

## CHAPTER

# 3

## ENTREPRENEURIAL TRAITS, CHARACTERISTICS AND SKILLS

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*"The five essential entrepreneurial skills for success are concentration, discrimination, organisation, innovation and communication."*

— Henry Reed

*"To manage a business successfully requires as much courage as that possessed by the soldier who goes to war. Business courage is the more natural because all the benefits which the public has in material wealth come from it."*

— Charles Abbott

### INTRODUCTION

Entrepreneurial traits and motivation are an indispensable function of management. Entrepreneur is human being who has his dignity, self-respect, values, sentiments, aspirations, dreams apart from economic status. Indeed, economic betterment and social upliftment motivates a person to distinguish from others. The entrepreneurs have some basic values and responsibilities.

In this chapter, we shall examine the entrepreneurial traits and motivation.

The right attitude is a winning combination of taking initiative, taking right decisions at right time, being passionate about one's work, being innovative, analytical, focused, be professional and intelligent with impeccable behaviour, be a positive thinker, perseverance, hard working as well as creative.

On the other hand, one may have talent in abundance, but if the right mental attitude is missing, it will never allow him to reach his ultimate potential. Attitude is what separates excellence from mediocrity. I also believe that personal integrity is crucial and an employee should tell nothing but the truth. For me, an employee's secret of success is passion. Thinking big can ensure that he emerges a winner in his chosen field. In short, the entrepreneur is the ambassador of his enterprise.

Whenever we are looking around, we find certain entrepreneurs doing exceedingly well. They are managing their enterprises very well and are out to make them grand success. The various questions that normally arise are — who are they? what they possess? and various other questions related with their style of functioning. In their case there is a judicious mixture of knowledge, skill and personality. All these are called entrepreneurial traits or competencies. Knowledge refers to the collection and retention of information about any job or activity. Knowledge forms the basis for any action. Only knowledge cannot ensure success. Success depends upon the ability or skill of using the acquired knowledge for achieving desired results. Skill refers to practical application or use of the knowledge. Thus performance depends upon both knowledge and skill. Motivation is an inner urge in an individual which calls for action. According to Steneir "A motive is an inner state that energises, activates or moves and directs or channels behaviour goals." It is this inner urge in an individual to achieve his/her goal which David McClelland has termed as 'Achievement Motivation.' It is this urge to achieve goal which prompts the individual to perform better and better. Thus in order to achieve success in any venture a person must possess a judicious combination of knowledge, skill and motive.



## Characteristics of Entrepreneurs

The characteristics of an entrepreneur that contribute to success are the result of his achievement motivation. The characteristics of achievement motivated persons as identified by McClelland have been discussed in the chapter on "Future of Entrepreneurship in India." A successful entrepreneur must be a person with technical competence, initiative, good judgement, intelligence, leadership qualities, self-confidence, energy, attitude, creativeness, fairness, honesty, tactfulness and emotional stability.

1. *Mental ability*: Mental ability consists of intelligence and creative thinking. An entrepreneur must be reasonably intelligent, and should have creative thinking and must be able to engage in the analysis of various problems and situations in order to deal with them. The entrepreneur should anticipate changes and must be able to study the various situations under which decisions have to be made.

2. *Clear objectives*: An entrepreneur should have a clear objective as to the exact nature of the business, the nature of the goods to be produced and subsidiary activities to be undertaken. A successful entrepreneur may have the objective to establish the product, to make profit or to render social service.

3. *Business secrecy*: An entrepreneur must be able to guard business secrets. Leakage of business secrets to trade competitions is a serious matter which should be carefully guarded against by an entrepreneur. An entrepreneur should be able to make a proper selection of his assistants.

4. *Human relation ability*: The most important personality factors contributing to the success of an entrepreneur are emotional stability, personal relations, consideration and tactfulness. An entrepreneur must maintain good relation with his customers if he is to establish relations that will encourage them to continue to patronise his business. He must also maintain good relations with his employees if he is to motivate them to perform their jobs at a high level of efficiency. An entrepreneur who maintains good relations with customers, employees, suppliers, creditors and the community is much more likely to succeed in his business than the individual who does not invest in maintaining these relations.

5. *Communication ability*: This ability pertains to communicate effectively. Good communication also means that both the sender and the receiver understand each other and are being understood. An entrepreneur who can effectively communicate with customers, employees, suppliers and creditors will be more likely to succeed than the entrepreneur who does not.

6. *Technical knowledge*: An entrepreneur must have a reasonable level of technical knowledge. This is the one ability that most people are able to acquire if they try hard enough.

An entrepreneur who has a high level of administrative ability, mental ability, human relations ability, communication ability and technical knowledge stands a much better chance of success than his counterpart who possesses low levels of these basic qualities. Brilliant men with first class degrees from university hesitate becoming entrepreneurs because the one thing they cannot be taught is coping with human emotions.

Robert D. Hisrich has identified a few more capabilities or personal characteristics that an entrepreneur should possess. According to him, the entrepreneur must have an adequate commitment, motivation and skills to start and build a business. The entrepreneur must determine if the management team has the necessary complementary skills to succeed. Some key characteristics of a successful entrepreneur are:

*Motivator*: An entrepreneur must build a team, keep it motivated and provide an environment for individual growth and career development.

*Self-confidence*: Entrepreneurs must have belief in themselves and the ability to achieve their goals.

*Long-term Involvement*: An entrepreneur must be committed to the project with a time horizon of five to seven years. No ninety-day wonders are allowed.

*High energy level*: Success of an entrepreneur demands the ability to work long hours for sustained periods of time.

*Persistent problem-solver*: An entrepreneur must have an intense desire to complete a task or solve a problem. Creativity is an essential ingredient.

*Initiative*: An entrepreneur must be able to set challenging but realistic goals.

*Moderate risk-taker*: An entrepreneur must be a moderate risk-taker and learn from failures.

These personal traits go a long way in making an entrepreneur successful. However, no entrepreneur possesses total strength. In such cases, he acquires and/or associates and thus strengthens his enterprise.