

2.4 Competences needed for establishing successful innovative business / cooperative

e-module 2: (Social) Entrepreneurship and cooperatives in theory
February 2021



COMPETENCIES

- **Definition:** long understood as a person's ability or capacity to do a job. In the 1970s, US Company McBer defined competencies as **specific personal characteristics which resulted in effective performance.**
- **Background:** employers are using competencies since the 1970s to help recruit and manage their employees, when psychologists concluded that traditional tests (academic aptitude and knowledge-based tests) do not accurately **predict employment success.**
- **Types of competencies:** technical, business, leadership and people skills.
- **3 level distribution:** personal, team-like, organizational.

“What is more important?

Good pay?

Good team?

Good boss?

WHY?”

Competencies vs. skills

SKILLS: specific learned abilities, required to perform in a job successfully

Example:

- Hard skill: computer programming, writing tenders
- Soft skill (non-technical): verbal communication

COMPETENCIES: knowledge and behaviours, leading you to be successful in a job
(can be individual-specific, how to do it, combining ability and knowledge with required skills)

Example: problem-solving (= *quick/sloppy*), data-based decisions (= *thorough*), improving business process (= *technical innovation/people management*)

Conclusion: skills can be learned, competencies are mostly intrinsic to the one's personality



CORE COMPETENCIES: the “WHY”

- **Core competencies** are what any successful employee requires to rise through an organisation.
- It is something that could potentially set you apart from every other candidate (the way you are, the way your work) → **strategic advantages**
- Examples: accountability; adaptability; communication; customer/quality focus; inclusiveness; leadership; occupational knowledge/technology orientation; team focus,
- → analytical abilities, creative thinking, and problem resolution skills.

ENTREPRENEURIAL BEHAVIOUR FOR SUCCESS

Table 1. The entrepreneurial competencies

Skills	Attitude	Knowledge
Creativity	Sense of Initiative	Understanding of entrepreneurship
Analysing	Risk-taking propensity	Role of entrepreneurs
Motivating	Self-efficacy	Determinants of successful entrepreneurship
Networking	Need for achievement	
Adaptability	Structural behaviour	
Financial management		

Source: European Commission (2012)

➔ **Entrepreneurial behaviour for successful business** (“*being able to*”), based on competencies **type and level of action**:

- A. Competencies dealing with **people** (= in team)
- B. Competencies dealing with **business** (= in organization)
- C. Competencies dealing with **self-management** (= for personal, individual)

Source: *Cripe and Mansfield (2020)*

ENTREPRENEURIAL BEHAVIOUR FOR SUCCESS

→ PEOPLE (*“being able to in team”*):

- Establishing focus, motivational support;
- Fostering teamwork (listen, assist, contribute, ...);
- Managing change (propose, develop, seize opportunity, facilitate, ...);
- Managing performance (clarify expectations, give feedback, support, ...);
- Communication (share and tailor information, consistent, summarizing, ...);
- Interpersonal awareness (anticipate, interpret, understand,..);
- Influencing others, foster collaborations, build relationships.

"None of us is as smart as all of us."

Ken Blanchard

ENTREPRENEURIAL BEHAVIOUR FOR SUCCESS

→ **BUSINESS** (“*being able to in organization*”):

- **Preventing and solving problems** with
 - a) diagnostic information gathering (questioning, seek perspective), b) analytical thinking (compare, identify, weigh priorities), c) forward thinking (notice, anticipate), d) conceptual thinking (apply theoretical frameworks), strategic thinking (understand, in-depth, long-term), e) technical expertise (problem-solving, demonstrate, advise);
- **Achieving Results** with
 - a) initiative (independent action), b) entrepreneurial orientation (stay abreast, seize opportunity, encourage), c) fostering innovation (sponsor, develop, cooperate), d) result orientation (maintain commitment, sense of urgency), e) thoroughness (monitor, verify, organize, accuracy), f) decisiveness (willing, face, overcome).

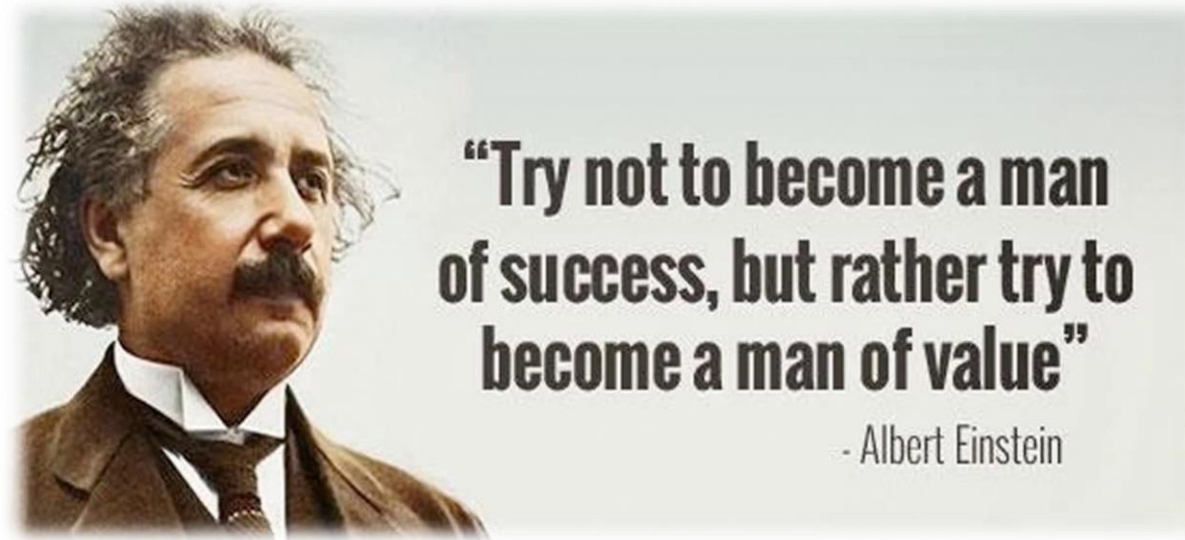
“Always deliver more than expected.”

**LARRY PAGE, CO-FOUNDER OF
GOOGLE**

ENTREPRENEURIAL BEHAVIOUR FOR SUCCESS

→ SELF-MANAGEMENT (*“being able to in yourself”*):

- Self-confidence (accomplish, present, “can-do” attitude);
- Stress management (calm under pressure, effective, control);
- Personal credibility (responsible, reliable, trustworthy, honest);
- Flexibility (openness, modify, evidence-based);
- Internal motivation (desire, willingness to perform).



“Imagine 5-6 core competencies (= strengths in SWOT) that your imaginary business does best (as perceived by customers)”

Building up “environment-aware” individuals

S.M.A.R.T. plans, goals, priorities method:

S = specific

M = measurable

A = achievable

R = relevant

T = time-based

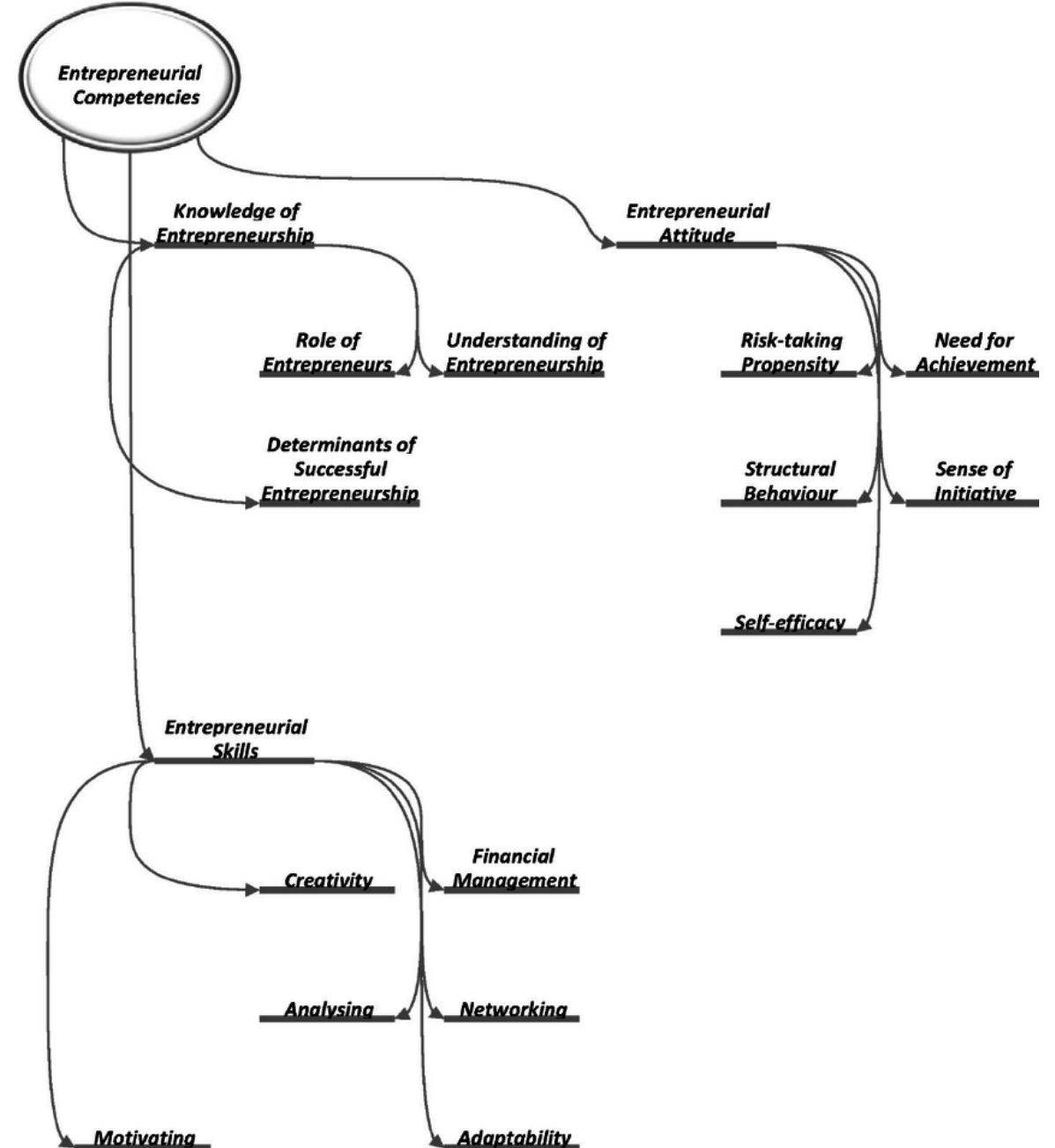
SWOT analysis:

strengths = S

weaknesses = W

opportunities = O

threats = T



Brainstorming diagram

[Kissi, Ernest & Somiah, Matthew & Ansah, Samuel, 2015]

INSIGHTS & DIRECTIONS: business/coop

Three conditions a business activity must meet in order to be a core competency [*Prahalad & Hamel, 1990*]:

- The activity must provide **superior value or benefits** to the consumer.
- It should be **difficult for a competitor to replicate** or imitate it.
- It **should be rare**.

Example of successful business with a purpose:

Patagonia – *observe different aspect of their business*

<https://www.youtube.com/watch?v=VPt0InbY6RA>

<https://www.youtube.com/watch?v=g9aQn5yUTFs>

<https://www.youtube.com/watch?v=dvoIB19vSE4>



patagonia
patagonia.com

COMMON THREADS INITIATIVE

REDUCE
WE make useful gear that lasts a long time
YOU don't buy what you don't need

REPAIR
WE help you repair your Patagonia gear
YOU pledge to fix what's broken

REUSE
WE help find a home for Patagonia gear you no longer need
YOU sell or pass it on*

RECYCLE
WE will take back your Patagonia gear that is worn out
YOU pledge to keep your stuff out of the landfill and incinerator



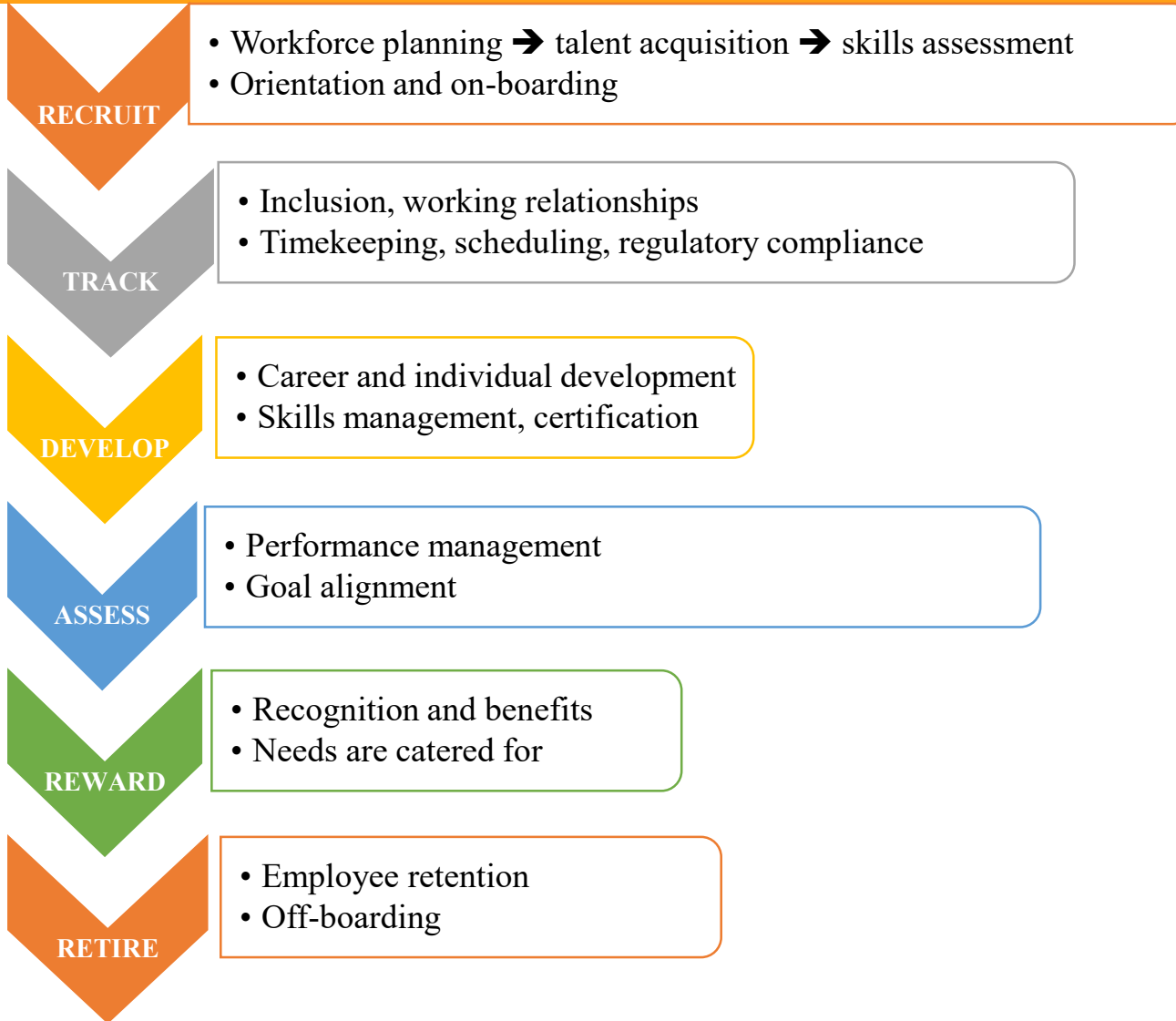
REIMAGINE
TOGETHER we reimagine a world where we take only what nature can replace

patagonia
patagonia.com

TALENT LIFECYCLE

- Competencies are a set of individual performance behaviours → observable, measurable and critical to successful individual and company performance.
- Competencies are individual characteristics of a person → result in an effective and superior performance in a job
- **Competency based assessments → understand the individual and organizational fit → correct hiring decisions, the starting point of the employee's life-cycle in the organization.**
- **Threshold competency → a quality that a person needs in order to do a job (= the bare minimum required to perform the job)**
- In order to get a superior performance → more specific competencies are needed
- A competency framework: comprehensive structure which describes different competencies with its specific set of behavioural indicators and measurement criteria.
Organizations can have their own distinct set of competency framework, in alignment to their visions and mission and long and short term goals.

TALENT LIFECYCLE



*“Which competencies
you think are the hardest
to develop, gain
and upgrade?”*

Role in the organization

Individuals → specific personality types to prefer one role within the organizational process

→ versatile and efficient team

Common personality types [RIASEC, 1985]:

- (realistic) **doer** = technical, outdoor pursuits;
- (investigative) **thinker** = scientific, research, intellectual pursuits;
- (artistic) **creator** = imaginative, intuitive pursuits;
- (social) **helper** = developing and interpersonal pursuits;
- (enterprising) **persuader** = leadership, influencing pursuits;
- (conventional) **organizer** = data management, numerical and organizational pursuits.



LEADERSHIP

- *“Leadership is an action, not a position”* (D. McGannon)
- Being authentic and self-aware, with high ethical and moral value
- **People skills** (intrapersonal, social intelligence, micromanaging directions, conflict management, value diversity)
- Openness, adaptability, inspiration, taking risks, innovation potential
- **Life-long learning for enhancing performance** and mentoring skills
- *Story of Competency Building, Leadership, and Teamwork:*
<https://www.youtube.com/watch?v=nD6tUEp1lws>

Dark side of the entrepreneurship

- *“A modern management theory argues that a business must define, cultivate, and exploit its core competencies in order to succeed against the competition”*
- **Keeping up with the trends**
- **Coping with stress, unhealthy competitiveness,**
- **REMINDER: Creating a pleasant working environment to enhance people’s skills, relationships and effectiveness → team-buildings, two-sided communication, professional attitude**

**If you think you can do it,
that's Confidence;
If you do it,
that's Competence.**

MORRIS CODE

PRODUCTIVITY

BOOSTING PRODUCTIVITY, EFFICIENCY:
“do it yourself”

-Working environment:

green office,
natural light,
fresh air, ...

-Self-care:

snack break,
stretching,
organized time-frame, ...

- Life-long learning:

informal workshops, classes and certifications,
creative hobbies,
career development, ...



GOOD EXAMPLES

- **Person:** Susan Wojcicki as the YouTube CEO in 2014.
Her start: at the age of 11, started her first business, going door-to-door selling spice ropes – plated yarn threaded with spices – in her hometown of Palo Alto, California.
- **Team:** Team to aMaze, private professional ski team of Slovenian Tina Maze was created in 2008. Since then she won medals on World championships and at the Olympic Games. She is now retired and married to her coach, Andrea Massi.
- **Company:** Mikro+Polo, a laboratory equipment supplier. They offer free breakfast/lunch for their employees, have theme-like new year's party and unlimited paid holidays, employees can bring children and pets to work, have built palette garden for coffee breaks, organize team-buildings, ...

LITERATURE USED

- ✓ Cripe, Edward J. & Mansfield, Richard S. 2020. 31 Core competencies explained. Workitect Inc.
- ✓ European Commission, Enterprise and Industry Directorate-General. (2012). *Effects and Impact of Entrepreneurship Programmes in Higher Education*. Retrieved February 2, 2021, from http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/files/education/effects_impact_high_edu_final_report_en.pdf
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- ✓ Prahalad, C. K. and Hamel, Gary, *The Core Competence of the Corporation* (1990). University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship, Available at SSRN: <https://ssrn.com/abstract=1505251>

Individual task after lecture (3min+present)

- **Write down a few competencies that you:**
 - ✓ **wish/need to acquire;**
 - ✓ **wish/need to develop;**
 - ✓ **wish/need to improve.**
- ➔ *Multilingual competence (= ability to talk/speak/read/write in different languages)*
- ➔ *Digital competence (= ability to use, access, filter, evaluate, create, program and share digital content, safety & security)*
- ➔ *Wellbeing competences (= handling stress, living a healthy life style)*
- ➔ *Ability to cope with uncertainty & complexity*
- ➔ *Teamwork and collaboration*
- ➔ *Critical thinking*
- ➔ *Citizenship competences (= participation and civic engagement)*

STUDENT WORK AT HOME (3 hours)

A. INDIVIDUAL WORK (1,5 h)

Watch video + find and explain three good practice examples by your choice in social entrepreneurship field and innovative business (companies, famous entrepreneurs):

<https://www.youtube.com/watch?v=zeAEFEXvcBg>

B. GROUP WORK (0,5 h)

Role play in small groups of 4: simulation of a job interview (debate about required competencies for the position in the social responsible, innovative company/organization from theory VS best competences from practical use of the applicant)

<https://www.competencies.co/competencies/behavioral-competencies>

C. E-EXERCISE - ESSAY (1 h)

Watch video + explain how individual competences can build up competences of the innovative, socially responsible organization (highlight the importance of proper leadership) via simple competency framework (propose category, subcategory, competency):

https://www.youtube.com/watch?v=z_1Zv_ECv0g

Brainstorming task

- **INDIVIDUAL DEVELOPMENT PLAN**

✓ **Improve your performance, strengthen your potential and capability, using S.M.A.R.T. method (S=specific, M=measurable, A=attainable, R=relevant, T=timebound)**

Development goals (skills, knowledge, behaviour to learn or improve)	Timeline (when do you plan to reach the goal – short-term (1 year) or longer)	Actions (steps and activities to help you, like coaching, new assignments, ...)	Evaluation (how will you track progress of the actions and timeline)	Career goal (where will you use this – in a new role, area of interest, title, ...)
GOAL 1:				
GOAL 2:				
GOAL 3:				



TRAIN-CE-FOOD project

<https://trancefood.si/en/home-english>



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