

**What Makes a Successful Pettah Entrepreneur?:
A Competency Approach to Understanding Entrepreneurial Orientation**

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1. Abstract

The aim of this study was to understand what lay behind the success of entrepreneurs within Pettah, the entrepreneurial hub in Colombo, Sri Lanka. Many small businesses in Sri Lanka are entrepreneurially run with a large percentage concentrated in Pettah, which has been described as a multi ethnic, multi-cultural business arena; and is the centre of Sri Lankan trade and commerce. Despite its importance, this physical avenue and the entrepreneurial aspects within it have received little attention from researchers. This study focused on correcting this and probed the entrepreneurial orientation, advocating the competency approach to understanding key characteristics of successful entrepreneurs in Pettah. In-depth interviews with six successful entrepreneurs using a modified grounded theory approach were carried out and analysed through inductive coding. An integrated competency-based framework was adopted and incorporated into a novel multidimensional approach of Head, Heart and Hands framework (3H) in exploration of competencies of entrepreneurs. The findings revealed that within the 3H model there was an interrelationship between the Head, Heart and Hand competencies, where Heart competencies acted as a bridge between Head and Hands. In addition, some factors derived acted as enablers. These are the forces that combined to help ensure the success of the entrepreneurs. Pettah and what it represented was identified as one such enabler due to its powerful influence to the entrepreneurs' behaviour. Furthermore, the results revealed that the strength of the various competency clusters within the 3H model varied according to the life-stage at which the entrepreneurs were.

Keywords: Competency, Entrepreneur, Entrepreneurial Orientation, Pettah, Small business

Introduction and research problem/issue

The importance of small businesses lies in their ability to contribute significantly to economic growth, estimated to be as much as 25% of the national Gross Domestic Product. Many small

businesses in Sri Lanka are entrepreneurially run with a large percentage concentrated in Pettah, which has been described as a multi ethnic, multi-cultural business arena, which is the centre of Sri Lankan trade and commerce.

With such a multitude of businesses operating in such a highly competitive environment, success for an entrepreneur is tough. Knowing the rules of the game, continuous innovation, identifying opportunities and hard work were essential to stay ahead of competition.

In addition, building a strong network, reputation and a power base were also very important business skills that had to be developed by entrepreneurs. There has been little study in this environment, considered the birthplace of entrepreneurs. The diversity of the entrepreneurial orientation in terms of content and research scope demanded a thorough exploration of the entrepreneurial orientation held by entrepreneurs was accomplished in a multidimensional manner. Greater understanding of these multidimensional factors was important to identify how entrepreneurial orientation was gained by Pettah entrepreneurs.

The authors sought to understand what lay behind the success of these entrepreneurs; and why a few had risen above the rest to be very successful, regardless of the size of their business or the industry that they operated in. The research problem identified was to explore the competencies of successful entrepreneurs within Pettah. Entrepreneurial competencies include those clusters of related knowledge, attitudes and skills, which an entrepreneur must acquire through managerial training and development to enable him to produce outstanding performance, and maximize profit, while managing a business venture or an enterprise. As such, the competency approach has become an increasingly popular means of studying entrepreneurial characteristics and orientation.

Research Methodology

This study advocates a competency approach to understanding the reasons for entrepreneurial success. Building on McClelland's (1973) work, Boyatzis (1982) articulated that a competency refers to possession and utilization of structures of knowledge and particular behaviours / skills in order to perform particular work tasks. Contemporary interpretations of competence represent an integration of knowledge, capabilities, skills and attitudes displayed in a context. By considering the existing body of knowledge, researchers attempted to develop an integrative model of competency approach. The 'Head, Heart and Hand framework' (3H) thus represented a novel approach in classifying competencies of entrepreneurs operating within the Pettah

business domain. These categories, each with a specific focus were interrelated, and collectively, formed a basis for identifying and mapping key entrepreneurial competencies: (1) Head: cognitive and intellectual characteristics possessed by an entrepreneur; (2) Heart: emotive characteristics that included beliefs, values and emotional approach of an entrepreneur; and (3) Hand: adaptive characteristics that demonstrated ability to perform by an entrepreneur.

Exploratory qualitative research using a modified grounded theory technique (Strauss and Corbin, 1990) was employed. Purposive sampling coupled with snowball sampling was utilized to recruit respondents, given the difficulty to approach respondents for research without an introduction or reference in Pettah. Six successful entrepreneurs were selected for in-depth assessment based on pre-determined criteria. The sample size was limited to six in order to comprehensively and exhaustively study each respondent and understand the result of their successes.

Results and findings

The data collected was coded using an inductive coding (generated by directly examining the data) to help reveal patterns. The initial categories or codes were created out of the first few transcripts, which were relatively unstructured. Also, some codes fit because of their cross-cutting, thematic nature and others were created that were not initially envisaged. These gave support to the roundedness of the research. These codes have been subsequently reduced to categories. The categories that are critical to the success of Pettah entrepreneurs was then identified and modelled to a conceptual framework.

The analysis revealed a multidimensional approach in which the competencies could be grouped under the head, heart and hands categories as per the research framework. Nine competencies were found to constellate around the head competency cluster: (1) use of gut; (2) street smart & opportunity seeking; (3) determination and focus on the goal; (4) numerical ability; (5) spontaneous decision-making & ability to take calculated risks; (6) short term planning; (7) learning by doing; (8) internal locus of control; and (9) innovation. Eight competencies were found to aggregate under the heart competency cluster: (1) business networking; (2) people skills; (3) positive mind-set; (4) power / control; (5) feeling of dissatisfaction; (6) affiliated network; (7) simplicity; and (8) spiritual competence. Six competencies were found to collate within the hand competency cluster: (1) informally seeking

information; (2) expertise in practical know how; (3) going the extra mile; (4) go getter; (5) diligent and hardworking; and (6) change status quo.

As per the analysis, all head, heart and hand competencies were equally strong for successful Pettah entrepreneurs. However, the heart competencies were identified to act as a bridge between the other two, affecting the relationship between head and hands. For instance, the implementation of a spontaneous decision making regarding the credit limit for a customer may be affected by the strength of this relationship.

There were some factors that had acted as enablers. These are the forces combined to help ensure the success of the entrepreneurs. They are not competencies in themselves, but without them, it would be difficult for the entrepreneurs to thrive. The first group of enablers helped to create the opportunity, provided the means and knowledge for entrepreneurs to exploit. These are: (1) personal influences; (2) organizational influences; and

(3) environmental influences. Pettah and what it represented was identified as an enabler on its own due to its powerful influence to the entrepreneurs' behaviour. It is the influence of Pettah and its unique dynamics that has made these entrepreneurs and their structure of competencies unique. Thus, even though decision-making exists as a competency, the environment of Pettah necessitates that decision-making was done spontaneously.

The findings also revealed that entrepreneur's competency develop as they mature. Naturally, hands competency plays a large role in every stage as Pettah entrepreneurs were very 'hands on' even once they are successful. In the Mature phase (when they have reached a level of success), entrepreneurs feature every competency almost equally strong, with heart being the strongest, reflecting generosity and spirituality in their actions. Certain competencies that were prevalent in extant literature were not strongly associated with the Pettah entrepreneurs, such as visioning and leading.

5. Conclusions, implications and significance

In conclusion, it was evident that the key competency clusters for successful entrepreneurs in Pettah was an interconnected relationship between head, heart and hand competencies with certain 'enablers' affecting their behaviour. The heart cluster formed a bridge between head and hands, guiding thought to action. Furthermore, it was revealed that the strength and

prominence of the competencies varied according to the lifestage of the entrepreneur, with heart competencies playing the strongest role at the success stage.

The proposed competency domain cluster has potential to add value to the field of entrepreneurship. Further research would help to cross validate the results of the 3H competency approach proposed in the present study as well as to determine the ability to generalize the results.

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