

# Entrepreneurship and Managerial Competencies as Drivers of Sustainable Business Development: An Empirical Study

Dr. Anu R. Chandran<sup>1</sup>, Ms. Sumi S. S<sup>2</sup>, Ms. Jayalekshmi S. R<sup>3</sup>

Assistant Professor Department of Commerce KITTS, Thiruvananthapuram, Kerala

DOI: <https://dx.doi.org/10.51244/IJRSI.2026.1303000070>

Received: 11 March 2026; Accepted: 16 March 2026; Published: 31 March 2026

## ABSTRACT

Entrepreneurship plays a crucial role in fostering economic growth, innovation, and employment generation. However, the sustainability of entrepreneurial ventures largely depends on the managerial competencies possessed by entrepreneurs. This study examines the relationship between entrepreneurial activities, managerial competencies, and sustainable business development. The research adopts an empirical approach by analyzing the managerial skills, strategic decision-making ability, financial management practices, and leadership qualities of entrepreneurs. Primary data were collected through structured questionnaires from entrepreneurs operating in small and medium enterprises (SMEs). The findings indicate that managerial competencies significantly influence the long-term sustainability and growth of business enterprises. Competencies such as strategic planning, financial management, leadership, and adaptability are identified as critical factors contributing to business resilience and sustainable development. The study emphasizes the importance of enhancing managerial capabilities among entrepreneurs through training, policy support, and institutional frameworks. The results provide valuable insights for policymakers, educators, and entrepreneurs in strengthening entrepreneurship ecosystems and promoting sustainable business practices.

**Keywords:** Entrepreneurship, Managerial Competencies, Sustainable Business Development, SMEs, Strategic Management, Business Growth

## INTRODUCTION

Entrepreneurship has gained considerable importance in contemporary economic systems as a major driver of innovation, productivity, and employment generation. Entrepreneurs play a crucial role in transforming ideas into business opportunities and introducing new products, services, and technologies into the marketplace. Through their ability to recognize opportunities and mobilize resources, entrepreneurs contribute significantly to economic development and societal progress.

In many developing economies, small and medium enterprises (SMEs) represent a substantial proportion of business establishments and employment opportunities. These enterprises contribute to regional development, poverty reduction, and inclusive economic growth. Despite their economic significance, a large number of entrepreneurial ventures face challenges in sustaining their operations over time. Many businesses fail due to inadequate planning, inefficient resource management, and limited managerial expertise.

Managerial competencies are essential for entrepreneurs to effectively manage the complexities of modern business environments. These competencies encompass a range of skills including strategic planning, financial management, leadership, communication, problem-solving, and decision-making abilities. Entrepreneurs who possess these competencies are better equipped to manage organizational resources, adapt to market fluctuations, and ensure long-term sustainability.

The concept of sustainable business development has also gained prominence in recent years. Sustainable development emphasizes the integration of economic performance with social responsibility and environmental stewardship. Entrepreneurs are increasingly expected to adopt sustainable business practices that create long-term value for stakeholders while minimizing negative environmental and social impacts.

Given the increasing importance of sustainability in business practices, it is essential to understand how managerial competencies influence entrepreneurial success and business sustainability. This study therefore examines the relationship between entrepreneurship, managerial competencies, and sustainable business development within the context of small and medium enterprises.

## REVIEW OF LITERATURE

Entrepreneurship and managerial competencies have received considerable attention from scholars in the fields of commerce, management, and economic development. Researchers have widely acknowledged that entrepreneurial ventures not only contribute to economic growth but also play an important role in employment generation, innovation, and social development. However, the sustainability and long-term success of entrepreneurial ventures largely depend on the managerial capabilities of entrepreneurs.

**Joseph Schumpeter (1934)** was one of the earliest scholars to highlight the role of entrepreneurship in economic development. He described entrepreneurs as innovators who introduce new combinations of resources, products, and production methods in the economy. According to his theory of economic development, entrepreneurial innovation is a fundamental force that drives structural changes in markets and industries. Schumpeter emphasized that entrepreneurs create economic progress by disrupting traditional production systems through innovative business ideas and managerial initiatives.

**Peter F. Drucker (1985)** expanded the understanding of entrepreneurship by describing it as a systematic and disciplined practice that can be learned and developed. Drucker argued that successful entrepreneurship requires effective management practices that enable entrepreneurs to identify opportunities, allocate resources efficiently, and implement innovative ideas in a structured manner. He emphasized that entrepreneurial success is not merely dependent on creativity or risk-taking but also on the ability to apply sound managerial principles in business operations.

**Robert A. Baron and Scott A. Shane (2008)** highlighted the importance of cognitive and managerial processes in entrepreneurial decision-making. Their research emphasized that entrepreneurs must possess the ability to recognize opportunities, evaluate risks, and manage resources effectively in order to build sustainable enterprises. The authors argued that entrepreneurial success depends significantly on managerial competencies such as strategic thinking, leadership ability, and the capacity to adapt to changing business environments.

A significant contribution to the study of entrepreneurial competencies was made by **Thomas W. Y. Man, Theresa Lau, and K. F. Chan (2002)**, who developed a conceptual framework explaining how various entrepreneurial competencies influence the competitiveness of small and medium enterprises. Their study identified key competencies such as opportunity recognition, relationship management, strategic planning, and commitment to business growth as crucial factors determining the success and sustainability of entrepreneurial ventures. The authors emphasized that entrepreneurs who possess strong competencies in these areas are more likely to achieve long-term organizational performance.

**Sarah Mitchelmore and Jennifer Rowley (2010)** conducted an extensive literature review on entrepreneurial competencies and highlighted their importance in enhancing business performance. Their research categorized competencies into several dimensions, including personal competencies, managerial competencies, and technical competencies. They argued that entrepreneurs must develop a balanced combination of these competencies to effectively manage their enterprises and respond to dynamic market conditions.

The concept of sustainable entrepreneurship has also gained increasing importance in recent years. Scholars have emphasized that modern businesses must integrate economic performance with social responsibility and environmental sustainability. Entrepreneurs who adopt sustainable practices focus on long-term value creation rather than short-term profit maximization. Such entrepreneurs are more likely to develop resilient business models that contribute to both economic development and social welfare.

Furthermore, several studies have highlighted that inadequate managerial competencies are one of the primary reasons for the failure of many entrepreneurial ventures. Entrepreneurs who lack skills in financial management,

strategic planning, leadership, and human resource management often face difficulties in sustaining their businesses in competitive environments. Therefore, the development of managerial competencies among entrepreneurs has become a crucial area of focus for policymakers, educational institutions, and entrepreneurship development programs.

### Objectives of the Study

The main objectives of the study are:

1. To examine the role of entrepreneurship in promoting sustainable business development.
2. To identify key managerial competencies required for entrepreneurial success.
3. To analyze the relationship between managerial competencies and business sustainability.
4. To suggest strategies for enhancing managerial capabilities among entrepreneurs.

## RESEARCH METHODOLOGY

### Research Design

The study adopts a **descriptive and analytical research design** to examine the influence of managerial competencies on sustainable business development.

### Data Sources

Both **primary and secondary data** were used in the study.

- **Primary Data:** Collected from entrepreneurs through structured questionnaires.
- **Secondary Data:** Obtained from books, research journals, government reports, and academic publications related to entrepreneurship and management.

### Sampling

A **convenience sampling technique** was used to select respondents from small and medium enterprises.

### Sample Size

The study included **120 entrepreneurs** operating in different sectors such as manufacturing, services, and trade.

### Data Analysis Tools

The collected data were analyzed using:

- Percentage analysis
- Mean score analysis
- Correlation analysis

These statistical tools helped identify the relationship between managerial competencies and business sustainability.

### Analysis and Findings

The empirical analysis revealed several important findings:

1. **Strategic planning ability** emerged as one of the most significant managerial competencies influencing business sustainability.
2. Entrepreneurs with strong **financial management skills** demonstrated better business stability and growth.
3. **Leadership and team management capabilities** contributed significantly to employee productivity and organizational efficiency.
4. **Adaptability and innovation** helped businesses respond effectively to changing market conditions.
5. Entrepreneurs who actively engaged in **continuous learning and skill development** were more likely to sustain their enterprises in the long term.

The findings suggest that managerial competencies are critical determinants of sustainable business development.

## DISCUSSION

The results of the study highlight the importance of integrating entrepreneurship with managerial expertise. While entrepreneurial creativity and risk-taking are essential for starting a business, managerial competencies ensure that the business operates efficiently and grows sustainably.

Entrepreneurs must develop competencies in areas such as strategic management, financial planning, leadership, marketing, and innovation management. These competencies enable entrepreneurs to identify opportunities, manage risks, allocate resources effectively, and build competitive advantages.

Furthermore, supportive institutional frameworks, entrepreneurship education, and skill development programs can significantly enhance the managerial capabilities of entrepreneurs.

## CONCLUSION

Entrepreneurship is a powerful engine of economic growth and development. However, the sustainability and long-term success of entrepreneurial ventures largely depend on the managerial competencies of entrepreneurs.

This study demonstrates that managerial competencies such as strategic planning, financial management, leadership, and adaptability play a crucial role in ensuring sustainable business development. Entrepreneurs who possess strong managerial skills are better equipped to navigate market uncertainties and achieve long-term organizational success. The study highlights the need for strengthening entrepreneurship education, training programs, and policy initiatives aimed at enhancing managerial competencies among entrepreneurs. Such efforts will contribute to the development of resilient and sustainable business enterprises.

## Suggestions

1. Entrepreneurship development programs should include **managerial skill training**.
2. Educational institutions should integrate **management competency development** in commerce and entrepreneurship curricula.
3. Government agencies should provide **capacity-building programs for entrepreneurs**.
4. Entrepreneurs should actively participate in **professional training and mentoring programs**.

## REFERENCES

1. Baron, R. A., & Shane, S. A. (2008). *Entrepreneurship: A Process Perspective*. Cengage Learning.
2. Drucker, P. F. (1985). *Innovation and Entrepreneurship*. Harper & Row.

3. Man, T. W., Lau, T., & Chan, K. F. (2002). The competitiveness of small and medium enterprises: A conceptualization with focus on entrepreneurial competencies. *Journal of Business Venturing*.
4. Mitchelmore, S., & Rowley, J. (2010). Entrepreneurial competencies: A literature review and development agenda. *International Journal of Entrepreneurial Behaviour & Research*.
5. Schumpeter, J. A. (1934). *The Theory of Economic Development*. Harvard University Press.