

Entrepreneurial Competency Mapping: A Study with reference to the Educated Youth of Tamil Nadu

Abstract

Entrepreneurial activity is a significant source of revenue and employment, and addresses the shortage of alternative employment possibility required to absorb young population. India has proved to have a relative advantage in terms of youth population distribution when compared to other countries. Competency mapping was the process of identifying key competencies for a specific job and it aided in identifying an individual's strengths and shortcomings, allowing them to better understand themselves and focus their efforts in order to be successful in their careers. The main objective of this was to map the competencies required to take up entrepreneurship as career / profession. The study also assessed the actual level of competencies of the educated youth and identified competency gaps. Random sampling technique was adopted for the study and a total of 385 educated youth and 15 entrepreneurs from five districts in Tamil Nadu were selected for the study. A total of 20 desired entrepreneurial competencies in the early phase of entrepreneurial journey were identified by the sample entrepreneurs and were mapped. The sample educate youth were then assessed for the actual level of these competencies and the results indicated that the desired and actual level of competencies were equal and there were no gaps in the use of technology, perseverance and in the ability to recognize opportunities. The highest gap was found in knowledge on legal business environment and schemes and incentives, and in negotiation skills. It was suggested that entrepreneurship training and skill development programmes could shift their focus from overall skill development to developing targeted skills necessary for every stage in the entrepreneurial journey.

Key words: *Entrepreneur, Competency Mapping, Knowledge, Skills, Abilities*

INTRODUCTION

Entrepreneurial activity is a significant source of revenue and employment, and as such, it is the target of policies aimed at addressing the shortage of alternative employment possibilities needed to absorb young population into the labour market. Youth are naturally innovative, and they use their drive and passion to attain their goals and succeed in business. They have the ability to deliver a range of benefits to the nation in terms of skills, knowledge, and energy. According to the National Youth Policy, youth are defined as anyone between the ages of 15 and 29. By 2025, India's youth would make up 34.33 percent of the country's

total population (Joshi & Kunduri, 2017). India has proved to have a relative advantage in terms of youth population distribution when compared to other countries. With their tremendous risk-taking proclivity and adaptability, Indian youth are capable of competing on a global stage.

Individuals who want to be successful entrepreneurs should first evaluate their personal qualities and capabilities in order to reflect on their potential entrepreneurial competency. Competency is defined as the combination of knowledge, skill, and ability that leads to successful performance (Armstrong, 2006). It is an individual's basic character that enables him or her to demonstrate effective or exceptional performance in doing a job. Competence refers to the key characteristic that distinguishes an individual who not only performs well but also outperforms others (Ismail, 2014).

Competency mapping was the process of identifying key competencies for a specific job role. It aided in identifying an individual's strengths and shortcomings, allowing them to better understand themselves and focus their efforts in order to be successful in their careers (Yuvaraj, 2011). Individuals, educational institutions, entrepreneurship development institutes, and the government can all benefit from mapping entrepreneurial competencies as it will help them design curriculum and training programmes that will help individuals develop necessary competencies to become entrepreneurs. Individuals would also be able to recognise their strong and weak competencies and focus their efforts on improving them in order to succeed in their entrepreneurial endeavours.

OBJECTIVES OF THE STUDY

The following were the objectives of the study,

1. To map the competencies required to take up entrepreneurship as career / profession.
2. To assess the actual level of competencies and identify competency gaps among the educated youth

METHODOLOGY

The study was taken up in five districts of Tamil Nadu that had highest number of AICTE approved educational institutes viz., Coimbatore, Namakkal, Salem, Erode and Dharmapuri. Data was collected from 385 educated youth aged between 15-25 years to map the actual level of competencies and 15 entrepreneurs who were in their early stages (less than 5 years since establishment) of entrepreneurial career were selected randomly to map the desired level of competencies. The sample educated youth consisted of students and salaried

employees who had the intention to become entrepreneurs. Data was collected from the educated youth using a structured interview schedule; and in-depth interview was conducted with the sample entrepreneurs to map the desired competencies for an entrepreneur in the early stages of their entrepreneurial journey. Simple percentages were used to analyse the demographic data collected. The following steps were followed in competency mapping:

1. *Identifying entrepreneurs*- Start-up entrepreneurs who started their business and had an experience of less than five years were identified. Early stage entrepreneurs were chosen for the study as the sample respondents had entrepreneurial intent, and the competencies required for translating their entrepreneurial intent into behaviour were considered.
2. *Data collection*- In-depth interviews were conducted and data on the desired level of competencies were collected.
3. *Classifying competencies*- The identified competencies were then classified into knowledge, skills and abilities and a required competency list was prepared.
4. *Defining competencies*- Each competency identified was then defined in accordance with the study's context.
5. *Actual level of competencies*- The competency list was then administered to the sample respondents and were asked to rate their level of knowledge, skills and abilities on a 5-point Likert type scale (5-Very High to 1-Very Low). Their responses were then evaluated and the actual level of competencies was identified.
6. *Map the competencies* - The identified competencies were then mapped and compared with the responses of entrepreneurs.
7. *Assessing the gaps in competency* – The gaps were assessed by calculating the difference between desired and actual level of competencies.

RESULTS AND DISCUSSION

The data on demographic background of the sample were collected to have a better understanding of the sample and the results indicated that majority (50.13%) of the sample educated youth belonged to the age group of 21 - 25 years. About 56.36 per cent of the sample respondents were female and 68.31 per cent of the sample educated youth was undergraduates. The sample educated youth consisted of 32.99 per cent of salaried employees, of which the majority had a work experience between 1-5 years. Most (66.75%) of the sample educated youth had an annual income between Rs. 2,00,000 to Rs. 5,00,000.

Around 84.42 per cent of the sample had friends who were entrepreneurs and 33.51 per cent of the sample had family members who were entrepreneurs.

About 33.33 per cent of the sample entrepreneurs were aged between 35-40 years and 60 per cent of the sample were male entrepreneurs. Majority (66.67%) of the sample entrepreneurs had an undergraduate degree.

The sample entrepreneurs identified 20 entrepreneurial competencies to be important at the early stages in the career of an entrepreneur Figure 1.

UNDER PEER REVIEW

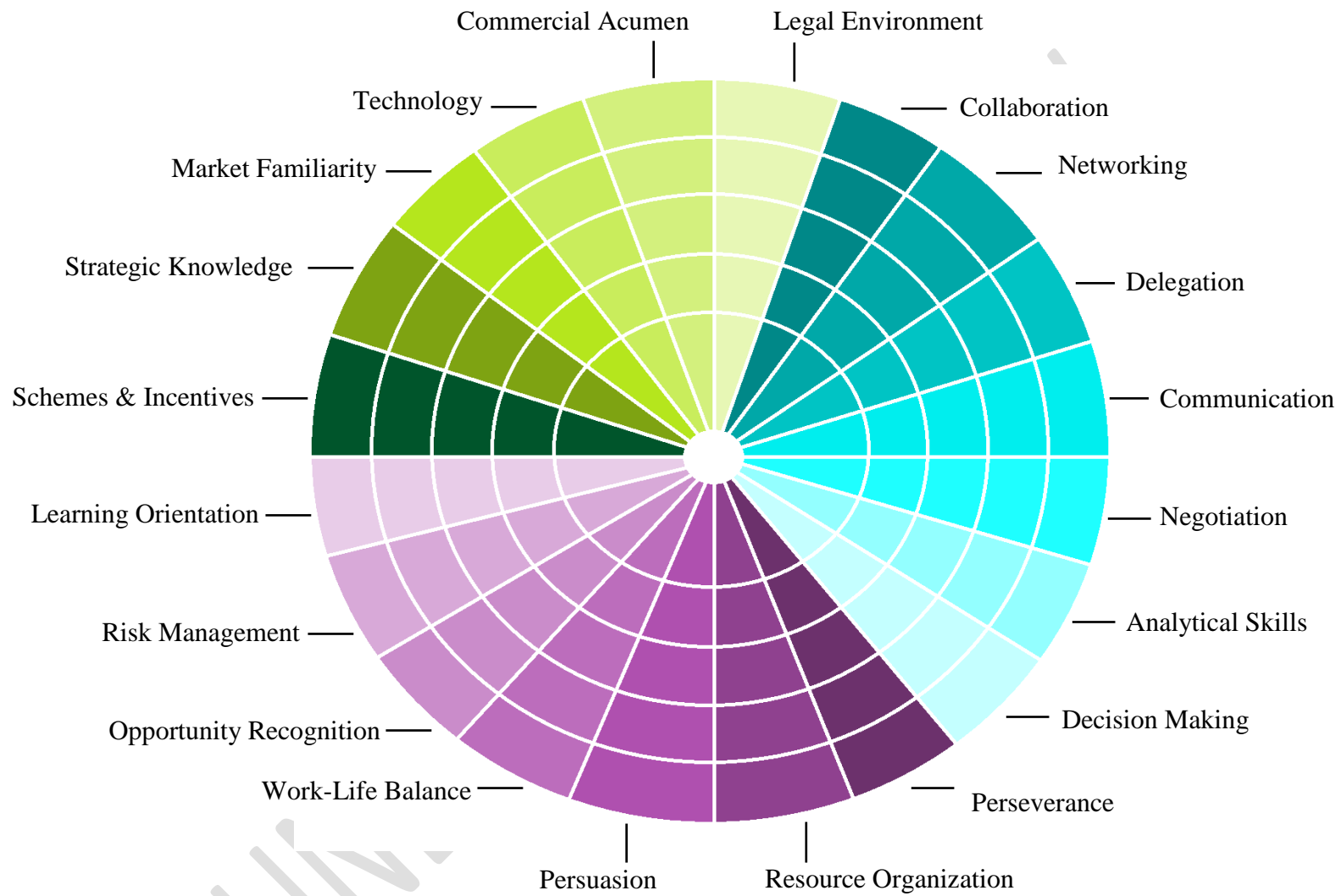


Figure 1. Mapping Desired Level of Entrepreneurial Competencies for Educated Youth

Classifying competencies

The identified desired level of entrepreneurial competencies essential for entrepreneurs in the early stages their entrepreneurial career, were then classified in knowledge competencies, skills and abilities. Knowledge competency included knowledge on legal environment, familiarity with the market, use of technology, strategic knowledge and commercial acumen. Skills included networking, communication, delegation, negotiation, analytical skills, decision making and collaborative skills. Abilities included opportunity recognition, resource organization, perseverance, persuasion, orientation towards learning, risk management and the ability to maintain work-life balance.

Defining competencies

Knowledge

- *Legal environment* – It included government-enacted laws, rules, and regulations, as well as decisions made by various commissions and agencies and it was critical that every business operates in accordance with it.
- *Market Familiarity* – It referred to being aware of the market, its trends, products, and competitors before entering into it. Entrepreneurs before entering into the market should be aware of these aspects in order to sustain.
- *Use of Technology* - Businesses have increasingly become reliant on technology, which had enabled them to conduct business in a more timely, convenient, and efficient manner. *Strategic Knowledge* – It referred to analysing strengths and shortcomings as well as putting in place effective strategies.
- *Commercial Acumen* – It referred to having a strong understanding of the business world and industry. A thorough understanding of the business, as well as a clear concept of the existing competitive landscape, client needs and what the enterprise had to do, to thrive and succeed will contribute to success.
- *Knowledge on schemes and incentives* -It would be difficult for early-stage entrepreneurs to obtain funding and other resources. A thorough understanding of current schemes, incentives and subsidies would be advantageous.

Skills

- *Networking* – It is a skill that involved establishing and developing long-term relations of mutually beneficial relationships with people from diverse aspects in business.

- *Communication* – It is the ability to successfully exchange ideas and information. It improved work relationships, quicken processes, resolve conflicts, and convince other stakeholders in the business.
- *Delegation* - Transfer of responsibility for specific tasks from one person to another is referred to as delegation. It allowed an entrepreneur to determine which tasks were to be delegated and to whom the duties to be assigned to successfully complete the task.
- *Negotiation* – It is a skill that encompassed back-and-forth communication in order to reach an agreement between two or more parties who are at odds.
- *Analytical skills* – It helped collect facts and information, and to thoroughly analyze that information.
- *Decision Making* – It is the ability to choose between two or more alternatives in order to achieve the best result in the shortest time.
- *Collaboration* - Being a successful entrepreneur necessitated the collaboration with others. Entrepreneurs with collaborative skills were able to successfully work with others to achieve a common goal.

Abilities

- *Perseverance* - It is the ability to continue working despite difficulties or challenges. Entrepreneurs confronted problems on a daily basis, and when their perseverance was strong, they were able to achieve their objectives.
- *Resource Organization* - It involved coordinating and allocating a company's resources to carry out its objectives. Early-stage entrepreneurs should be able to source the required resources and allocate them in a way that maximized profit.
- *Persuasion* – It is the ability to persuade others to change their views and opinions through persuasive arguments and facts.
- *Learning orientation* - The ability to assess and re-calibrate inputs, as well as the results, procedures, and policies that were necessary for growth.
- *Opportunity Recognition* – It was the process in which individuals and organisations actively perceived new product and service opportunities.
- *Risk Management* – It was the ability to forecast and evaluate risks, as well as the development of ways to avoid or mitigate their effects.
- *Work-Life Balance* – Work-life balance is defined as minimization of work-related stress and the establishment of stable and sustainable ways of working while sustaining health and general well-being.

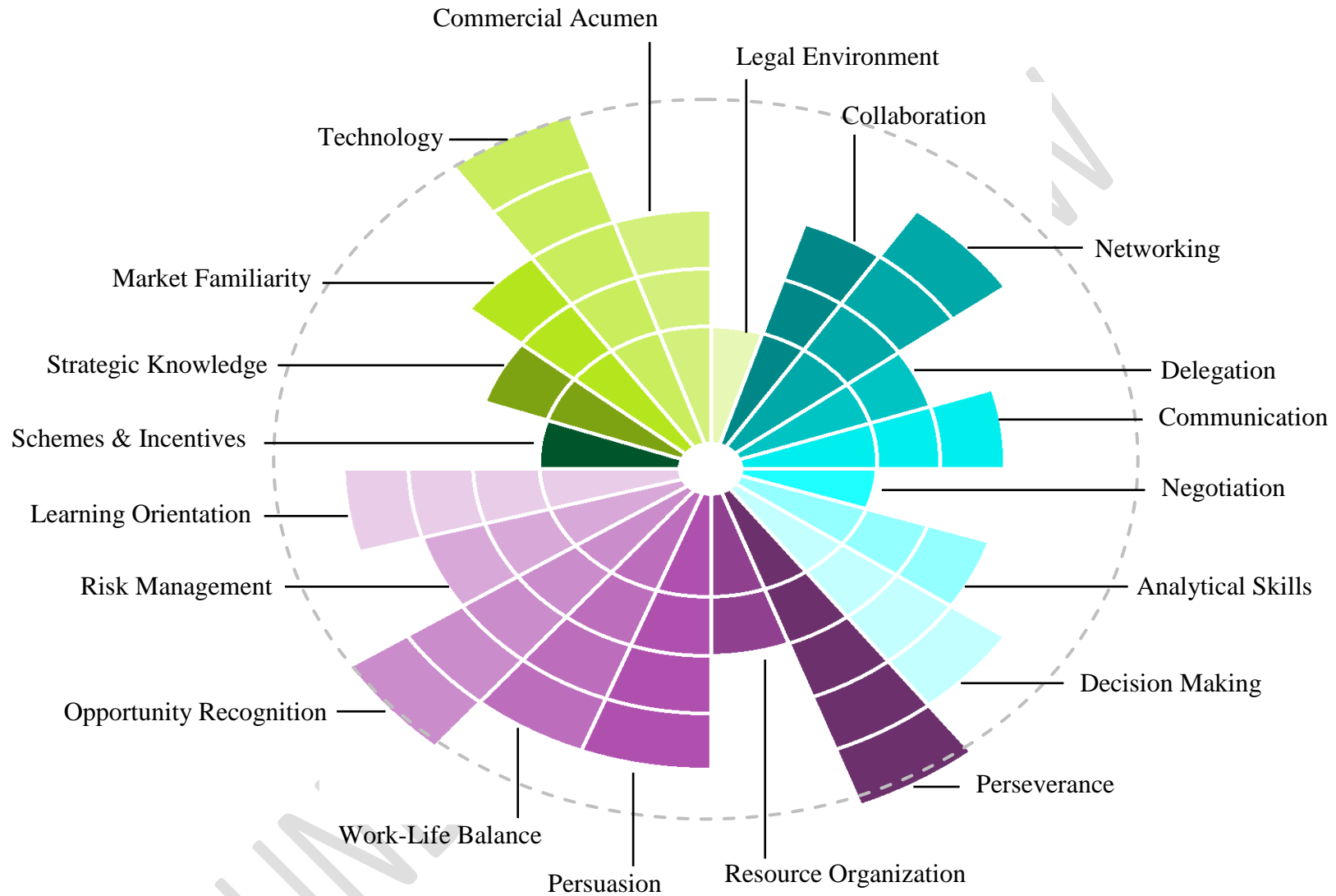


Figure 2. Mapping Actual Level of Entrepreneurial Competencies in the sample Educated Youth

Actual level of Competencies

The actual level of competencies i.e., knowledge, skills and abilities were analysed on a 5-point Likert type scale and the sample educated youth indicated their perceived level of competencies.

Knowledge: Among the identified knowledge competencies, the sample educated youth perceived that they had very high levels of competency pertaining to the knowledge on the use of technology. They perceived that they had moderate levels of market familiarity and business acumen. They perceived lowest levels of knowledge on legal environment and strategic knowledge.

Skills: The sample educated youth perceived that they had high levels of networking and decision making skills, followed by moderate levels of analytical, communication and collaborative skills. Delegation skills were low, and negotiation skills were the lowest among the perceived level of skill competencies.

Abilities: Among abilities, the sample educated perceived that they had very high level of perseverance and the ability to recognize opportunities; followed by high level of orientation towards learning, persuasion and the ability to maintain work-life balance. They perceived to have moderate level of risk managing ability and low level of resource organizing ability.

The actual level of competencies existing in the sample educated youth were assessed and mapped, and the results are presented in Figure 2.

Competency Gap

The desired level of competencies were compared against the actual (existing) level of competencies and the results are furnished in Table 1.

Table 1. Gaps in Entrepreneurial Competencies of Educated Youth

S. No.	Competency	Desired Level	Actual Level	Gap
1.	Knowledge			
	<i>Legal Environment</i>	5	1	4
	<i>Market familiarity</i>	5	3	2
	<i>Use of technology</i>	5	5	0
	<i>Strategic knowledge</i>	5	2	3
	<i>Commercial acumen</i>	5	3	2
	<i>Schemes and incentives</i>	5	1	4
2.	Skills			
	<i>Networking</i>	5	4	1

	<i>Communication</i>	5	3	2
	<i>Delegation</i>	5	2	3
	<i>Negotiation</i>	5	1	4
	<i>Analytical Skills</i>	5	3	2
	<i>Decision Making</i>	5	4	1
	<i>Collaboration</i>	5	3	2
3.	Abilities			
	<i>Perseverance</i>	5	5	0
	<i>Resource Organization</i>	5	2	3
	<i>Persuasion</i>	5	4	1
	<i>Learning Orientation</i>	5	4	1
	<i>Opportunity Recognition</i>	5	5	0
	<i>Risk Management</i>	5	3	2
	<i>Work-life Balance</i>	5	4	1

It could be inferred that the desired and actual level of competencies were equal and there were no gaps in the use of technology, perseverance and in the ability to recognize opportunities. A minimum level of gap was found in networking and decision making skills, and in the ability to maintain work-life balance and orientation towards learning. The highest gap was found in knowledge on legal business environment and schemes and incentives, and in negotiation skills. On the whole, the competency gaps existed much in terms of knowledge, than skills or abilities of the sample educated youth. It could be concluded that inculcating knowledge to the educated youth might make them potential entrepreneurs and help them in translating their entrepreneurial intent to behaviour.

CONCLUSION

Mapping competencies required for the entrepreneurs in their early stages would help them identify their strengths and weaknesses. This would enable them to work on their weaknesses and help them be successful in their entrepreneurial journey. Competencies could be learned and once the individual is fully aware that he/she has the appropriate competencies, they could confidently take up entrepreneurship as their career and by this way entrepreneurial exits are reduced. The gaps identified could be minimized by designing appropriate pedagogical tools and techniques that inculcate the identified competencies to the educated youth in higher education. Entrepreneurship training and skill development programmes could shift their focus from overall skill development to developing targeted skills necessary for every stage in the entrepreneurial journey. Future research on entrepreneurial competencies could identify the competencies required in the further stages of entrepreneurial phase. Interaction between the identified competencies and its impact on

growth of business could also be explored. Qualitative studies on how competencies develop could be considered for further research in this context.

COMPETING INTERESTS DISCLAIMER:

Authors have declared that no competing interests exist. The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

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