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Entrepreneurial Competence and Business Success: A Study of Small Entrepreneurs in Chandrapur District

Supriya P. Sontakke (Research Scholar)

Dr. Kavita Hingane (Assistant Professor)

Sau. Leena Kishor Mamidwar Institute of Management Studies & Research, Kosara, Chandrapur

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ABSTRACT

Entrepreneurship plays a significant role in promoting economic development, employment generation, and innovation. The success of small enterprises largely depends on the entrepreneurial competence of business owners. Entrepreneurial competence includes the knowledge, skills, abilities, attitudes, and personal characteristics that enable entrepreneurs to identify business opportunities, manage resources effectively, make sound decisions, and achieve sustainable business growth. This study examines the relationship between entrepreneurial competence and business success among small entrepreneurs in Chandrapur District, Maharashtra. The study adopts a descriptive research design based on primary data collected through a structured questionnaire from 43 small entrepreneurs selected using the stratified sampling technique. The research focuses on key dimensions of entrepreneurial competence, including leadership, opportunity recognition, risk-taking ability, decision-making, financial management, innovation, communication, and problem-solving skills. Business success is measured through indicators such as profitability, customer satisfaction, sales growth, business expansion, and overall business performance. The collected data are analyzed using descriptive statistics, percentage analysis, graphical presentation, and Pearson's correlation analysis to test the proposed hypothesis. The findings indicate that entrepreneurs possessing higher levels of entrepreneurial competence generally demonstrate better business performance and long-term sustainability. The study concludes that entrepreneurial competence is one of the most important determinants of business success among small entrepreneurs. The findings may assist policymakers, entrepreneurship development institutions, educational organizations, and government agencies in designing effective entrepreneurial development programmes that enhance business performance and contribute to regional economic growth.

Introduction

Entrepreneurship is widely recognized as one of the major drivers of economic growth, employment generation, innovation, and regional development. Entrepreneurs establish new businesses, create employment opportunities, introduce innovative products and services, and contribute significantly to national income. In developing countries such as India, entrepreneurship has become an important instrument for reducing unemployment, promoting self-employment, and accelerating socio-economic development. Government initiatives such as Startup India, Make in India, Stand-Up India, Prime Minister's Employment Generation Programme (PMEGP), and the MSME Development Programme have further strengthened the entrepreneurial ecosystem by encouraging individuals to establish and expand their enterprises (Ministry of Micro, Small and Medium Enterprises, 2024).

However, establishing a business alone does not guarantee long-term success. The sustainability and growth of an enterprise largely depend on the competencies possessed by the entrepreneur. Entrepreneurial competence refers to the combination of knowledge, skills, abilities, attitudes, experience, and behavioural characteristics that enable entrepreneurs to perform their business activities effectively. Competencies such as leadership, opportunity recognition, innovation, communication, financial management, strategic planning, risk-taking, decision-making, networking, and problem-solving help entrepreneurs respond successfully to dynamic market conditions (Man, Lau, & Chan, 2002).

The concept of entrepreneurial competence has gained considerable importance in entrepreneurship research because it directly influences business performance and competitive advantage. Competent entrepreneurs are capable of identifying market opportunities, mobilizing resources efficiently, managing uncertainty, motivating employees, and satisfying customer needs. These competencies not only improve organizational efficiency but also enhance profitability, productivity, customer loyalty, and business sustainability (Bird, 1995).

Small enterprises constitute one of the largest sectors of the Indian economy. According to the Ministry of MSME (2024), the MSME sector contributes significantly to India's Gross Domestic Product (GDP), exports, and employment generation. Small entrepreneurs often operate under conditions of limited financial resources, intense competition, technological changes, and market uncertainty. Therefore, entrepreneurial competence becomes an essential factor for business survival and growth. Entrepreneurs with strong managerial and entrepreneurial competencies are generally more successful in overcoming business challenges and achieving sustainable performance.

Chandrapur District, located in the eastern region of Maharashtra, possesses considerable entrepreneurial potential due to its abundant natural resources, industrial base, mining activities, agriculture, trade, and service sector. The district is home to numerous micro and small enterprises engaged in retail trade, manufacturing, transportation, food processing, construction, handicrafts, hospitality, and various service businesses. Despite the availability of business opportunities, many entrepreneurs face challenges such as inadequate managerial skills, limited financial literacy, technological adaptation, marketing constraints, competition, and changing customer expectations. These challenges highlight the importance of entrepreneurial competence in ensuring business success within the district.

The findings of this study will be valuable for entrepreneurs, policymakers, entrepreneurship development institutions, financial institutions, educational organizations, and government agencies. The study is expected to provide practical recommendations for strengthening entrepreneurial competencies through training, skill development programmes, financial literacy initiatives, mentoring, and institutional support. Ultimately, enhancing entrepreneurial competence can improve business success, generate employment, strengthen the local economy, and contribute to sustainable regional development.

Review of Literature

Bird explains entrepreneurial competency as a combination of knowledge, skills, attitudes, and behavioural characteristics that enable entrepreneurs to identify opportunities and manage businesses successfully. The study emphasizes strategic thinking, leadership, and resource management as the core competencies influencing enterprise growth. The author concludes that entrepreneurial competency directly contributes to long-term organizational performance **Bird, Barbara (1995).** The study proposes a comprehensive framework of entrepreneurial competencies including opportunity, relationship, strategic, conceptual, organizing, commitment, and learning competencies. The researchers found that entrepreneurs possessing higher competency levels generally achieve better organizational competitiveness and business performance **Man, Thomas W. Y., Theresa Lau, and K. F. Chan (2002).** The authors reviewed previous entrepreneurship studies and identified entrepreneurial competencies as one of the strongest predictors of business performance. They recommended competency-based entrepreneurship training for improving enterprise sustainability and competitiveness **Mitchelmore, Siwan, and Jennifer Rowley (2010).** The study examined the relationship between entrepreneurial competencies and business success among SME owners. Results indicated that entrepreneurs with stronger leadership, innovation, and management competencies achieved significantly higher levels of profitability and customer satisfaction **Ahmad, Noor Hazlina et al. (2010).** The researchers found that managerial competence, technical knowledge, and entrepreneurial skills positively influence business performance. Entrepreneurs possessing balanced competencies demonstrated better organizational growth and survival rates **Chandler, Gaylen N., and Edward Jansen (1992).**

Objectives of the Study

1. To examine the level of entrepreneurial competence among small entrepreneurs in Chandrapur District.
2. To analyze the relationship between entrepreneurial competence and business success among small entrepreneurs in Chandrapur District.

Hypothesis of the Study

H_{01}: There is no significant level of entrepreneurial competence among small entrepreneurs in Chandrapur District.

H_{02}: There is no significant relationship between entrepreneurial competence and business success among small entrepreneurs in Chandrapur District.

Research Design: The present study adopts a descriptive research design. Descriptive research is appropriate because it helps describe the existing level of entrepreneurial competence among small entrepreneurs and examines its relationship with business success without manipulating any variables.

Nature of the Study: The study is analytical and quantitative in nature. Primary data collected through a structured questionnaire are analyzed using statistical techniques to draw meaningful conclusions regarding entrepreneurial competence and business success.

Area of the Study: The geographical area selected for the study is Chandrapur District, Maharashtra**.** **Sample Size:** A total of 43 small entrepreneurs were selected as respondents for the present study.

Sampling Technique: The study employed the Stratified Sampling Technique.

Sources of Data

The study is based on both **primary** and **secondary** sources of data.

Primary Data: Primary data were collected through a structured questionnaire administered personally to small entrepreneurs in Chandrapur District.

Secondary Data: Secondary data were collected from books, research journals, government reports, MSME publications, websites, conference papers, and published research articles related to entrepreneurship and business success.

Table 4.1 Gender of Respondents

Gender	Frequency	Percentage
Male	30	69.77
Female	13	30.23
Total	**43**	**100.00**

Interpretation

Table 4.1 shows that out of 43 respondents, 30 (69.77%) are male and 13 (30.23%) are female entrepreneurs. The findings indicate that male entrepreneurs constitute the majority of small business owners included in the study. However, the participation of female entrepreneurs is also noteworthy, reflecting the increasing involvement of women in entrepreneurial activities. The data suggest that entrepreneurship in Chandrapur District is gradually becoming more inclusive, although men continue to dominate the sector.

Table 4.2 Age of Respondents

Age Group	Frequency	Percentage
Below 30 Years	8	18.60
31–40 Years	16	37.21
41–50 Years	12	27.91

Above 50 Years	7	16.28
Total	**43**	**100.00**

The table reveals that the highest proportion of respondents (37.21%) belongs to the 31–40 years age group. Entrepreneurs aged 41–50 years account for 27.91%, followed by 18.60% below 30 years and 16.28% above 50 years. This indicates that middle-aged entrepreneurs are more actively engaged in business activities in Chandrapur District. Individuals in this age group generally possess a balance of experience, energy, and managerial capability, which contributes to effective business management.

Table 4.3 Educational Qualification

Qualification	**Frequency**	**Percentage**
SSC/HSC	7	16.28
Graduate	19	44.19
Postgraduate	12	27.91
Professional Degree	5	11.62
Total	**43**	**100.00**

The educational profile indicates that graduates form the largest category (44.19%), followed by postgraduates (27.91%). A smaller proportion of respondents have completed SSC/HSC (16.28%), while 11.62% possess professional qualifications. The findings suggest that most entrepreneurs have attained higher education, which may enhance their managerial abilities, decision-making skills, and business competence. Education is likely to contribute positively to entrepreneurial success by improving problem-solving and strategic planning capabilities.

Table 4.4 Nature of Business

Nature of Business	**Frequency**	**Percentage**
Manufacturing	9	20.93
Retail	15	34.88
Service	12	27.91
Trading	7	16.28
Total	**43**	**100.00**

The table shows that retail businesses account for the highest share (34.88%), followed by service enterprises (27.91%), manufacturing units (20.93%), and trading businesses (16.28%). This distribution indicates that retail and service activities dominate the entrepreneurial landscape in Chandrapur District. The diversity of business sectors also supports the appropriateness of using stratified sampling in the present study.

Table 4.5 Business Experience

Years of Experience	Frequency	Percentage
Below 5 Years	10	23.26
5–10 Years	17	39.53
11–15 Years	9	20.93
Above 15 Years	7	16.28
Total	**43**	**100.00**

The results indicate that 39.53% of respondents have 5–10 years of business experience, making it the largest category. Entrepreneurs with less than five years of experience constitute 23.26%, while 20.93% have 11–15 years of experience and 16.28% have more than 15 years of experience. This suggests that the study primarily represents entrepreneurs with moderate business experience, who are likely to have developed practical competencies while still pursuing business growth.

Table 4.6 Opportunity Recognition

Response	Frequency	Percentage
Strongly Agree	13	30.23
Agree	18	41.86
Neutral	7	16.28
Disagree	3	6.98
Strongly Disagree	2	4.65
Total	**43**	**100.00**

Table 4.6 reveals that 30.23% of respondents strongly agree and 41.86% agree that they can identify new business opportunities before their competitors. Only 11.63% disagree or strongly disagree with the

statement, while 16.28% remain neutral. The findings indicate that a majority of entrepreneurs possess good opportunity recognition skills, which are considered an essential entrepreneurial competency. The ability to recognize business opportunities enables entrepreneurs to respond proactively to market changes and improve business performance.

Table 4.7 Decision-Making Ability

Response	**Frequency**	**Percentage**
Strongly Agree	12	27.91
Agree	20	46.51
Neutral	6	13.95
Disagree	3	6.98
Strongly Disagree	2	4.65
Total	**43**	**100.00**

The data indicate that 74.42% of respondents either agree or strongly agree that they are confident in making important business decisions. A smaller proportion of respondents express disagreement, while 13.95% remain neutral. The results suggest that most entrepreneurs possess strong decision-making abilities, enabling them to address business challenges effectively. Sound decision-making is an important competency that contributes to efficient business operations and long-term success.

Table 4.8 Risk-Taking Ability

Response	**Frequency**	**Percentage**
Strongly Agree	11	25.58
Agree	19	44.19
Neutral	7	16.28
Disagree	4	9.30
Strongly Disagree	2	4.65
Total	**43**	**100.00**

Table 4.8 shows that 69.77% of respondents agree or strongly agree that they willingly take calculated business risks. Around 16.28% remain neutral, while only 13.95% disagree or strongly disagree. These findings indicate that most entrepreneurs are willing to undertake calculated risks after evaluating business

opportunities. Risk-taking is a defining characteristic of successful entrepreneurs and contributes to business growth and innovation.

Table 4.9 Financial Management

Response	**Frequency**	**Percentage**
Strongly Agree	10	23.26
Agree	22	51.16
Neutral	6	13.95
Disagree	3	6.98
Strongly Disagree	2	4.65
Total	**43**	**100.00**

The table indicates that more than half of the respondents (51.16%) agree and 23.26% strongly agree that they manage their business finances effectively. Only a small proportion of respondents express disagreement. Effective financial management enables entrepreneurs to control costs, manage cash flow, and make informed investment decisions. Therefore, financial management appears to be one of the important competencies possessed by the entrepreneurs surveyed.

Table 4.10 Innovation

Response	**Frequency**	**Percentage**
Strongly Agree	9	20.93
Agree	21	48.84
Neutral	7	16.28
Disagree	4	9.30
Strongly Disagree	2	4.65
Total	**43**	**100.00**

The findings reveal that 69.77% of respondents either agree or strongly agree that they regularly introduce innovative ideas, products, or services into their businesses. A moderate proportion of respondents remain neutral, while only a few disagree. Innovation enables entrepreneurs to respond to changing customer needs, improve competitiveness, and achieve sustainable business growth. The results indicate that innovation is widely practiced among small entrepreneurs in Chandrapur District.

Hypothesis Testing

Null Hypothesis	**Statistical Test**	**Result**	**Decision**
H_0: There is no significant relationship between entrepreneurial competence and business success among small entrepreneurs in Chandrapur District.	Pearson Correlation	**$r = 0.684$, $p < 0.01$**	**Rejected**

Interpretation: The Pearson correlation coefficient (**$r = 0.684$**) indicates a **moderately strong positive relationship** between entrepreneurial competence and business success. Since the significance value is less than **0.01**, the relationship is statistically significant. Therefore, the null hypothesis is rejected, and it is concluded that entrepreneurial competence has a significant positive influence on business success among small entrepreneurs in Chandrapur District.

Suggestions

Based on the findings of the study, the following suggestions are recommended:

1. Entrepreneurship Development Programmes (EDPs) should be organized regularly to strengthen leadership, innovation, financial management, and decision-making skills among small entrepreneurs.

2. Government agencies such as the District Industries Centre (DIC), MSME Development Institute, and entrepreneurship promotion organizations should conduct practical workshops on digital marketing, financial planning, taxation, and business management.

3. Small entrepreneurs should be encouraged to adopt modern technologies, digital payment systems, and e-commerce platforms to improve business competitiveness.

4. Financial institutions should provide easier access to credit and advisory services to support business expansion and innovation.

5. Entrepreneurs should participate in continuous skill development and professional training programmes to enhance their entrepreneurial competencies.

Conclusion

Entrepreneurship is one of the most important drivers of economic development, employment generation, and innovation. The present study examined the relationship between entrepreneurial competence and business success among small entrepreneurs in Chandrapur District. The findings reveal that the majority of entrepreneurs possess good levels of entrepreneurial competence in terms of opportunity recognition, leadership, communication, decision-making, innovation, financial management, and risk-taking ability.

The study further demonstrates that entrepreneurs with higher competency levels experience better business performance, including improved sales growth, customer satisfaction, and overall business success. The Pearson correlation analysis confirmed a significant positive relationship between entrepreneurial competence and business success, leading to the rejection of the null hypothesis and acceptance of the alternative hypothesis.

The findings highlight that entrepreneurial competence is a key determinant of sustainable business performance. Continuous learning, innovation, effective leadership, financial management, and strategic decision-making enable entrepreneurs to respond successfully to changing market conditions and increasing competition.

The study concludes that strengthening entrepreneurial competencies through training, institutional support, government initiatives, and continuous skill development can significantly improve the performance and sustainability of small enterprises in Chandrapur District. The findings provide useful insights for entrepreneurs, policymakers, educational institutions, financial organizations, and entrepreneurship development agencies working to strengthen the MSME sector and promote regional economic development.

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