn and apply from past experience is important to entrepreneurs (Bird, 2002, Snell & Lau, 1994). Entrepreneurs should be able to learn from their environment, their own mistakes and from other people (Cope and Watts, 2000; Harrison & Leitch, 2005). If potential entrepreneurs developed the ability of directing and utilising their learning they would be more successful in recognising and adapting to the changing roles of entrepreneurs required for enterprise growth (Bird, 2002). We posit:

**P4. A higher level of learning competencies will positively influence venture performance in emerging economies.**

Networking/Relationship Competencies: A key success factor for an entrepreneur has been found to be his or her capabilities to work with others such as employees, business partners, family, friends, customers and so forth. Falter (2007) suggests that entrepreneurs can gain access to business contacts through family members. Further to using familial relationships, entrepreneurs draw upon non-kin networks such as relationships with organizations, professional networks, friends and colleagues (Greve & Salaff, 2003; Hansen, 1995). There is evidence that network density and the proportion of strong ties in the entrepreneur’s personal network are linked positively to success in launching a new venture (Davidsson & Honig, 2003) and venture performance (Vissa & Chacar, 2005). To successfully use these contacts, entrepreneurs need to possess relationship competencies such as relationship building, interpersonal abilities, and effective communication skills (McClelland, 1987).

**P5. A higher level of networking and relationship competencies will positively influence venture performance in emerging economies.**

Commitment Competencies: Entrepreneurs who strive to achieve long-term goals with strong devotion can be construed to possess commitment competency (Man & Lau, 2000). Other characteristics are taking initiatives (McClelland, 1987) and possessing entrepreneurial drive (Eyre & Smallman, 1998). Neace (1999) found that entrepreneurs who never give up reveal their inner quality of ambition and determination and that this is perhaps the most important controllable behavioural trait necessary to succeed. Entrepreneurs possessing this competency will refuse to let the venture fail and will be determined to make the venture work, while making large personal sacrifices if they have to (Chandler & Jansen, 1992). This suggests:

**P6. A higher level of commitment competencies will positively influence venture performance in emerging economies.**

Conceptual Competencies: The entrepreneur requires analytical competency when faced with addressing complex situations (Eyre & Smallman, 1998, Man & Lau, 2000). Based on the tenets of cognitive theory, Palich and Bagby (1995) believe that entrepreneurs view risks positively and interpret them as opportunities while others do not see such potential. These abilities help in cognitive and analytical thinking, decision making, innovating, coping with uncertainty and risk are classified as conceptual competencies (Man & Lau, 2000). Thus, we propose:

**P7. A higher level of conceptual competencies will positively influence venture performance in emerging economies.**

Managerial/Functional Competencies: Starting a business venture is the first challenge that the entrepreneur encounters. Entrepreneurs then face new challenges as the new venture moves from one stage of development to another, requiring a different set of skills (Churchill & Lewis, 1983). Therefore, entrepreneurs require competencies that both entrepreneurial and managerial-administrative (Capaldo, Iandoli & Ponsiglione, 2004). Several studies have focused on managerial/functional competencies that business owners require for succeeding (Ibrahim & Soufani, 2002; Huck and McEwen, 1991; Prahalad & Hamel, 1990; Swiercz & Spencer, 1992). Research shows that majority of business failures can be attributed to the lack of management skills/competencies (for example, see
Bruno, Leidecker, & Harder, 1987; Terpstra & Olson, 1993). This leads us to believe that:

**P8.** A higher level of managerial/functional competencies will positively influence venture performance in emerging economies.

**P9.** A higher level of managerial competency combined with entrepreneurial competencies will positively influence venture performance in emerging economies.

**Business Environment:** Entrepreneurs working in an emerging economy face different challenges due to the institutional and cultural forces (Bruton et al. 2008). They face challenges in the areas of labour, capital, infrastructure, property rights, bribery and corruption etc. While some institutional factors are favourable, others are not (Bruton & Ahlstorm, 2003; Peng & Heath, 1996). Further it is important to understand the values and beliefs of the various cultures and how these factors will moderate the influence of the entrepreneur in starting and growing the business venture. We propose:

**10.** The business environment significantly moderates the relationship between competencies and venture performance in the emerging economies.

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**Figure 1: Relationship between competencies and venture performance**

4. **Conceptual Framework**
Based on the review of extant literature, a model is proposed for further empirical investigation (see Figure 1). The model and propositions presented in this paper suggest that venture performance is linked to the competencies of the entrepreneur, moderated by environment and culture.

5. **Implications and Conclusion**
Further research is necessary to test the proposed relationships between the variables proposed in this article and to determine which of the competencies are more relevant to the context of emerging economy such as India. The role of environmental and other contextual factors could also be examined. Results of such a study will have implications for educational institutions, professional bodies, governmental agencies in designing entrepreneurial education and specific training programmes to improve the competencies of potential entrepreneurs.

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