

Financial Skills: Unlocking the Spirit of Entrepreneurship

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Abstract: An entrepreneurial mindset may be a transforming force in the ever-changing world of personal finance, impacting decision-making and encouraging creative solutions to financial problems. The purpose of this study is to investigate how financial abilities can be seamlessly incorporated with an entrepreneurial mindset. The paper aims to highlight the three key areas: the foundation of an entrepreneurial mindset in financial skills and elements of an entrepreneurial mindset in financial skills. This paper examines the entrepreneurial mindset and its potential impact on financial decision-making. The paper highlights the need for integrating entrepreneurial mindset with financial skills.

Keywords: Financial intelligence, Financial skill application, Financial skills, Entrepreneurial mindset.

I. INTRODUCTION

A. Financial Skills and Importance of Financial Skills in Personal Finance

A broad range of competencies are encompassed in financial skills, enabling people to effectively manage their financial resources [11]. These abilities involve a range of information, mindsets, and actions that support wise financial decision-making; they go beyond a simple comprehension of earnings and outlays [1].

B. Important Elements of Financial Literacy

- Creating and following a budget that allocates revenue to different costs and savings targets is known as budgeting.
- Saving and Investing: Recognising the value of setting aside money for the future and choosing wisely to increase wealth over time.

- Debt management is the process of efficiently controlling and reducing debt, which includes being aware of interest rates and repayment options.
- Creating a thorough financial plan that is in line with both short- and long-term objectives is known as financial planning.

C. Importance of Financial Skills in Personal Finance

- *Empowerment:* Being financially literate gives people the ability to take charge of their financial situation. It gives individuals the confidence to confidently handle the complexity of personal finance and make well-informed decisions.
- *Risk Mitigation:* Having sound financial knowledge helps people identify and reduce risks. A solid foundation in finance offers protection against financial uncertainty, whether one is handling unforeseen bills or making retirement plans.
- *Goal Achievement:* Having sound financial knowledge helps one achieve their goals. A person with strong financial abilities is better able to plan and work towards any goal, be it retirement, education, or home ownership.
- *Improved Life Quality:* Having sound financial knowledge helps one live a better life. People can benefit from more security, less worry, and stable finances, all of which promote general well-being.

II. OBJECTIVE OF THE STUDY

- To investigate how financial abilities can be seamlessly incorporated with an entrepreneurial mindset.
- To examine the entrepreneurial mindset and its potential impact on financial decision-making.
- To ascertain the need for integrating entrepreneurial mindset with financial skills [2].

III. ENTREPRENEURIAL MINDSET AND ITS POTENTIAL IMPACT ON FINANCIAL DECISION-MAKING

A person with an entrepreneurial mindset possesses a certain set of attitudes, behaviours, and abilities that define them as innovative and proactive problem solvers [1]. It encompasses more than just traditional entrepreneurial endeavours and is becoming more and more valued in many facets of life, including personal finance. Among the essential elements of an entrepreneurial attitude are:

- *Innovation and Creativity*: Creative and Use the “Insert Citation” button to add citations to this document. Above inventive thinking is a hallmark of the entrepreneurial mindset. This entails adopting an originality-valued mindset, questioning the current quo, and looking for creative solutions to issues (Vito, 2023).
- *Risk-Taking*: Calculated risks are something that entrepreneurs feel at ease with. They are prepared to take risks in order to seize possibilities because they recognise that uncertainty is a necessary part of any endeavour.
- *Adaptability*: Having an entrepreneurial mindset means knowing how to adjust when things change. Entrepreneurs are flexible enough to change course when conditions call for it and are willing to try new things in order to get better results.
- *Opportunity Identification*: Entrepreneurs possess a sharp ability to recognise opportunities where others would see obstacles. They have a vision that makes it possible for them to see possible directions for advancement.
- *Proactivity*: People with an entrepreneurial attitude behave proactively rather than waiting for possibilities to present themselves. They use initiative to look for opportunities, interact with difficulties, and seize new trends quickly.
- *Vision and Goal-Oriented*: Entrepreneurs have a distinct idea of what they hope to accomplish and have established objectives to help them get there. Their judgements and behaviours are guided by this goal orientation.
- *Networking and Collaboration*: An essential component of entrepreneurship is teamwork. To take use of the resources and experience of others, entrepreneurs form networks and work together.

IV. NEED FOR INTEGRATING ENTREPRENEURIAL MINDSET WITH FINANCIAL SKILLS

A. Changing Dynamics of Financial System

The dynamic changes driven by globalisation and rapid technical breakthroughs characterise the modern financial scene. These revolutionary shifts require people to embrace

new methods of making financial decisions in order to navigate a linked and rapidly changing environment.

i) Globalization and Technology

a) Globalization's Impact on Financial Markets

Geographical boundaries have been eliminated by globalisation, allowing seamless connectivity between financial markets across the globe. Borders no longer separate financial instruments and investments, resulting in a complicated web of interconnected assets and obligations. People are exposed to a wider range of financial opportunities and threats as a result of this interconnection, which necessitates a thorough understanding of global economic processes [7].

b) Financial Services Technological Innovations

Technology has completely changed the financial services industry, resulting in the emergence of digital currencies, online banking, and fintech advances. The democratisation of financial information and services through technological improvements has enabled people to handle their finances more independently [5]. To keep up with new financial tools and platforms, one must have a proactive and flexible mindset, as the quick speed of technology advancement also brings with it new problems [15].

ii) Economic Uncertainties

a) The World Economy's Volatility and Uncertainty

Volatility and uncertainty are becoming more and more characteristic of the global economy. Variations in the financial markets are caused by a number of factors, including public health emergencies, economic downturns, and geopolitical events. In this situation, people have to decide how best to manage their finances in the face of a constantly shifting financial environment.

b) Entrepreneurial Mindset as a Tactic Strategy

In unpredictable economic times, an entrepreneurial mindset becomes a valued asset. Entrepreneurs are renowned for their flexibility in responding to shifting conditions, seeing obstacles as chances for advancement and expansion. People with an entrepreneurial mindset take a resilient approach to economic uncertainty, looking for innovative ways to overcome obstacles and seeing chances for financial growth where others might perceive barriers.

iii) Consequences for Making Financial Decisions

a) The Financial Strategies Need Innovation

In a world driven by technology and globalisation, people need to adopt creative financial management techniques.

b) Strategic Financial Planning using Entrepreneurial Thinking

Emphasise the need of using an entrepreneurial mindset while creating strategic financial plans. People with an entrepreneurial attitude are more likely to approach financial difficulties

imaginatively, look for possibilities proactively, and create flexible financial plans that fit their particular objectives and situation [19].

B. Changing Dynamics of Financial System

i) Intricacy of Financial Decision-Making

a) Diverse Financial Instruments Increasing Intricacy

With the advent of numerous complex financial instruments including derivatives, options, and structured products, the financial landscape has changed. These tools provide a variety of approaches to risk management, exposure to various asset classes, and return optimisation.

b) A Mindset of Entrepreneurship

People with an entrepreneurial attitude are encouraged to see complexity as an opportunity rather than a barrier. It is in the nature of entrepreneurs to look for novel approaches and methods. In terms of money, this means being prepared to comprehend and make use of a variety of financial tools in order to meet certain goals [3].

c) Making Informed Decisions

Proactively participating in the dynamic financial market and keeping up to date on new products and industry developments characterise entrepreneurial people. They can quickly adjust to changing conditions thanks to their proactive strategy, taking advantage of possibilities and controlling risks.

d) Innovative Solutions

An essential quality of entrepreneurship is creativity. Creativity in financial decision-making is demonstrated by the capacity to build distinctive investment portfolios, make inventive use of financial derivatives, and create cutting-edge risk management plans.

ii) Individualised Budget Objectives

a) Individuality of Financial Circumstances

Every person's financial circumstances are different by nature, influenced by things like income, spending, risk tolerance, and life objectives. Different and changing personal financial settings may not lend itself to traditional, one-size-fits-all financial techniques.

b) A Mindset of Entrepreneurship

Entrepreneurs are aware of and welcome situational uniqueness. An entrepreneurial mindset promotes a customised approach to financial decision-making, realising that each person's requirements, goals, and limits must be taken into account while developing solutions.

c) Customised and Ingenious Solutions

Entrepreneurs take a problem-solving approach to financial goals, creating customised solutions that fit each person's risk tolerance and financial ambitions.

d) Flexibility in Decision-Making

People with an entrepreneurial attitude are more adaptive, so they can modify their financial plans when things change. Entrepreneurs are skilled at making adaptable and dynamic financial decisions, whether they are reacting to shifts in income, family dynamics, or market conditions.

iii) Innovative Approaches to Solving Problems

a) Definition of Creative Problem Solving

In order to solve problems creatively, one must come up with novel and unusual answers to problems. People with an entrepreneurial mindset are great at thinking outside the box and coming up with new ways to solve problems with money [18].

b) Including an Entrepreneurial Perspective

People who possess both an entrepreneurial spirit and sound financial knowledge are more likely to tackle financial difficulties creatively [4]. This integration promotes unconventional thinking and the investigation of different approaches to financial problem-solving [1].

c) Typical Situation

Adopting an entrepreneurial attitude could inspire original approaches to managing problems, such settling debt through inventive debt consolidation strategies, negotiating with creditors, or creating side businesses to generate more revenue.

d) Flexible Money Management Techniques

Entrepreneurial people who manage their own finances understand that there are situations that call for flexible answers. They use a variety of financial tools, investing techniques, and non-traditional methods to develop answers that are specifically designed to fit their particular situation.

iv) Identification of Opportunities

a) Definition of Identifying Opportunities

People who are entrepreneurial have a sharp capacity to spot chances for success and growth where others might see obstacles. This entails being proactive, keeping up with market developments, and keeping an optimistic outlook [14].

b) Including an Entrepreneurial Perspective

People might see opportunities in their financial situation when they combine financial knowledge and an entrepreneurial mindset. This kind of thinking encourages people to actively look for chances for financial advancement, even when those opportunities aren't immediately obvious [8].

c) Typical Situation

Imagine a person who lost their job and was given a severance package. A typical answer would be to look for work that is comparable. On the other hand, having an entrepreneurial mindset could help you spot chances to make money, like

investing the severance in upskilling or launching a small business (Davis, Hall and Mayer, 2016).

d) *Financial Planning Strategically*

Personal finance entrepreneurs arrange their finances strategically, going beyond short-term need. They actively look for ways to grow their money, whether it be through enterprises, investments, or strategic alliances, and they base their choices on a long-term goal of financial success [10].

v) *Empowerment Through Creativity*

a) *Proactive Decision-Making*

Proactive Financial Decision-Making: People with an entrepreneurial mindset take an active approach to managing their money, keeping up with budgeting, strategic financial planning, and investment opportunities [20].

Making proactive decisions requires constant learning and flexibility. Entrepreneurs welcome change because they understand that it takes ongoing attention to detail and a readiness to modify plans in response to shifting market conditions to stay ahead of the financial curve.

b) *Calculated Risks*

To succeed as an entrepreneur, one must frequently take calculated risks. In a similar vein, people can financially empower themselves through risk management. These covers making wise financial decisions, selecting a career path, and seizing chances for both professional and personal development.

People with an entrepreneurial mindset are more likely to have a healthy risk appetite because they recognise the potential rewards of taking calculated risks. In contrast to a fear of failing, this strategy promotes learning from mistakes and using them as chances for personal development.

- *Seeking Active Opportunities*

Opportunities are easily found and taken advantage of by entrepreneurs. This similar idea may be used to an individual's personal finances by actively looking for chances to invest, generate money, and advance their skills [13].

- *Innovation and Creativity*

Innovation and inventiveness are essential to entrepreneurship. When making financial decisions, those with an entrepreneurial mindset incorporate these traits [4].

- *Developing Your Own Brand*

Entrepreneurs are aware of how crucial it is to develop a powerful personal brand. This goes beyond the workplace and includes how people conduct themselves in both their personal and professional life.

vi) *Aligning with Educational and Professional Trends*

a) *Aligning with Education*

- *Comprehensive Skill Development*

Academic institutions are recognising the value of these abilities outside of business contexts and are implementing

entrepreneurial ideas into a variety of fields. This entails developing critical thinking, creativity, problem-solving, and adaptability skills—all of which are essential for navigating the intricacies of the modern labour market [20].

- *Opportunities for Experiential Learning*

Practical, experience-based learning is emphasised in entrepreneurial education. Engaging in real-world enterprises, start-ups, or simulated business settings is highly encouraged for students [5]. Their comprehension of financial ideas is improved by this practical experience, which also fosters an inventive and proactive approach (Hamouda and Ledwith, June 2018).

- *Multidisciplinary Methods*

Since entrepreneurship is by its very nature interdisciplinary, people involved must draw from a variety of knowledge bases. Academic institutions are dismantling discipline-specific silos and promoting cooperation and a comprehensive view of issues. This method equips students to tackle financial difficulties from a flexible and comprehensive standpoint [2].

- *Stressing Flexibility*

Resilience and adaptability are highly valued traits in the entrepreneurial mindset. Content that teaches students how to accept change, grow from setbacks, and pivot when needed is being incorporated into educational programmes. People are better equipped to deal with the uncertainty of the labour market and their own financial situations as a result [7].

b) *Aligning with Professional Trends*

Relevance of the Entrepreneurial Mindset in the Workplace.

- *Innovation at Work*

This kind of thinking encourages creativity and an openness to trying new things, which are vital traits in fields that are seeing quick changes in the market and in technology.

- *Decision-Making and Risk Management*

Professionals with an entrepreneurial attitude are better able to take measured chances and make wise choices.

- *Opportunities for Intrapreneurship*

Organisations are seeing the benefits of intrapreneurship, or individuals who demonstrate entrepreneurial traits in a corporate setting, in addition to traditional entrepreneurship.

c) *Adjusting to Shifting Workplace Dynamics*

The nature of work is changing, with adaptability and flexibility becoming more and more important. An entrepreneurial attitude improves a person's capacity to maintain financial success in a changing work environment by preparing them to handle gig economies, freelance opportunities, and remote job situations [17].

A Holistic Approach to Personal Finance

- *Financial Decision-Making Creativity*

People with an entrepreneurial attitude are more likely to take an innovative approach to personal money. This entails looking beyond traditional investing methods, investigating alternate sources of income, and coming up with creative answers to money problems.

An individual with an entrepreneurial attitude can, for example, look into side ventures, freelance work, or innovative investments that fit with their interests and abilities. This inventiveness provides a degree of personal fulfillment to financial decisions in addition to diversifying sources of revenue [12].

- *Flexibility in Money Management*

The financial landscape is ever-changing, and flexibility is fostered by having an entrepreneurial mindset. This entails being flexible enough to modify financial plans in reaction to unforeseen events, such as changes in the employment market, shifts in the economy, or adjustments in one's personal life.

Individuals that possess adaptability are more likely to effectively navigate financial storms. They recognise that obstacles are a necessary part of the trip and see them as chances to review and update their financial strategies.

- *Taking Initiative to Seize Opportunities*

An entrepreneurial attitude places a strong emphasis on being proactive, whereas typical financial planning frequently entails responding to market trends. Instead than waiting for opportunities to present themselves, people actively seek them out and create them.

- *Managing Risks with an Entrepreneurial Perspective*

Entrepreneurs are used to taking measured chances, and their viewpoint is helpful when it comes to personal finance. Individuals possessing an entrepreneurial attitude evaluate and effectively handle risks, as opposed to completely avoiding them.

- *Combining a Purpose with Passion*

People with an entrepreneurial mindset are encouraged to match their financial decisions to their purposes and passions. This is more than just hoarding money; it's establishing a financial strategy to sustain a happy, purpose-driven life.

V. CONCLUSION

An entrepreneurial attitude surfaces as a revolutionary force in the ever-changing realm of personal finance, driving creative solutions to financial problems and redefining decision-making processes. The study has effectively explored how financial skills and an entrepreneurial attitude can coexist harmoniously. Through an examination of the fundamental ideas that connect financial literacy with entrepreneurial mindset, this study emphasises the significance of a unified personal finance strategy that capitalises on the advantages of both fields. The potential impact of an entrepreneurial mindset on financial decision-making has been rigorously examined. From proactive decision-making to the adept management of risks, the study

has shed light on how elements of an entrepreneurial mindset can enhance and transform traditional financial practices. Accentuates the need for integrating an entrepreneurial mindset with financial skills. It emphasizes that financial education is not just about acquiring numerical proficiency but cultivating a mindset that embraces creativity, adaptability, and proactive approaches to financial challenges [3]. The study underscored the symbiotic relationship between financial skills and an entrepreneurial mindset for comprehensive financial empowerment.

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