

# PROFESSIONAL COMPETENCE BUILDING OF THE ENTREPRENEURS THROUGH IMPROVING THE QUALITY OF BUSINESS EDUCATION

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## ABSTRACT

*The article deals with the new approach of business education – the competence building in training future entrepreneurs and their occupational advancement. It has been determined that the Process of building entrepreneurial competency has a subjective-objective character: each subject of entrepreneurial activity develops its individual attitude towards economic realia, its particular point of view about the existing economic contacts and perspectives of their development, anyway, it takes the gauge of its potential abilities in the economic area of public life.*

*Entrepreneurial competency provides a person with the possibility to find and apply the best configuration of resources in the manufacturing process, create innovations and engage them in the economic life of society, and take the risks required for the achievement of the desired goal. The success of entrepreneurial education is related to personal leadership, business and personal qualities of a business person, and the effectiveness of business management. The leadership qualities, an ability to solve conflict situations, make decisions in a context of uncertainty, work in a team, promote and motivate the efforts of employees, and create organizing structures are extremely important components. It was proved that the formation of entrepreneurial competence is a complex, controversial, and multiple-stage process, including the acquisition of entrepreneurial knowledge and establishment of the entrepreneurial consciousness and behavior, based on the gained knowledge.*

*The research claims that the formation of entrepreneurial competence of an individual takes place under the influence of continuous economic education, in the course of professional education, and, later, professional activity. The internal structure of the entrepreneurial competence includes the motivational-value-conscious, cognitive, activity, and emotional-volitional components, which are tightly intertwined.*

**Keywords:** Entrepreneur, Entrepreneurial Education, Entrepreneurial Competence, Professional Activity, Research Competence, Skills Profile of an Entrepreneur.

**JEL Classifications:** M5, Q2.

## INTRODUCTION

The penchant for fundamental knowledge, a close connection between theory and practice, the desire for professional self-development and self-realization, the ability to think creatively and master the research methods are of great priority in the process of preparing a future entrepreneur who will have the set of the necessary professional competencies. The study of sources related to the highlighted problem demonstrates that both scientific and professional spheres have different approaches towards the definition of the notions and content of “*competencies*,” “*competence*,” and “*research competence*,” related to entrepreneurial activity and belong to basic investigatory categories, have their individual meaning, and an extensive description. There are no single accepted definition of the notions entrepreneurial “*competency*” and “*competence*.” The notion of “*competence*” is determined as the combination of knowledge, skills, practical skills, manner of thought, value orientation, personal qualities, moral, and ethical values, which regulate the individual’s capability to successfully perform educational and professional activity; it can be regarded as the result of training at a specific level of high education. The definitions under the study are interlinked as the notion of “*competencies*” is determined as the pre-defined set of knowledge, skills, and experience, while “*competence*” acts as a qualitative feature showing the individual’s progress in mastering competencies, which can be seen in the course of their use in a specific sphere of a person’s activity.

## REVIEW OF PREVIOUS STUDIES

The scientific society distinguishes three main approaches regarding the definitions under the study. Based on a range of scientific papers, the fans of the first approach think the notions of entrepreneurial “*competency*” and “*competence*” to be synonymic (Camuffo et al., 2012; San Tan & Ng, 2006; Babiy et al., 2019; Zaplatynska et al., 2019). The representatives of the second approach consider that competences consist of specific personal competencies (Driessen & Zwart, 2010; Komarkova et al., 2015; Bezkorovaina et al., 2019). The followers of the third approach connect the notion of the entrepreneurial “*competency*” to the range of professional or public powers of a specific individual; they think “*competence*” to be an ability of a person to a specific type of work (Faltin, 2013). For instance, the scientist (Lans et al., 2014; Drobyazko et al., 2019a; Drobyazko et al., 2019b; Tirto et al., 2020) views the notion of competence as a) a certain type of action or behavior, influencing the formation of skills and experience, required for performance of particular activity, which has nothing common with creative activities; b) soft skills, influencing the choice of activity in professional sphere; c) the match value of the gained skills to accepted standards; d) as a parameter, the way of existence.

## METHODOLOGY

In terms of methodology, we think that one should learn the difference between the terms entrepreneurial “*competency*” and “*competence*.” “*Competency*” can be determined as a range of questions, belonging to a specific field of a person’s activity, he or she should be well aware, i.e. have the necessary knowledge, skills, and capabilities for their performance. The

“*competence*” is an individual trait of each person, based on the gained knowledge, moral values, and personal experience, which is manifested in the process of solving various problems at an expense of the ability to apply their individual practical experience, knowledge, skills, and individual attitude towards them in a specific situation. The competence acts as an evaluation of the effectiveness of specific human actions, targeted on solving the task.

Another important feature of our research is the fact that professional training of the future entrepreneur starts shifting its direction towards the increase of the research component in the educational process, which implements the training of a specialist with a developed research competence that will provide him with significant advantages and success in his chosen profession. The contemporary entrepreneur should do both monitor the acquisition of quality goods by the consumers and be aware of relevant market tendencies, latest inventions in the area of marketing, and specialize in various types of sales management.

## RESULTS AND DISCUSSIONS

Considering the specificity of the professional activity of the future entrepreneur, one should mention that the research activity, which forms the research competence, is the main part of the professional life of a specialist in a specific profile. This is the main reason why the training process of the future entrepreneurs should focus on the development of their skills and capabilities of conducting the research activity with the use of scientifically based research methods.

The research (Penaluna & Penaluna, 2008) demonstrates an idea that the training of a modern specialist should be necessarily followed by his engagement into scientific-research activity, ensuring the formation of skills to independently find solutions for the given tasks, skills of conducting scientific and practical activity, development of creative potential, and motivation to self-education and improvement. Thus, the problem of formation of entrepreneurs’ motivation towards the improvement of their individual theoretical training, required for the performance of research activities that will further ensure their competitiveness within the labor market and professional growth in professional activity, is becoming extremely important. In this regard, it is necessary not only to acquaint future specialists with modern science, but also to engage them in various scientific studies, ensuring the formation of skills on how to find the necessary information and put the obtained knowledge into practice in the course of problem-solving, creative potential, and readiness to unite the future professional activity with the research projects.

The society of scientists believes that research activity is characterized by a commitment to gaining new knowledge and practical experience. The notion of the research activity as a specific type of human activity is of great interest for us as it is regulated by the consciousness of an individual and his active position, focusing on the satisfaction of intellectual needs; the final result of which is the new knowledge which meets the objective set by the research.

The building of logical thinking, mastering principles and scientific methods of inquiry, skills to conduct scientific researches and apply gained knowledge to solve scientific and production objectives, formation and development of values-based attitude to this type of activity are the main goal of research activity of the future entrepreneurs.

To a certain extent, the results of the research are influenced by personal inclinations based on the interests of the listener who, in his turn, develops an active and creative attitude to

his future profession, and encourage self-improvement and self-development (Laguador, 2013). The absence of interest in a profession and professional discipline leads to a decrease in productivity of the research activity. That is why this factor should be considered for conducting a productive research activity and get fundamental results.

In the process of their training, the future entrepreneurs have to master the necessary set of knowledge and skills upon the chosen line of profession as well as the ability to solve diversified research problems. We adhere to the position that the formation of the research competence of the future entrepreneurs is a voluntary process that occurs when they have a desire for self-development and orientation towards research activities, based on the freedom of choice of each individual.

The results of the analysis of scientific sources upon the determined research problem indicate that the process of building the research competence of a future entrepreneur can be regarded as a complex socio-pedagogical phenomenon, consisting of a set of interconnected components (profound knowledge, research skills that are realized under specific conditions and depend on external and internal factors, and skills on conducting the research). All the above-mentioned components are the foundation for the formation of the research competence of the future specialist.

In contexts of the modern model of entrepreneurial education, the process of formation of the research competence becomes subject to many discussions among scientists. This issue is linked not only to a different vision of the prerequisites for the formation of research abilities by the scientists but also with the psychological characteristics of the formation of the research competence of the future specialists. The research competence is the key competence as its formation is followed by the use of analytical, critical, and communicative skills.

We keep to the position that the formation of the research competence of the future entrepreneurs is a voluntary process, which takes place under the condition of availability of the desire to develop individual skills and orientation on the research activity, considering the freedom of choice of each individual.

The research competence is unattainable part of the research activity, namely, through the process of research, and shows itself in the awareness of the meaning and importance of the research activity, in the possession of the research knowledge, skills, and capabilities, reasonable choice and optimization of research decisions in the case of their diversification, and the ability to use the obtained skills and capabilities in the future professional activity. We agree with the position of (Proitz, 2010) who determines competence as conscious readiness to constantly progress in the course of self-growth, experiencing the acts of understanding, creativity, and self-improvement.

The entrepreneurial potential is the knowledge and skills of managerial staff. The entrepreneurial potential should be determined comprehensively, by the main types of activity of the managerial personnel. The professional profile of an entrepreneur, as a rule, is determined upon the four main types of activity, namely: 1) action planning; 2) organizational activity; 3) analytical activity; 4) application of technical tools of data processing (Table 1).

Competency		Opportunities		Mark
Activity	Reaction capability	Reaction type	Reaction range	
Action planning	The ability to solve problems with reason, consistently, originally, and prepare solutions	Problem-solving techniques	Experimental, trial and error	1
			Alternative	2
			Creative exaltation	3
Organizational activity	The ability to organize work, apply decisions in one or several sectors (in a big way)	Scale of problem-solving	Consistent and gradual implementation	1
			Consistent-parallel implementation	2
			Parallel ambitious implementation	3
Analytical activity	The ability to search for information, analyze its value, selectiveness, and intuition	Information acquisition methods	Accumulation of experimental data	1
			Extrapolation	2
			Forecasting	3
Application of technical tools	The ability to search and process computer information (an ability to use PC, knowledge of database, programming, modeling)	Information processing methods	Manual handling of most information	1
			The use of standard programs	2
			Establishment of a decision support system	3

The evaluation of the skill profile of an entrepreneur makes it possible to determine the availability of the rapid response of staff when they face problems. Table 1 provides the possibility to evaluate the competence and capabilities of the future entrepreneur based on the figures given above (Makedon et al., 2019).

The determination of the entrepreneurial potential is conducted based on the held polling, including the evaluation upon six main characteristics: 1) perception of new ideas; 2) readiness to criticize; 3) understanding of the perspective; 4) level of intelligence; 5) sense of purpose and intentions; 6) managerial thinking. Theoretic evaluations of the entrepreneurial potential might come within 0-100 %.

In the course of the held analysis of the scientific investigations, we can conclude that the process of building and improving the research competence of an entrepreneur can be regarded as successful under the condition of a person's awareness of its value, the possession of a basic level of formation of general cultural competence; the availability of a shaped methodological and communicative competence; the ability to set objectives and reach them; forecast possible results and, if necessary, correct his activity to reach the required goals; and the awareness of importance of self-education and personal growth.

Such a complex approach to understanding research competence makes it possible to identify its process as the development of research skills and abilities, capabilities to independently obtain knowledge, the experience of successful orientation in the process of professional training, etc.

The potential of an entrepreneur can be identified via the formula:

$$P_y = K \times \Delta p(1 + A \times c) \times (1 - B \times g) = K \times K_i \times K_{o,y} \times K_{o,k} \quad \dots(1)$$

Where,  $K$ : qualification potential of an entrepreneur;

$K_i$ : intellectual potential of an entrepreneur;

$K_{o,y}$ ;  $K_{o,k}$ : coefficient, characterizing the organizational conditions and the state of an organizational climate respectively.

Based on the held analysis of scientific researches, we determine the research competence of the future entrepreneurs as an integrative feature of the personal qualities that are important for the profession, which find reflection in the motivation to the research activity, methodological knowledge, research skills, and formed personal qualities (independence, creative thinking, and reflection) and is implemented via the ability to conduct a research in the field of economics with the further analysis and evaluation of the research results (Kirby, 2004). In the course of analysis of research papers, we have distinguished the main structural components of the research competence of future entrepreneurs: motivation-value-based, cognitive, operational-activist, and reflective.

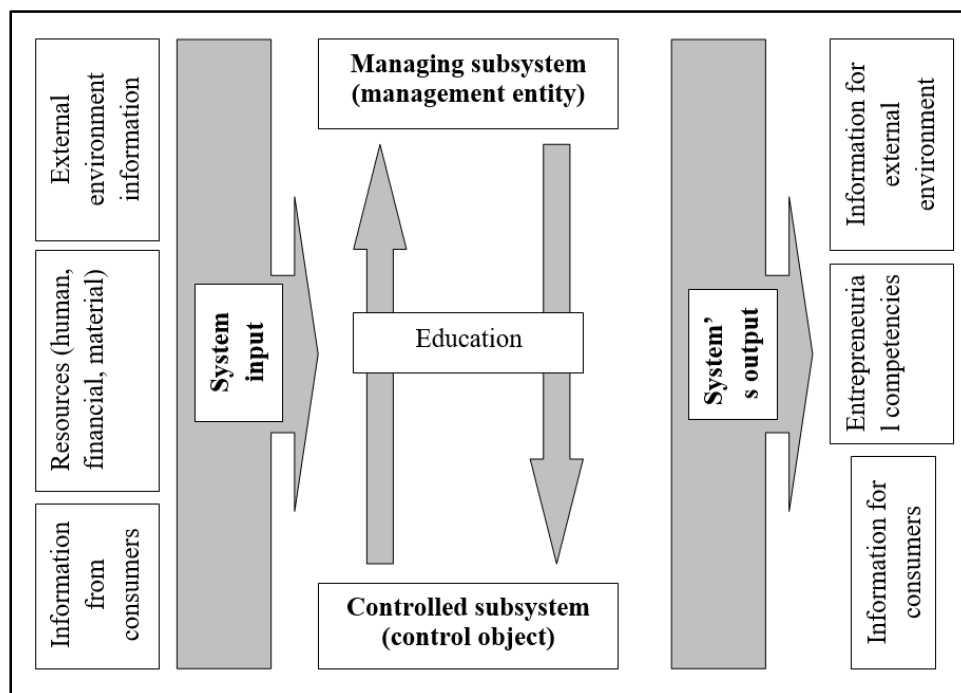
1) The thrust of the motivation-value-based component lies in the availability of the formed firm interest to research activity and the chosen profession in general; the desire to get profound knowledge on the professional discipline, which are a prerequisite for successful implementation of the research in the area of entrepreneurship; the need to develop their professional knowledge, skills, and competences to a competitive level, to form a personality outlook and motivation for professional self-advancement.

2) The cognitive component in the structure of the research competence makes provisions for the availability of knowledge, developed to a specific extent, which is formed in the course of digesting the educational subjects material, studied in the course of professional training of the future entrepreneurs.

3) The operational-activist component appears in the ability to use the knowledge, skills, and experience, obtained in the process of professional training, to the maximum benefit. In our research, we regard the operational-activist component of the research competence as an obligatory component of the process of acquisition of the ability to form a research problem, to define a conceptual apparatus, to develop hypotheses, and, in fact, to conduct a scientific research with the further design and presentation of the obtained results by the future entrepreneurs.

4) The reflective component of the research competence focuses on the analysis of the results of the performed activity, on awareness of possible results, and the performance of corrective actions based on the gained experience (Vuorikari et al., 2016).

Specific attention should be drawn to the fact that the process of building the research competence of future entrepreneurs becomes possible only under the condition of constant interaction of all the above-mentioned structural components. In fact, almost every management post contains a list of functions, which is somewhat different from other similar lists. Regarding the last-mentioned aspect, one should note that its functions are quite well known, and, in our view, do not require deep explanations and characteristics in the given research. The more interest is caused by the entrepreneurial learning process and the quality assurance of the management system through this process, which should be viewed in more detail. The above-given arguments result in the authors' opinion that this phenomenon is typical to the entrepreneurial environment that, in its turn, implies the process of education implementation. Figure 1 demonstrates the process of implementation of entrepreneurial education.



**FIGURE 1**  
**SYSTEMATIC FORMATION OF EDUCATIONAL SPACE FOR AN ENTREPRENEUR**

Considering the results of the search and analytical work, we can, therefore, say that the increase in the interest of the future entrepreneurs to a chosen profession and performance of a diversified research activity, and optimization of the process of formation of the research competence of the future professionals depends on the provision of the following conditions:

1. The motivation of future entrepreneurs to research activity;
2. Provision of subject-subject interaction between an entrepreneur and the external environment;
3. The establishment of open educational space considering the specificity of the professional activity of the future entrepreneurs and promote their professional advancement.

Thus, the provision of the first condition – the motivation of the future entrepreneurs to research activity–was implemented via creation of a positive emotional mood of the applicants receiving high education; the implementation of a practice-oriented nature of the research activity during the classes; the use of active training methods and modern information technologies during the educational process; and the realization of self-control and monitoring by trainers of the research activity of the future entrepreneurs.

## RECOMMENDATIONS

It is proved that under the condition of subject-subject interaction of entrepreneurial education and external environment, one would observe a better understanding and perception of the peculiarities and dynamics of doing business, gaining new professional experience in a real-time business environment through involvement in a creative profession-focused activity. This

base can form independence and leadership of members of the educational process, promote their personal advancement and creative growth, develop their navigation skills required by the non-routine tasks, and perform a specific type of training, targeted on intellectual activity. All this becomes an excellent foundation for bringing entrepreneurial education into a separate type of professional education, having narrow professional activity and acquired competencies as the main components.

## CONCLUSIONS

The implementation of an organizational condition in the form of allocation of entrepreneurial education and the use of open educational space, considering the specificity of the professional activity of the future entrepreneurs, will promote their professional advancement and awareness of the necessity of the competency-based approach and entrepreneurship. It was proved that practical aspects of entrepreneurial activity promote the awareness of importance of obtaining the necessary theoretical knowledge and research skills; the provision of the possibility to feel yourself as a researcher; formation of personal practical experience, motivation to further take up research activity to solve profession-focused issues, ensure comparison between the level of formed research competence and the requirements of the employers as well as help to correct individual entrepreneurial and educational trajectory. We have found out that an open education space provides activation of teamwork in the framework of the educational process, promotes the professional formation of the future entrepreneurs via a direct dive in the field of professional activity.

Thus, we can conclude that the formation of the research competence of the future entrepreneur can be regarded as a complex organizational phenomenon, consisting of a set of interlinked components (profound professional knowledge, research skills, which are implemented under specific conditions and depend on both external and internal factors; and practical skills).

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