

Entrepreneurial Skills in the New Normal: A Review of Literature

Hesham Magd*, Ph.D.

Associate Dean – Quality Assurance & Accreditation; Head – Faculty of Business and Economics, Modern College of Business & Science, Muscat, Oman.

Email: Hesham.Magd@mcbs.edu.om

Siraj K Kunjumammed, Ph.D.

Assistant Professor, Faculty of Business and Economics,
Modern College of Business & Science, Muscat, Oman.

Email: siraj@mcbs.edu.om

Ravi Thirumalaisamy, Ph.D.

Assistant Professor, Faculty of Business and Economics,
Modern College of Business & Science, Muscat, Oman.

Email: ravi@mcbs.edu.om

** Corresponding Author*

Abstract

Purpose: This research explores 'key success factors of entrepreneurship in the new normal.' Entrepreneurs' response to the prodigious disruption due to COVID-19 showed the need for specific entrepreneurial skills to be resilient and successful in crises. A review of empirical literature and success stories of entrepreneurs is used to develop a framework of entrepreneurial skills in the crisis.

Design/Methodology/Approach: It is a cross-sectional study and explores successful entrepreneurs' competencies by deploying a review of the empirical literature and published reports.

Findings: This research developed a conceptual model/framework, highlighting linking the basis of entrepreneurial skills and the core competencies needed during a crisis. The research found that entrepreneurs in the new normal require entrepreneurial resilience, agility, and social entrepreneurial skills. Changes in entrepreneurship education to embed these skills are necessary to enhance budding entrepreneurs.

Research Limitations/Implications: The study is based on empirical literature and published reports. The study's outcome needs to be validated using a quantitative study, which is considered as the scope of future studies.

Practical Implications: This research will help educational experts gauge the current entrepreneurship education framework's effectiveness and recommend changes therein. The findings have implications beyond the Sultanate of Oman and provide general guidelines on skills and competencies in the new normal to become successful entrepreneurs.

Originality/Value: This research is one among the few research carried out on entrepreneurial skills in the new normal. The conceptual model is based on the empirical review and requires further validation based on quantitative research.

Keywords: Entrepreneurship; Entrepreneurship Education; Competencies; COVID 19; New Normal; and Oman

1. Introduction

The unprecedented crisis during COVID 19 pandemic created havoc in all walks of life. The lockdown and temporary suspension of activities created vulnerability for businesses, especially entrepreneurial and startup ventures. Entrepreneurs' response to the prodigious disruption due to lockdown measures during COVID-19 included temporary closure of business activities, reducing the employees, and permanent closure of business due to an upsurge in risks. Entrepreneurs' failure to cope up with challenges resulted in unemployment, supply chain disruptions, and under-utilization of resources. In addition, businesses had widely varying beliefs about the likely duration of the COVID-19 related disruptions (Bartik et al., 2020). Many of the businesses exits, due to liquidity issues, reduction in sales, supply chain issues, increased cost of operations, and inability to engage staff at work. However, few months down the line, evidence of an upsurge in entrepreneurial activities in the 'new normal' is observed, with innovative and creative business models that tapped business opportunities in the market. They were the 'opportunity seekers' and showed agility and resilience during hard times. New business models emerged. Small businesses and entrepreneurs showed resilience during hard times. Startups utilized the advantages of technology in streamlining their operations. A commitment to cause led volunteers to gather and brainstorm new ideas. Observing the performance of entrepreneurs and startups during pandemics, it is important to understand both aspects of entrepreneurial activities, i.e., the factors that contributed to the failure of entrepreneurs and startups and the factors that helped successful entrepreneurs to be resilient and successful during adversity.

Entrepreneurs were the backbone of major economies and their failure worsened the gravity of issues faced by economies during the pandemic. A review of the influence of entrepreneurial actions on the outcomes extended by the crisis will contribute to entrepreneurship literature in many ways. First of all, the learning will help to identify the traits of successful entrepreneurs in crisis times. The learning can form part of the entrepreneurship curriculum. Taking cues from empirical research, Maritz et al (2020) concluded that the most obvious mechanisms by which COVID-19 creates business opportunities are the creation, expansion, and substitution of demand. However, to tap business opportunities and convert them into a successful business model during a crisis time requires specific skills and expertise. While differentiating the successful entrepreneurs from unsuccessful entrepreneurs and start-up during the pandemic, we may conclude that the major difference between them is the agility in responding to the business opportunities. However, we need to be mindful in accepting the fact that COVID 19 has created a significant impact on demand, supply, logistics, availability of funds, and the flexibility to tap labor resources. These constraints also posed stress on entrepreneurship ventures. Hence, while analyzing the factors behind entrepreneurship success and failure during a pandemic, of course, consider the impact of external forces which are beyond the control of entrepreneurs.

Though lockdown measures impacted the social and economic environment, few entrepreneurs sustained their activities and grew in the market. They exhibited entrepreneurial qualities that remarkably helped them to sustain and grow in an adverse situation. Against this background, the purpose of this research addresses the dynamics that entrepreneurs exhibited during the hard times. The relevance is that strategies and tactics that entrepreneurship exhibited should form part of entrepreneurship education, wherein the focus of training should be to training entrepreneurs to be resilient and proactive to the havocs and turbulence they undergo. The outcome of this research is useful in designing strategies to enhance entrepreneurs' competitiveness. These factors can be considered in developing resilient entrepreneurs. In the entrepreneurship curriculum offered in Higher Education Institutions, the findings can be

integrated to develop appropriate pedagogical interventions to impart skills that entrepreneurs need, to sustain and grow in adverse times.

Statistics available on the impact of COVID on small and medium enterprises, employment, investment, and global merchandise trade. For instance, World Bank in a press release in January 2021 showed skepticism about the economic growth in 2021. The global economy is contracted by 4.3% in 2020 (World Bank, 2021). COVID has injected uncertainty among the economic actors and thereby a fundamental shock to the economy (Barrero et al., 2020). While explaining the impact of COVID 19 on economies, Chen et al., (2020) observed that regions and countries where the outbreak is more sizeable experienced significantly more economic losses.

Though the impact of COVID created a profound impact on the performance of entrepreneurs, there are examples of entrepreneurial ventures that remained resilient during the pandemic times and able to grow. We drew attention to the specific skills and strategies that these entrepreneurs employed to remain resilient in adverse times. Based on the empirical review, we developed a framework that explains the essential qualities an entrepreneur should possess to respond to crises and mitigate their impact. The study is significant in this context.

2 Literature Review

2.1 Entrepreneurship during pandemic

Although COVID 19 influenced all economies, the extent of disruption in entrepreneurial activities was significant and influenced by the gravity of the suspension of activities. Few economies allowed the business to operate initially, and focused more on social distancing, while other economies significantly closed operations by implementing lockdown measures. For instance, Sergi et al (2019) briefed that many countries, even sound economies, compelled most of the businesses to shut down and restrict their interactions, leading to a significant downturn in economies. It disrupted the movement of goods and supply chain management. Many entrepreneurs and start-ups faced a significant reduction in revenue due to their impact on the global supply chain of both goods and services (Meahjohn and Persad, 2020). However, entrepreneurs received less attention to addressing the unprecedented exogenous shock, as the majority of the policy initiatives were targeted to established corporations, existing industry sectors, and economies as such, and in doing so those measures aim to protect employment and the continuation of necessary economic activity (Kuckertz et al, 2020). However, the support for entrepreneurial ventures and startups was limited, and hence forced many businesses to close their operations. Although this trend was evident in many economies, it also witnessed entrepreneur ventures that succeeded during these bad times. They were resilient and addressed the changes in a way to ensure that the business sustains and grows. It means that entrepreneurs who managed to grow during the COVID days were able to do so since they exhibited certain entrepreneurial skills that are core for managing the business during unprecedented downturns. The COVID 19 pandemic and the many lockdowns in economies worldwide combine to create a unique situation that has no documental equivalent in the entrepreneurship literature (Kuckertz, et al., 2020). The focus here is to highlight what went wrong for the entrepreneurs who closed their operations and what factors helped successful entrepreneurs to sustain and grow. The way entrepreneurship and startups responded to the pandemic will have an impact on the perception of entrepreneurship in the future. The skills that entrepreneurs exhibited will be modeled as the essential skills to become successful, and hence, an understanding of these skills is of utmost importance for prospective entrepreneurs.

2.2 Cause of entrepreneurial failures

Current entrepreneurship research on the resilience of entrepreneurs during hard times considered the impact of both internal and external forces on entrepreneurs' ability to survive and grow. Entrepreneurial culture is relevant and affects the activities of nascent, opportunity-driven entrepreneurs (Kuckertz et al., 2020). The culture has three dimensions, the spatial dimensions, social dimensions, and the time dimensions. Referring to the spatial dimensions, the national, regional, and local environment affects the level of entrepreneurial activity. Empirical research on the cultural dimension is extensive (Bello et al, 2018, Valliere, 2017). The empirical research on cultural dimension classified economies into; (1) economies that instill a positive entrepreneurial culture and, (2) economies that don't exhibit positive conditions for entrepreneurial endeavors. Entrepreneurs in the second category of economies hold a failure culture and are heavily wounded during bad times. This is a primary reason for entrepreneurial failure at the macro level. Business failure is contributed by the extreme environmental shock in these economies (Amankwah-Amoah et al., 2020). Entrepreneurial culture in such economies exhibits a representativeness heuristic (Wickham, 2003) and generates a decision bias of overestimation. The fear of loss and the varying belief about the likely duration of the pandemic caused many entrepreneurs to shut their operations and reduce losses.

In addition to the cultural factors, there are micro and regional specific issues that entrepreneurs and startups during the COVID crisis period? Empirical research cited many reasons, and include the reduced sales while fixed expenses remain the same (Kuckertz, et al., 2020), supply chain and logistical shortages, lack of ability to shift to e-commerce platforms (GEM, 2020), financial fragility, reduction in demand and employee health concerns (Bartik et al, 2020). Notwithstanding the gravity of the crisis, certain tendencies might also contribute to the current fallout. For instance, entrepreneurs in recent years have become more stereotyped with high-tech startup and entrepreneurial activities (Cuyper, Kucukkeles, & Reuben, 2020) and these ventures haven't been built on strong fundamentals, which eventually led to failure.

Though the crisis and the economic reactions profoundly impacted the entrepreneurial ventures, the failure of entrepreneurs to change and adapt was the major reason for closing operations. Resilience, as Castro and Zermeno (2020) explained, is the outcome of the attitude towards the crisis, the characteristics of the business and entrepreneur, the relationship with institutions, human and social capital, and strategic management. This view is supported by the success stories of entrepreneurs.

2.3 Resilience and Agility in the new normal

Historically, examples of resilience during hard times show agility, proactiveness, adaptability, courage, and strategies to mitigate the risks. While examining the entrepreneurship literature during the pandemic also brought forward stories of resilience and success. For instance, Maritz et al (2020) highlighted that many small businesses rebounded and managed to retain a customer base through rapidly adapted product/service offerings to keep their doors "ajar" and prolong employment opportunities. Cuyper et al (2020) observed that there has been a surge in creativity, and they addressed emerging needs that were insufficiently addressed during the pandemic by the government and incumbent institutions. Agility is recognized as the key skill for finding opportunities during a crisis.

Successful entrepreneurs during this pandemic exhibited a common approach, they stepped out of their routines and comfort zones and explored ideas to find solutions to the existing problems. Ketchell (2020) summarized it as a rediscovery of their entrepreneurial spirit. Resilience as a trait of entrepreneurship emerges from individual (psychological/cognitive),

organizational and institutional factors. Entrepreneurial resilience is a process of creative discovery, transformation, and learning (Korber and McNaughton, 2017). Successful entrepreneurs during COVID -19 exhibited resilience and agility. Bjorklund et al., (2020) conducted a study on successful entrepreneurs during the pandemic and concluded that the entrepreneurs experimented a new business model variations that expanded their set of solutions and resulted in action-based leading to long-term changes and increased capabilities for subsequent value creation. It highlights entrepreneurial traits related to resilience and agility. Such initiatives and experimentation of entrepreneurs includes introducing new product categories, in addition to more incremental changes such as bundling products together or rebranding

3. Research Methodology

We reviewed the empirical literature and case studies on entrepreneurship during the pandemic. The focus of this paper is to list out those characteristics that helped entrepreneurs to be resilient and competitive during a crisis. We have listed those characteristics based on two approaches: (a) a review of major findings of entrepreneurial literature during a crisis and (b) by examining the success and failures of entrepreneurs during the pandemic. The outcome of this review is a conceptual model/framework and outlines an integrated view of the qualities an entrepreneur should possess to remain resilient and competitive. This research is exploratory, and the research outcomes need to be validated in further studies. This research utilized data available in the published domain to construct an initial model on ‘Key entrepreneurial qualities to sustain and grow in crisis time’.

4. Discussion

The conceptual model we developed in this section is based on the review of the empirical literature. Entrepreneurial skills add value to the business and technical skills of an entrepreneur and create a viable business model. However, sustaining and progressing during a crisis requires more than entrepreneurial skills. The success stories of entrepreneurs around the world have instilled curiosity among researchers. A review of the empirical literature suggested that successful entrepreneurs exhibited three critical skills during the crisis; entrepreneurial resilience, social entrepreneurship skills, and business agility.

Entrepreneurs are resilient by nature. However, a crisis like COVID-19 in terms of its magnitude and length has created specific challenges in adapting to a new environment (Ratten, 2020). Hence addressing a crisis like COVID requires specific resilience skills that help entrepreneurs to respond to a crisis and manage it from a short-term and long-term perspective. In empirical research, Bullough and Renko (2013) examined entrepreneurial resilience and concluded that engaging in business development training, creating networking, and practicing business acumen helps to gain entrepreneurial resilience. Responding to the resilience factors in COVID days, Castro and Zermeno (2020) identified that attitudes adopted toward the crisis, the characteristics of the business and the entrepreneur, the relationships with institutions, human and social capital, and strategic management are important. The different factors in the entrepreneurial ecosystem, such as government, policymakers, higher education institutions, can devise strategies to promote resilience skills among entrepreneurs. To put it in short, it calls for the need for developing entrepreneurial skills through formal education programs.

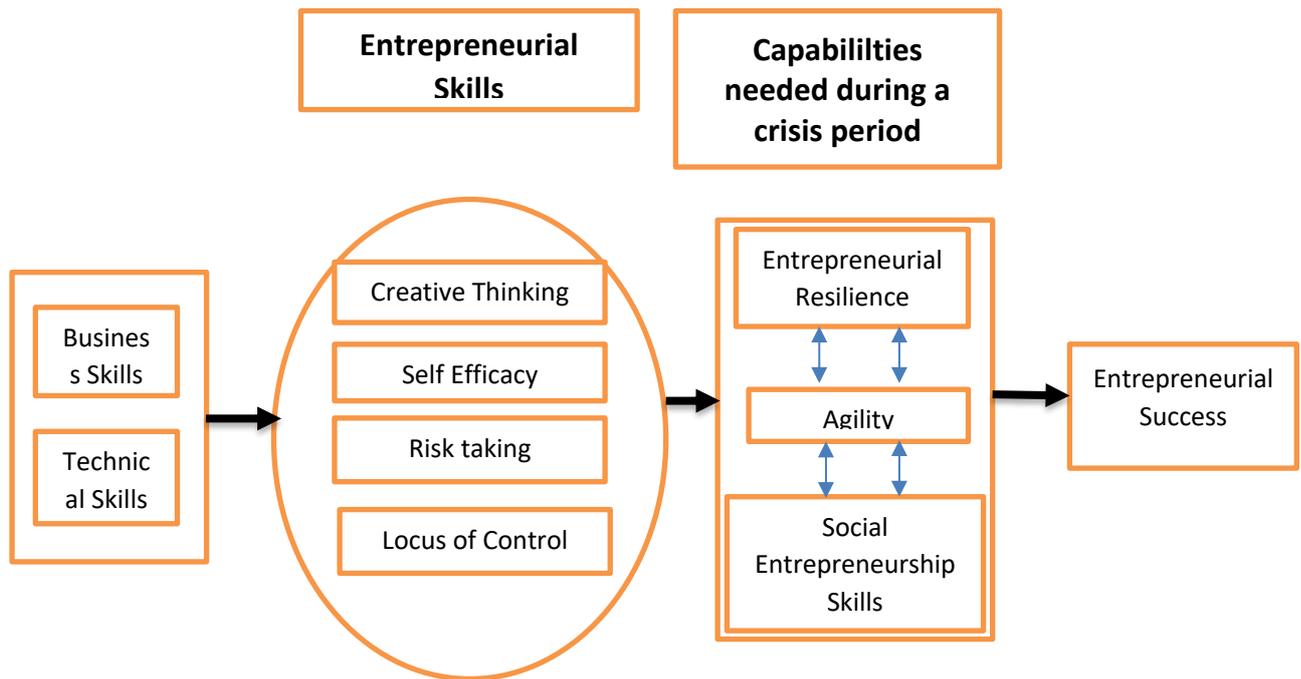


Figure 1: Entrepreneurial Skills in crisis times

However, it is quite common that many entrepreneurial ventures do not make it beyond a couple of years of operations. The emphasis here is not to address the factors that contributed to their failure, but on those successful entrepreneurs who do not find it viable to continue operations because of an emerging crisis. The feature of these entrepreneurs is that they fail to redesign their business model to address the challenges during a crisis period. This is unique, as historical research was focused on identifying individual traits that make an entrepreneur successful. Examining the successful entrepreneurs in the recent crisis made it clear that individual entrepreneurial skills need to be integrated with social entrepreneurship skills. In other words, entrepreneurs should identify and exploit opportunities that create values for themselves, society, and the economy (Bogdan, 2016). Here, the relevance of social entrepreneurship is evident. Social entrepreneurial skills is defined as the creative use of resources for both economic and social values (Amini et al., 2018). Successful entrepreneurs in the crisis period have redesigned their business model and integrated social objectives along with their economic objectives. Social entrepreneurial competencies include the ability to effectively utilize the latest information technology resources, the ability to negotiate with other institutions and organizations, and the ability to recognize social problems (Amini et al, 2018). During the pandemic, many entrepreneurs stepped up to create solutions benefitting the public good, without regard to their initial motives (Bacq and Lumpkin, 2020).

However, there are differing views as well. Ruiz-Rosa et al., (2020) in a similar study observed that social entrepreneurial intention decreases in times of deep economic crisis and high uncertainty, such as COVID-19. Entrepreneurs who abstain from redesigning their business model to incorporate social entrepreneurship fail to adopt change, and often result in the closure of their business ventures. Needless to emphasize, redesigning the business model helped entrepreneurs to remain resilient and grow in the market. Entrepreneurs, hence, need to possess social entrepreneurial skills to be successful in a crisis period. Higher Education Institutions have a greater role to play in building social entrepreneurial skills. Formal education programs

develop social entrepreneurship skills (Boyatzis and Saatcioglu, 2012). Paache and Imran (2019) considered that social entrepreneurship educations should be offered with a specific focus on three distinct and often competing institutional logics; the social-welfare logic, the commercial logic, and the public-sector logic. Redesigning the business model during a pandemic and integrating social entrepreneurship is an entrepreneurial resilience skill exhibited by many successful entrepreneurs during the pandemic. In other words, they helped societies by providing solutions, and by doing so, they remained unaffected by the crisis.

Firth and Nayaz (2020) presented seven COVID response recommendations, and apply to any crises. They are building a trusted team, reviews of current plans and capabilities, utilize timely intelligence, operate a deliberate response to an agreed rhythm, understand exposure to third party risks and impacts, communicate and engage staff, customers, and suppliers, and establish and reinforce crisis response process. These response recommendations are part of the capabilities that are listed in the initial framework.

5. Conclusion

Entrepreneurial success at crisis times requires specific skills to redesign the business model by incorporating both economic and social cause into the plan. Successful entrepreneurs during COVID 19 exhibited entrepreneurial resilience, agility, and social entrepreneurial skills. This paper developed a conceptual framework and explained the foundations of successful entrepreneurship in a crisis period.

The model developed in this research, however, is not tested based on primary data. The model and the discussions are based on empirical research, further research is needed to examine whether the suggested capabilities exhibit a significant impact on entrepreneurial outcome in a crisis period. To validate the model, quantitative research is suggested.

Social entrepreneurial skills are relevant in meeting challenges during any crisis. However, the existing entrepreneurship curriculum has not given due weightage to the inclusion of social entrepreneurship. Entrepreneurship education in the future should focus on the skills that entrepreneurs require to mitigate the challenges and to be agile and competitive.

6. Study Limitations

Two major limitations require attention. The outcome of this research, the conceptual framework, bases its arguments on the existing empirical studies. As still COVID-19 pandemic continues to exhibit its impact on many parts of the world, new insights on entrepreneurial skills during a crisis need to be integrated into the model to make it inclusive. Secondly, the conceptual framework is not empirically tested. We recommend further research on this topic based on quantitative data on entrepreneurial activities in different parts of the world.

7. References

- Amankwah-Amoah, J., Khan, Z., & Wood, G. (2020). COVID-19 and business failures: The paradoxes of experience, scale, and scope for theory and practice. *European Management Journal*, In Press.
- Amini, Z., Arasti, Z., & Bagheri, A. (2018). Identifying social entrepreneurship competencies of managers in social entrepreneurship organizations in the healthcare sector. *Journal of Global Entrepreneurship Research*, 19, 1-14.
- Bacq, S., & Lumpkin, G. T. (2020). Commentary - Social Entrepreneurship and COVID-19. *Journal of Management Studies*, 58(1), 1-4.

- Barrero, J. M., Bloom, N., & Davis, S. J. (2020). COVID-19 Is Also a Reallocation Shock. *Brookings Papers*, 1-61.
- Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E. L., Luca, M., & Stanton, C. (2020). The impact of COVID-19 on small business outcomes and expectations. *Proceedings of the National Academy of Sciences of the United States of America*, 117(30), 17656-17666.
- Bello, B., Mattana, V., & Loi, M. (2018). The power of peers: a new look at the impact of creativity, social context, and self-efficacy on entrepreneurial activities. *International Journal of Entrepreneurial Behavior and Research*, 24(1), 214-233.
- Björklund, T. A., Mikkonen, M., Mattila, P., & van der Marel, F. (2020). Expanding entrepreneurial solution spaces in times of crisis: Business model experimentation amongst packaged food and beverage ventures. *Journal of Business Venturing Insights*, 14.
- Bogdan, D. (2016). Building a curriculum for social business entrepreneurship. *Studies in Business and Economics*, 11(2), 19-25.
- Boyatzis, R. E., & Saatioglu, A. (2008). A 20-year view of trying to develop emotional, social, and cognitive intelligence competencies in graduate management education. *Journal of Management Development*, 27, 92-108.
- Bullough, A., & Renko, M. (2013). Entrepreneurial resilience during challenging times. *Business Horizons*, 56(3), 343-350.
- Castro, M. P., & Zermeno, M. (2020). Being an entrepreneur post-COVID-19 – resilience in times of crisis: a systematic literature review. *Journal of Entrepreneurship in Emerging Economies*, ahead-of-print.
- Chen, S., Igan, D., Pierri, N., & Presbitero, A. F. (2020). Tracking the economic impact of COVID 19 and Mitigation Policies in Europe and the United States. *IMF research - Special Issue on COVID Research*, 1-10.
- Cuyper, L. L., Kucukkeles, B., & Reuben, R. (2020). Discovering the real impact of COVID-19 on entrepreneurship. Zurich: World Economic Forum.
- Firth, C., & Nayaz, M. (2020, June 10). How to strengthen business resilience during disruptive events. From Earnst & Young: https://www.ey.com/en_om/covid-19/how-to-strengthen-business-resilience-during-disruptive-events
- GER. (2020, December 05). Global Entrepreneurship Monitor. From Immediate impact: January - July 2020: <https://www.gemconsortium.org/economy-profiles/oman-3/policy>
- Ketchell, M. (2020). The coronavirus crisis: A catalyst for entrepreneurship. Canadian Press.
- Korber, S., & McNaughton, R. R. (2017). Resilience and Entrepreneurship: a systematic literature review. *International Journal of Entrepreneurship Behavior and Research*, 1355-2564.
- Kuckertz, A., Berger, E. S., & Prochotta, A. (2020). Misperception of entrepreneurship and its consequences for the perception of entrepreneurial failure - the German case. *International Journal for Entrepreneurial Behavior & Research*, 26(8), 1865-1885.
- Kuckertz, A., Brandle, L., Gaudig, A., Hinderer, S., Reyes, C. A., Prochotta, A., . . . Berger, E. S. (2020). Startups in times of crisis – A rapid response to the COVID-19 pandemic. *Journal of Business Venturing Insights*(13), 1-13.

- Maritz, A., Perenyi, A., de Waal, G., & Buck, C. (2020). Entrepreneurship as the Unsung Hero during the Current COVID-19 Economic Crisis: Australian Perspective. *Sustainability*(12), 1-9.
- Meahjohn, I., & Persad, P. (2020). The Impact of COVID-19 on Entrepreneurship Globally. *Journal of Economics and Business*, 3(3), 1165-1173.
- Paache, A.-C., & Chowdhury, I. (2012). Social Entrepreneurs as Institutionally Embedded Entrepreneurs: Toward a New Model for Social Entrepreneurship Education. *Academy of Management Learning and Education*, 11(3), 494-510.
- Ratten, V. (2020). Corona Virus (COVID -19) and entrepreneurship: cultural, lifestyle and societal challenges. *Journal of Entrepreneurship in Emerging Economies*, Ahead of Print.
- Ruiz-Rosa, I., Gutierrez-Tano, D., & Garcia-Rodriguez, F. J. (2020). Social Entrepreneurial Intention and the Impact of COVID-19 pandemic: A Structural Model. *Sustainability*, 12, 1-17.
- Sergi, B. S., Elena, G. P., Aleksei, V. B., & Julia, V. R. (2019). Entrepreneurship and economic growth: the experience of developed and developing countries. In *Entrepreneurship and Development in the 21st Century*. Emerald Publishing Limited.
- Valliere, D. (2017). Belief patterns of entrepreneurship: exploring cross-cultural logics. *International Journal of Entrepreneurial Behavior and Research*, 23(2), 1355-2554.
- Wickham, P. A. (2003). The representativeness heuristic in judgments involving entrepreneurial success and failure. *Management Decision*, 41(2), 156-167.
- World Bank. (2021). *Global Economy to Expand by 4% in 2021; Vaccine Deployment and Investment Key to Sustaining the Recovery*. Washington: World Bank.