

Integrating Strategic Management Actions and Interpersonal Skills in Entrepreneurship to Create Competitive Advantage

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Abstract

Competitive advantage is always one of the key priorities for the entrepreneurs in order to become driving force in the market. Entrepreneur uses strategic and interpersonal tools and techniques for the optimum utilization of resources. This paper explores those strategic management activities and interpersonal skills which give entrepreneur a distinctive edge in the market. We conclude that when the entrepreneur integrates with the strategic management actions such as innovation, networking, social capital, organizational learning combine with the strong interpersonal skills such as self-disclosure and trust, goal setting, self-management, communication and conflict management then he will gain competitive advantage and become the driving force in the market.

Keywords

Entrepreneurship, Strategic Management, Communication, Networking

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1. Entrepreneurship and Strategic Management

Entrepreneurship is a social networking process through which individuals and groups pool their resources in order to create a competitive advantage in the market. Entrepreneurship has two aspects in their personalities the value attitude behavior applied on it that every entrepreneur shows the attitude on the basis of values and then the repetitive actions becomes the behavioral aspects. These behavioral actions then lead them to strategic actions which provide the framework in order to develop the sustainable competitive advantage in the market (Burgelman, 1983).

Entrepreneurial attitudes and behaviors provide a foundation

for long-term competitive success. The effectiveness of the newly emerging global competitors as wealth creators is important to the global economy's stability and overall success (Gong, Law, Chang and Xin, 2009). The primary interest of entrepreneur is to explain differential firm performance. Environmental alignment is one of the intended outcomes of an effective strategy. Strategic management is a long term perspective approach which requires the high level of commitment and optimal decision making skills in order to make the firm profitable (Teece, Pisano and Shiuen, 1987). The fusion of strategic management and entrepreneurship skills helps the entrepreneur to find the market gap and advantage with the help of enhanced information sources or strong networking then they exploit all the market opportunities by implementing different techniques of market

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segmentation (Pearce & Robinson, 2000).

Innovation is the sum of invention plus the commercialization of that invention and it is a continuous process through which those firms can excel who has strong coordinated research and development cell. (Reinganum, 1981). Now a-days all the corporate companies shifted their goals from long term to short term goals like making changes in their existing product range. Wealth creation requires focusing the companies to capsule the innovation cell and developing the entrepreneur skills in the employees. The diminish profitability progressively of the firms is due to the lack of strategic management approach, creativity and innovation (Ketchen, Ireland and Snow, 2007).

Network is one of the core driving factor in order to develop the competitive advantage in the market without networking the advantage can't be developed or sustained. The companies optimally utilize their all networks in order to develop the market information about the products and their direct and indirect competitors in the market. When they identify the opportunity they make different strategic alliances and joint ventures in order to shred or pool their competitive resources or skills.

Entrepreneur make the networking a strategic tools though which they make innovation and creativity through gaining different competitive advantage by different marketing techniques such as market skimming, market penetration and financial risk sharing (Swan, Newell and Scarbrough, 1999). Jones & Tilley (2003) presented the integrated model in which networking is linked with the competitive the shared resources in order to develop the competitive advantage in the market. Zedtwitz (2003) described that network with entrepreneurial skills are used to achieve the day to days goals as well as strategic goals. The strategic goals split into tactical goals in order to make it easier and accountable. Since its inception, network always the most value intangible asset of the company because it develop the goodwill of the company which itself a competitive advantage in the market for any firm.

Social capital is also utilized by the companies in order to create competitive advantage in the markets. Social capital includes personal networking and trusted partners. Most of the time big firms develop their social capital by imitating new business ventures with other corporations (Kim & Aldrich, 2005). Likewise, entrepreneurial ventures form partnerships with large corporations.

Firms use different entry routes in order to international their business operations such as exports, acquisition, strategic alliances and foreign direct investments (Petrella, 1996). Before internationalization the firm first develops the framework which comprises of all the tactical and strategic

operation which should be carried out in order to develop their sustainable competitive advantage in the market. Sometimes this is also called as international entrepreneurship which includes those activities in which goals are valued and make innovative by optimally exploit the market, cultural opportunities of different countries in order to maximize their wealth creation (Zahra & George, 2002).

Organizational learning is the environment in which employees shared their capabilities and experiences in order to develop the new knowledge which helps them to enhance the performances of the firm (Lant & Mezis, 1990). Judy Rosenblum spent five years at Coca-Cola Company as vice president and chief learning officer, creating the Coca-Cola Learning Consortium, which served as a catalyst for learning throughout the company. Participating with Rosenblum's activities allowed people to understand the value of learning and the organizational relationships, both personal and structural. High potential managers are identified early in their careers and then rotated through a variety of units and jobs, rarely remaining in one position for more than two years. Broad exposure to GE's businesses helps managers learn how to quickly pinpoint problems and propose solutions, recognize the value of entrepreneurial and strategic actions in different settings, and learn how human resources can be a source of competitive advantage (Hollenbeck et al., 1997). Previous researchers have found that when the organizational learning is integrated with the firms' abilities to enhance the profitable and helps them to generate competitive advantage against their competitors (Hurley & Hult, 1998).

2. Entrepreneurship and Interpersonal Skills

Interpersonal skills are the tools people use to interact and communicate with individuals in an organizational environment (Johnson, 1972). Interpersonal skills are the life skills the entrepreneur use to communicate and interact with other people, both individually and in groups. Entrepreneur have strong interpersonal skills are usually more successful in both their professional and personal lives (Ray, 1993). Entrepreneurs work well in a team and are able to communicate effectively with colleagues, customers and clients. Here are the main areas of entrepreneurial interpersonal skills:

In this modern era society composed of interpersonal bounds and communication gives people a chance to control their physical and social environment. Communication is a dynamic concept that involves exchange and interaction and it is accepted as a part of social system (Latane, 1996). Self-

disclosure, named also as “social accessibility” plays an important role in close relationships. Entrepreneur disclose each and every aspect of his life in the organization because by openly discloses themselves they can perform better with others and other cooperate with him and as a result stress and tension reduces from his life (Dindia & Allen, 1992). In the organization integrity is the main core on which all other values based entrepreneur build their credibility in the organization by fulfilling their promises (Shepherd & Zackarakis, 2001), consistent and realistic and always done their work honestly and diligently (Gobel, 2000). There is no need to fear by anyone because if you are fearless and open minded then you freely expresses your opinions and always complete your task with efficiently and effectively.

Goal setting is very important in the professional as well as in the personal life it is the key to become successful (Locke & Latham, 1990). Effective goal setting gives morale, direction while providing the standards against which to measure our performance. It allows both individuals and organizations to have a clear understanding what they are trying to accomplish (Elliot & Harrackiewicz, 1994). In the organization entrepreneur goals are realistic, positive and persevering. They mostly uses written goal settings approach because it is effective in the organization and you can measure the performances by comparing it (Timmons, 1989).

Self-management is a lifelong process which requires self-awareness and continues willingness to make changes in our attitude and behavior (Mcfall & Dodge, 1982). Entrepreneur makes effective self-management by managing time, and stress effectively. Time management is one of the key component in this dynamic environment entrepreneurs tried to reduce the tendency time famine (Longstreth & Mauldin, 1987) and for this purpose they continuously monitor their work and completed their work before the deadline. Stress management is one of the tool of the entrepreneur they use stress in order to enhance their performance of employees in extreme situation (Wincent & Ortqvist, 2009) and they also provide employee assistance program, training to their employees so they can cope up from the stress and perform better for their survival (Mchugh & Brennan, 1994).

Communication skills play a pivotal role for the entrepreneur in order to create distinctive capabilities because it is an evolving process involving the sending and receiving of messages between two or more peoples (Gassenheimer, Baucus and Baucus, 1996). In communication the listening to others is the most critical part in developing effective communication skills and only few people have actually acquired training in this essential skill (Hunt & Cusella, 1983). In this dynamic era entrepreneur normally tends to be an active listener (Murphy, 1988) widely used in the organization because in active listening feedback is necessary

and when the feedback environment exist in the organization then everyone get a chance to identify their flaws and as a result organization productivity increases.

Conflicts are the part of human nature and it is inevitable. Managing conflicts is one of the rewarding skills of an entrepreneur and it doesn't come naturally it is obtained by learning process (Ensley, Pearson and Amason, 2007). Conflicts are the fact of life in organizations. Each organization composed of people and each person has a set of goals that is likely to be distinct from the goals of others in the organizations. When they are competing with one another in limited resources it is a positive change. Most of the entrepreneur follows interactionist view in which conflicts are taken constructively and as a result in the organization different creative ideas are produced (Carr & Sequeira, 2007) and they tackles the conflicts that is arises during the meetings in such a way that they first listen to all the suggestions of the members then the panel choose the best one which fits in the organization environment.

3. Conclusion

In entrepreneurship, the entrepreneur initiates new venture and applied his strategic and tactical decision making expertise in his business in order to maximum exploit the identified niche in the market but with the strategic management action the entrepreneur need to have the expertise in the interpersonal skills. When the firms makes a swot analysis in order to encounter the exogenous factors they need to first strengthen their internal environment and without strong communication skills the entrepreneur will not achieve their desired goals and objectives. The competitive advantage cannot be established just from the physical resources the leaders integrated these resources with their intellectual capital (Barney, 1997).

From the detailed discussed literature view we conclude that if an entrepreneur wants to create a distinctive edge or competitive advantage in his/her organization then in order to make strategic management action he/she also needs to develop strong interpersonal skills in their organizations because without coordinating and identifying the strengths and weakness of ourselves and our team nobody accomplish their desired goals and objectives.

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