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THE INFLUENCE OF ENTREPRENEURIAL COMPETENCIES ON BUSINESS SUCCESS: EVIDENCE FROM ENTREPRENEURS IN SRI LANKA

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ABSTRACT

This study examines the influence of entrepreneurial competencies on business success among entrepreneurs in Sri Lanka. Specifically, it investigates the effects of entrepreneurial competencies on four dimensions of business success: satisfaction with financial performance, satisfaction with non-financial performance, business performance relative to competitors, and business growth. A cross-sectional survey design was employed, and data were collected from 370 registered entrepreneurs using a structured questionnaire. Multiple regression analysis was conducted to examine the relationships between entrepreneurial competencies and the four business success dimensions. The findings reveal that opportunity competency significantly enhances financial performance satisfaction, non-financial performance satisfaction, and business performance relative to competitors, while human competency positively influences non-financial performance satisfaction and business growth. In contrast, commitment competency exhibits a negative relationship with financial performance satisfaction and business growth. The findings highlight the multidimensional nature of entrepreneurial competencies and suggest that entrepreneurs should develop a balanced portfolio of competencies to achieve sustainable business success. The study contributes to the entrepreneurship literature by providing empirical evidence from the Sri Lankan SME context and offers practical implications for entrepreneurs, policymakers, and entrepreneurship support organisations.

Keywords: Entrepreneurial Competencies; Small and Medium Enterprises; Business Performance; Business Growth

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1. Introduction

Entrepreneurship has emerged as a pivotal driver of economic growth and development across the globe, particularly in developing nations like Sri Lanka. The island nation, rich in cultural heritage and natural resources, has witnessed a significant surge in entrepreneurial activities over the past decade. This growth is not merely a reflection of individual ambition but is intricately linked to the competencies that entrepreneurs possess. Entrepreneurial competencies encompass a range of skills, knowledge, and attributes that enable individuals to identify opportunities, innovate, and effectively manage their businesses (Zainol et al., 2018). Understanding the influence of these competencies on business success is crucial for fostering a vibrant entrepreneurial ecosystem in Sri Lanka.

In Sri Lanka, the entrepreneurial landscape is characterized by a diverse array of industries, from traditional agriculture to modern technology startups. Recent statistics indicate that the Total Early-stage Entrepreneurial Activity (TEA) rate in Sri Lanka reached an impressive 19.9% in 2021, highlighting the growing interest in entrepreneurship among the populace (Central Bank of Sri Lanka, 2021). This burgeoning entrepreneurial spirit is fueled by various factors, including increased access to technology, supportive government policies, and a rising culture of innovation (Albert & Couture, 2013). However, despite this promising environment, many entrepreneurs still face significant challenges that can impede their success.

The interplay between entrepreneurial competencies and business success is particularly relevant in the context of Sri Lanka's unique socio-economic landscape. Entrepreneurs are often required to navigate complex market dynamics and socio-cultural barriers that can hinder their progress (Foster, 2018). Competencies such as opportunity recognition, resource management, and strategic planning become essential tools for entrepreneurs striving to establish and grow their businesses (Hikmah et al., 2023). By equipping themselves with these competencies, entrepreneurs can enhance their resilience and adaptability in the face of adversity.

Moreover, the role of education and training in developing entrepreneurial competencies cannot be overstated. Various initiatives aimed at fostering entrepreneurship among young people and women have gained traction in recent years (Al Mamun & Fazal, 2018). Programs that focus on skills development-ranging from financial literacy to digital marketing-are instrumental in empowering aspiring entrepreneurs to realize their potential (Tehseen & Ramayah, 2015). For instance, initiatives led by organizations like UN Women have successfully provided training to women entrepreneurs, helping them gain economic independence and combat societal challenges.

In addition to individual competencies, the broader entrepreneurial ecosystem also plays a critical role in influencing business success. Factors such as access to finance, mentorship opportunities, and networking platforms significantly impact an entrepreneur's ability to thrive (Sarwoko et al., 2013). In Sri Lanka, organizations like the Entrepreneurs' Organization (EO) and the Chamber of Young Lankan Entrepreneurs (COYLE) provide valuable resources and support for emerging entrepreneurs. These networks facilitate knowledge sharing and collaboration among entrepreneurs, further enhancing their competencies and chances of success (Gihan & Vilani, 2020).

Despite the growing body of research on entrepreneurship, existing studies on entrepreneurial competencies and business success have predominantly been conducted in developed economies, with limited empirical evidence available from developing country contexts such as Sri Lanka (Rezaei & Ortt, 2018). Furthermore, while previous research has acknowledged the importance of entrepreneurial competencies, there remains insufficient understanding of how specific competencies contribute to business success within Sri Lanka's unique socio-economic and cultural environment. Addressing this gap is important, as contextual factors may influence the extent to which entrepreneurial competencies translate into successful business outcomes.

Therefore, this study aims to examine the influence of entrepreneurial competencies on business success among entrepreneurs in Sri Lanka. Specifically, the study investigates key entrepreneurial competencies, including opportunity recognition, resource management, strategic planning, and related entrepreneurial capabilities, and evaluates their relationship with business success. Using an empirical research approach, this study seeks to provide evidence-based insights that can assist policymakers, educators, and entrepreneurship support organisations in designing initiatives that enhance entrepreneurial competencies and promote sustainable business success in Sri Lanka.

2. Literature Review

Entrepreneurial competencies refer to the combination of knowledge, skills, attitudes, and behaviours that enable individuals to identify opportunities, create value, and effectively manage entrepreneurial activities (Mai & Thai, 2025; López-Núñez et al., 2022). These competencies significantly contribute to business success by enabling entrepreneurs to make informed decisions, adapt to changing market conditions, and sustain competitive advantage. Contemporary research suggests that entrepreneurial competencies encompass both internal attributes, such as attitudes, self-efficacy, and personal capabilities, and external capabilities, including acquired knowledge, technical skills, and experiential learning. Together, these dimensions play a crucial role in enhancing entrepreneurial effectiveness and business performance (Fazal et al., 2022a; Sakib et al., 2022).

To understand the competencies required by entrepreneurs, it is essential to examine the diverse roles they perform as owner-managers within their businesses. Contemporary entrepreneurship literature suggests that entrepreneurs are responsible for entrepreneurial, managerial, and operational functions, each of which requires distinct competencies to achieve business success (González-López et al., 2021; Botha & Pietersen, 2022). These roles demand a combination of strategic thinking, resource management, leadership, and technical expertise that enables entrepreneurs to effectively manage business operations and respond to changing market conditions. In particular, the entrepreneurial role involves identifying market opportunities, recognising unmet customer needs, and developing innovative products or services that contribute to business growth and sustainability (Alim et al., 2023; Ataei et al., 2020). Furthermore, commitment, perseverance, and dedication to the venture are widely recognised as critical entrepreneurial competencies that support business survival and long-term success, especially during the early stages of venture development (Aidara et al., 2021; Botha, 2020).

Entrepreneurial competencies encompass a broad range of abilities, including strategic thinking, commitment, leadership, and resource management capabilities. These competencies enable entrepreneurs to establish clear goals, evaluate emerging opportunities, and guide their ventures towards sustainable growth and competitive performance. Strategic and commitment competencies are particularly important, as they help entrepreneurs align business activities with long-term organisational objectives while maintaining persistence and adaptability in challenging business environments (Fazal et al., 2022b; Goyal & Mishra, 2024). In the context of SMEs, the ability to effectively organise resources, lead teams, and demonstrate resilience has been identified as a key determinant of business success and sustainability (Kisubi et al., 2022; Ismail, 2022). By developing these core competencies, entrepreneurs are better positioned to navigate uncertainty, respond to market changes, and sustain business performance in dynamic and emerging economies.

Additionally, competencies such as relationship building, opportunity recognition, and technical expertise provide entrepreneurs with a competitive advantage in responding to market changes and evolving customer expectations. Strong networking and relationship-building capabilities facilitate access to valuable resources, information, and business opportunities, while opportunity recognition competencies enable entrepreneurs to identify and exploit emerging market prospects (Klyver & Arenius, 2022; Alim et al., 2023). Entrepreneurs who continuously develop their knowledge and technical capabilities are more likely to enhance innovation, improve operational effectiveness, and achieve superior business performance. Furthermore, entrepreneurial competencies are dynamic in nature and evolve through experience, learning, and interaction with the business environment, highlighting the importance of continuous competency development (Aftab et al., 2022; Al Koliby et al., 2024). Overall, understanding the contribution of different entrepreneurial competencies provides a comprehensive perspective on entrepreneurial effectiveness and business success.

Business success in SMEs can be conceptualised in various ways, depending on the objectives and performance criteria valued by entrepreneurs. Financial indicators, such as profitability, revenue growth, market share, and return on investment, continue to be widely recognised as important measures of business success (Sakib et al., 2022; Kisubi et al., 2022). For many entrepreneurs, the ability to generate sustainable income, improve financial performance, and achieve business growth remains a key indicator of success (Goyal & Mishra, 2024). While profitability is often associated with short-term performance outcomes, business growth and sustainability are generally viewed as indicators of long-term success (Aidara et al., 2021; Ismail, 2022). However, contemporary research acknowledges that entrepreneurs may define success differently, with some prioritising business continuity, stability, and sustainability over rapid growth. Nevertheless, maintaining financial viability remains essential for ensuring the survival and long-term sustainability of SMEs regardless of their growth aspirations (Fazal et al., 2022a; Ibidunni et al., 2021).

In addition to financial indicators, contemporary entrepreneurship research highlights the importance of non-financial measures in assessing business success. Many SME owners value personal fulfilment, autonomy, work-life balance, and the achievement of individual entrepreneurial goals alongside financial performance (Ahrens et al., 2019; Subagyo & Ernestivita, 2020). For small business owners, success is often associated with maintaining control over business decisions, achieving personal satisfaction, and creating a sustainable lifestyle that aligns with their aspirations. Furthermore, recent studies suggest that financial and non-financial measures should be considered together, as they provide a more comprehensive assessment of firm performance and long-term sustainability (Ferreira & Otley, 2009; Agarwal et al., 2022). Consequently, business success is increasingly viewed as a multidimensional construct that encompasses financial outcomes as well as non-financial indicators such as customer satisfaction, employee engagement, organisational effectiveness, and overall stakeholder value.

The relationship between entrepreneurial competencies and business success has been examined from multiple perspectives in the entrepreneurship and SME literature. While organisational factors such as resources, capabilities, organisational culture, and business environment contribute significantly to firm performance, entrepreneurial competencies play a central role in leveraging these factors to achieve business success (Kisubi et al., 2022; Ibidunni et al., 2021). Organisational resources, including financial capital, human resources, technological capabilities, and knowledge assets, can enhance a firm's competitiveness and performance when effectively managed by entrepreneurs. Similarly, organisations that foster innovation, collaboration, adaptability, and continuous learning are better positioned to respond to changing market conditions and sustain long-term growth (Hwang et al., 2020; Al Koliby et al., 2024). Despite the importance of these organisational factors, entrepreneurs remain critical in recognising opportunities, mobilising resources, and transforming organisational capabilities into sustainable business outcomes. Therefore, entrepreneurial competencies serve as a key mechanism through which organisational resources and capabilities are translated into business success.

While certain personal characteristics, such as achievement orientation, self-efficacy, resilience, and a willingness to take calculated risks, have been associated with entrepreneurial success, recent research suggests that personality traits alone may not adequately explain differences in business performance (Hamzah & Othman, 2023; Botha, 2020). Empirical studies have produced mixed findings regarding the direct influence of individual traits on entrepreneurial outcomes, indicating that contextual and behavioural factors also play an important role (Sedeh et al., 2022; González-López et al., 2021). Consequently, contemporary entrepreneurship research has shifted its focus towards entrepreneurial competencies, which encompass the knowledge, skills, behaviours, and capabilities that entrepreneurs apply in identifying opportunities, mobilising resources, and managing business activities. Entrepreneurial competencies are therefore regarded as more actionable and reliable predictors of business success than inherent personality traits, as they can be developed through learning, experience, and continuous practice (Mai & Thai, 2025; Aftab et al., 2024).

3. Methodology

Research Design

This study is classified as a "Descriptive study," as it aims to provide an account of the presence and interaction of various variables. The research employs a survey-based approach, which offers the significant advantage of gathering comprehensive data from a large population sample, thereby ensuring broad coverage and detailed insights.

Population, Sample Size & Sampling Method

The population for this research consists of entrepreneurs managing small and medium-sized enterprises (SMEs) in the Eastern and Northern provinces of Sri Lanka. The total population was estimated at 1,939, with 1,046 SMEs from the Eastern Province and 893 from the Northern Province, as sourced from the Sri Lankan SME portal. Only those entrepreneurs who had registered their businesses were considered for the study. Following the recommendation of Gay and Diehl (1992), an initial sample equivalent to 20% of the population was determined, resulting in 210 respondents from the Eastern Province and 179 respondents from the Northern Province (389 respondents in total). To minimise the potential impact of non-response, the sampling fraction was increased by an additional 2% of each provincial population, resulting in a final target sample representing approximately 22% of the population. Accordingly, the final target sample comprised 231 respondents from the Eastern Province and 197 respondents from the Northern Province, giving a total sample of 428 respondents. A stratified random sampling method was employed to select respondents from both provinces. Researcher contacted all the 428 respondents in person, with the help of moderator and also through telephone. A total of 428 questionnaires were surveyed, which explained the nature and reasons of the study, as well as assuring respondents the confidentiality of any information provided. Among 428 responses, 35 from Eastern province and 23 from Northern Province were found to be improperly filled and hence rejected. Finally effective sample size was settled at 370.

Research Instrument

This study utilized a structured questionnaire as the primary data collection tool. The questionnaire was divided into four sections. The first section assesses the key competencies required to run a business, while the second evaluates the business's performance over the past 12 months. The third section collects demographic information, such as age, gender, education level, and work experience, and the final section gathers details about the firm, including its location, number of employees, and stage of business development.

Measures

Entrepreneurial competencies were measured using the multidimensional entrepreneurial competency scale developed by Man et al. (2008). The instrument comprised ten competency dimensions: opportunity competency (4 items), relationship competency (6 items), analytical competency (4 items), innovative competency (3 items), operational competency (5 items), human competency (5 items), strategic competency (9 items), commitment competency (4 items), learning competency (5 items), and personal strength competency (8 items). These dimensions collectively assess the knowledge, skills, and behavioural capabilities required for effective entrepreneurial performance.

Business success was measured using the subjective performance scale developed by Chandler and Hanks (1993). The construct comprised four dimensions: satisfaction with financial performance, satisfaction with non-financial performance, business performance relative to competitors (6 items), and business growth (3 items). Satisfaction with financial performance was assessed using five items relating to profitability, sales turnover, sales growth, return on investment, and market share. Satisfaction with non-financial performance was measured using nine items reflecting self-satisfaction, career progress, customer satisfaction, customer retention, employee satisfaction, relationships with suppliers, business image, workplace industrial relations, and work-life balance. In addition, business performance relative to competitors was assessed using six comparative performance items, while business growth was measured using three items capturing the firm's growth over time. All measurement items were assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis Method

Responses from the subjects on all scales were scored, summed, and interpreted following the prescribed scoring guidelines. Data were analyzed using SPSS version 16 for Windows. Descriptive statistics for variables such as age, gender, marital status, education, and job type were examined. Multiple regression analysis was employed to assess the extent to which entrepreneurial competencies influence various dimensions of business success, including satisfaction with financial and non-financial performance, business performance relative to competitors, and business growth.

4. Findings

Demographic Characteristics

Out of 370 respondents, 84.3% were male, and 15.7% were female. Regarding age distribution, 0.8% were 20 or under, 17.3% were aged 21-30, 41.9% were aged 31-40, 13.0% were aged 41-50, 26.5% were aged 51-60, and 0.5% were 61 or older. In terms of marital status, 78.1% of the respondents were married, while 21.9% were single. Concerning educational levels, 6.8% were uneducated, 5.9% had completed elementary school, 15.4% had a middle school education, 5.9% had completed high school, 12.7% had a higher secondary education, 27.8% had a certificate course, 13.0% held a diploma, 8.4% had a bachelor's degree, and 4.1% had a post-graduate degree.

Reliability of the Measurement Tool

Reliability is the degree to which an assessment tool produces stable and consistent result. Cronbach alpha is the most common measure of internal consistency, that is, how closely related a set of items are as a group. It is most commonly used when Likert type scale is adopted in the questionnaire to determine whether the scale is reliable or not. The Cronbach alpha coefficient values are found to be more than acceptable level of 0.7 mentioned by Hair et al. (2020), which shows that the items have relatively high internal consistency.

Table 01: Cronbach’s Alpha Coefficient for research variables

Variable	No. of items	Cronbach’ Alpha Coefficient
Opportunity competency	4	0.876
Relationship competency	6	0.847
Analytical competency	4	0.761
Innovative competency	3	0.754
Operational competency	5	0.833
Human competency	5	0.743
Strategic competency	9	0.757
Commitment competency	4	0.798

Learning competency	5	0.794
Personal strength competency	8	0.865
Satisfaction with financial performance	5	0.934
Satisfaction with financial performance	9	0.764
Business performance relative to competitors	6	0.910
Business growth	3	0.747

Influence of Entrepreneurial Competency on Key Business Outcomes

Multiple regression analysis was performed to find out the influence of several entrepreneurial competencies on four different dependent variables: satisfaction with financial performance, satisfaction with non-financial performance, business performance relative to competitors, and business growth. The normality assumption was satisfied as the regression residuals were normally distributed around the regression line, and the data were collected from more than 30 respondents. The results of the analyses are provided in Table 2.

Satisfaction with Financial Performance

The regression model examining the influence of entrepreneurial competencies on satisfaction with financial performance shows that opportunity ($\beta = 0.589$, $p < .001$) and strategic competency ($\beta = 0.431$, $p < .001$) both have strong positive and statistically significant effects, indicating that entrepreneurs who are highly skilled in recognizing opportunities and formulating strategies tend to have higher satisfaction with their financial performance. Learning competency ($\beta = 0.341$, $p < .001$) also shows a positive and significant effect, highlighting that learning from experiences boosts satisfaction with financial outcomes. Conversely, commitment competency ($\beta = -0.374$, $p < .001$) has a strong negative impact, meaning higher levels of commitment may reduce satisfaction with financial performance. The model explains 63.6% of the variance in satisfaction with financial performance ($R^2 = 0.636$), and the overall model is significant ($F = 62.429$, $p < .001$).

Satisfaction with Non-financial Performance

In the model predicting satisfaction with non-financial performance, opportunity competency ($\beta = 0.068$, $p < .001$) has a small but statistically significant positive effect, suggesting that identifying opportunities enhances non-financial success, such as employee satisfaction or community impact. Strategic competency ($\beta = 0.115$, $p < .01$) and human competency ($\beta = 0.105$, $p < .01$) also have positive and significant influences, indicating that strategic planning and effective human resource management contribute to higher satisfaction with non-financial performance. Other competencies, such as commitment, analytical, and personal strength, have non-significant effects. This model explains 59.8% of the variance in satisfaction with non-financial performance ($R^2 = 0.598$), and the overall model is statistically significant ($F = 53.223$, $p < .001$).

Table 02: Standard Multiple Regression (n = 370)

Predictors	Satisfaction with financial performance β	Satisfaction with non-financial performance β	Business performance relative to competitors β	Business growth β
Opportunity	.589***	.068***	.270***	.107
Relationship	-.044	.085	.372***	.442***
Analytical	.018	.075	-.099	.115
Innovative	-.147	.092	.173	.038
Operational	-.072	.104	.072	.182
Human	.142	.105**	.256*	.372**
Strategic	.431***	.115**	-.377**	-.291
Commitment	-.374***	.087	-.330**	-.644***
Learning	.341***	.082	.127	.215
Personal Strength	-.079	.085	.059	-.089
R^2	.636	.598	.522	.514
F	62.429***	53.223***	26.130***	16.365***

***p < .05; **p < .01; ***p < .001.**

Business Performance Relative to Competitors

In this model, relationship competency (β = 0.372, *p < .001*) shows a strong and significant positive effect on business performance relative to competitors, indicating that entrepreneurs who excel in building and maintaining relationships tend to outperform their competitors. Opportunity competency (β = 0.270, *p < .001*) also has a significant positive influence, while human competency (β = 0.256, *p < .05*) plays a modest yet significant role in improving business performance. However, strategic competency (β = -0.377, p < .01) and commitment competency (β = -0.330, p < .01) both negatively influence performance, suggesting that higher levels of strategy and commitment may sometimes hinder competitiveness. This model explains 52.2% of the variance (R^2 = 0.522) and is statistically significant (F = 26.130, *p < .001*).

Business Growth

The final regression model focuses on business growth, where relationship competency (β = 0.442, *p < .001*) emerges as a highly significant predictor, highlighting the importance of strong networking and partnerships in driving business expansion. Human competency (β = 0.372, p < .01) is also a significant positive predictor, showing that effective management of human resources facilitates business growth. However, commitment competency (β = -0.644, *p < .001*) has a strong and significant negative influence, indicating that excessive commitment may negatively impact growth. Strategic competency (β = -0.291) also negatively influences growth, although not at a significant level. This model explains 51.4% of the variance in business growth (R^2 = 0.514), with an overall statistically significant fit (F = 16.365, *p < .001*).

5. Discussion

The findings of this study highlight the important role of entrepreneurial competencies in shaping business success across four dimensions: financial performance satisfaction, non-financial performance satisfaction, business performance relative to competitors, and business growth. Among the competency dimensions examined, opportunity competency emerged as one of the strongest predictors of business success. Specifically, entrepreneurs with stronger opportunity competencies reported higher levels of financial performance satisfaction, non-financial performance satisfaction, and business performance relative to competitors. These findings are consistent with recent studies that identify opportunity recognition as a fundamental entrepreneurial capability for enhancing firm performance and competitive advantage (Alim et al., 2023). Similarly, Sakib et al. (2022) found that entrepreneurial competencies significantly improve SME performance by enabling entrepreneurs to identify, evaluate, and exploit emerging market opportunities. These findings reinforce the view that entrepreneurs who effectively recognise and capitalise on business opportunities are better positioned to achieve both financial and non-financial success.

In contrast to the positive influence of opportunity competency, commitment competency exhibited a significant negative relationship with financial performance satisfaction and business growth. This finding contrasts with recent studies that generally report a positive relationship between entrepreneurial competencies and business performance (Sakib et al., 2022). One possible explanation is that excessive commitment may reduce entrepreneurs' flexibility and willingness to adapt to changing market conditions. In the context of Sri Lankan SMEs, entrepreneurs who remain overly committed to existing strategies or business practices may be less responsive to new opportunities and environmental changes, thereby constraining financial performance and long-term business growth (Aidara et al., 2021). This finding suggests that while commitment remains an important entrepreneurial competency, it should be balanced with adaptability and strategic flexibility.

Human competency also emerged as an important predictor of non-financial performance and business growth. This finding is consistent with recent evidence demonstrating that entrepreneurs with strong interpersonal, leadership, and people management capabilities are more likely to achieve superior organisational performance and sustainable business growth (Ismail, 2022). Human competency enables entrepreneurs to build productive relationships with employees, customers, and other stakeholders, thereby strengthening customer satisfaction, employee commitment, and organisational reputation (Kisubi et al., 2022). These outcomes ultimately contribute to sustained business growth and improved competitive positioning, particularly within SMEs operating in resource-constrained environments.

Strategic competency demonstrated a positive influence on financial performance satisfaction but a negative relationship with business performance relative to competitors and business growth. Although previous studies generally report positive associations between strategic competency and firm performance (Goyal & Mishra, 2024), the present findings indicate that strategic competency may produce different outcomes depending on the performance dimension considered. A possible explanation is that entrepreneurs who focus strongly on short-term strategic objectives may achieve favourable financial outcomes while simultaneously limiting innovation, flexibility, and responsiveness to competitive market changes (Fazal et al., 2022a). This finding highlights the multidimensional nature of strategic competency and suggests that long-term business success requires entrepreneurs to balance strategic planning with innovation and adaptability.

Finally, learning competency showed a significant positive relationship with financial performance satisfaction, supporting contemporary research that identifies continuous learning as an essential driver of entrepreneurial capability and organisational competitiveness (Mai and Thai, 2025). Entrepreneurs who actively acquire new knowledge and develop their skills are better equipped to improve financial decision-making and respond to changing business environments. However, the relatively limited influence of learning competency on the remaining dimensions of business success suggests that learning alone is insufficient to ensure superior organisational performance (Al Koliby et al., 2024). Rather, learning competency appears to generate greater business value when integrated with complementary competencies such as opportunity recognition, strategic capability, and human competency. This finding reinforces the multidimensional nature of entrepreneurial competencies and suggests that business success depends on the combined application of multiple entrepreneurial capabilities rather than any single competency in isolation.

6. Conclusion

This study underscores the significance of entrepreneurial competencies in shaping various dimensions of business performance. Opportunity competency emerged as a key driver of financial satisfaction and overall performance, while human competency played a pivotal role in fostering business growth and non-financial success. However, the negative influence of commitment competency on business outcomes highlights the complexities of entrepreneurial behaviors, suggesting that excessive commitment may hinder adaptability and growth. Furthermore, the mixed impact of strategic competency points to the need for entrepreneurs to balance short-term financial strategies with long-term business sustainability. Ultimately, this research emphasizes the importance of developing a well-rounded set of entrepreneurial competencies, particularly those related to opportunity recognition, human capital, and strategic decision-making, to ensure both financial and non-financial business success in dynamic environments.

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Appendix:

Items Measuring Entrepreneurial Competencies and Business Success

PART A: Entrepreneurial Competencies

Opportunity

1. Identify goods or services that the customer wants
2. Perceive unmet consumer needs
3. Actively look for products or services that provide real benefit to customers
4. Seize high quality business opportunities

Relationship

5. Develop long term trusting relationships with others
6. Negotiate with others
7. Interact with others
8. Maintain a personal network of work contacts
9. Understand what others mean by their words and actions.
10. Communicate effectively with others

Analytical

11. Understand the broader business implications of ideas, issues and observations
12. Translate ideas, issues and observations into the business context
13. Take reasonable job-related risks
14. Monitor progress toward objectives in risky actions

Innovative

15. Look at old problems in new ways
16. Explore new ideas
17. Treat new problems as opportunities

Operational

18. Plan the operations of the business
19. Plan the organisation of different resources
20. Keep the organisation running smoothly

21. Organise resources
22. Coordinate tasks

Human

23. Supervise subordinates
24. Lead subordinates
25. Organise people
26. Motivate people
27. Delegate effectively

Strategic

28. Identify long term issues, problems or opportunities
29. Be aware of the projected directions of the industry and how changes might impact my business
30. Prioritise work in alignment with business goals
31. Redesign my business to better meet long term objectives and changes
32. Align current actions with strategic goals
33. Assess and link short term, day to day tasks in the context of long term direction
34. Monitor progress toward strategic goals
35. Evaluate results against strategic goals
36. Determine strategic actions by weighing costs and benefits.

Commitment

37. Dedicate to make the business work
38. Refuse to let the business fail
39. Have an extremely strong internal drive to succeed
40. Commit to long term business goals

Learning

41. Learn from a variety of means
42. Learn proactively
43. Learn as much as I can in my field
44. Keep up to date in my field
45. Apply learned skills and knowledge to actual practices

Personal Strength

46. Maintain a high level of energy
47. Motivate myself to function at an optimum level of performance
48. Respond to constructive criticism
49. Maintain a positive attitude
50. Prioritise tasks to manage my time
51. Identify my strengths and weaknesses and match them with opportunities and threats
52. Manage my own career development
53. Recognise and work on my own shortcomings

PART B: Business Success

Satisfaction with financial performance

1. Profitability
2. Sales turnover
3. Sales growth
4. Return on investment
5. Market share

Satisfaction with non-financial performance

1. Self-satisfaction with the business
2. Career progress
3. Customer satisfaction
4. Customer retention
5. Employee satisfaction
6. Relationship with suppliers
7. Business image
8. Workplace industrial relations
9. Work-life balance

Business performance relative to competitors

1. Sales growth
2. Return on sales
3. Cash flow
4. Net profits

5. Growth in market share
6. Return on investment

Business growth

1. Sales
2. Market share
3. Cash flow