

## **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 entrepreneurial competencies in the educated youth and identified gaps in competencies. Random sampling technique was adopted for the study with a total of 385 educated youth and 15 entrepreneurs from five districts in Tamil Nadu. A total of 20 desired entrepreneurial competencies in the early phase of entrepreneurial journey were identified and mapped. The sample educated youth were then assessed for the actual level of these competencies, and the results indicated that **knowledge of schemes and incentives (4.13), negotiation skills (4.09), and knowledge of the legal business environment (4.03) were found to have the highest competency gap.** It was suggested that entrepreneurship training and skill development programmes could shift their focus from overall skill development to developing targeted competencies necessary for specific phases in the entrepreneurial process.

**Key words:** *Abilities, Competency Mapping, entrepreneurial process, Knowledge, Skills.*

### **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 and 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*). Competencies can be learned, changed, and improved through experience, training, or coaching (*Man et al., 2002; Volery et al., 2015*). The abilities that an entrepreneur must have in order to be successful in business have been conceptualised in both a holistic and specific manner, with focus on the ability to successfully satisfy complicated demands in a specific environment (*Mulder et al., 2007*). However, previous research have looked into certain qualities that an entrepreneur needs to be successful in a more analytical and behavior-oriented way (*Chwolka and Raith, 2012; Karlsson and Honig, 2009*). The term competency has two distinct applications: competency being referred to an individual's demonstrated behaviour, and competency referred to minimal performance standards (*Strebler et al., 1997*). In this study, competency is the referred to as a mix of knowledge, skills and abilities that are necessary for an entrepreneur to sustain in the business. Identifying the competencies required of entrepreneurs is one of the most important aspects of entrepreneurship. Entrepreneurial competencies should be identified, for organizations and higher education institutions to develop and improve their quality (*Ferreras-Garcia et al., 2021*).

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 identify their strong and weak competencies, and focus their efforts on improving them in order to succeed in their entrepreneurial endeavours. Thus, the purpose of this study

was to identify the desired entrepreneurial competencies and assess the actual level of those competencies among the educated youth of Tamil Nadu.

## **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 entrepreneurial 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 (77 educated youth from each district, calculated using Conchrans' formula for sample size determination) aged between 15-29 years, to map the actual level of competencies. The study also selected 15 entrepreneurs who were in their early stages (less than 5 years since establishment) of entrepreneurial career to map the desired level of entrepreneurial competencies. The study adopted random sampling technique, and data was collected from the sample educated youth using a structured interview schedule; and in-depth interviews were conducted with the sample entrepreneurs. Simple percentages and arithmetic mean were used to analyse the collected data.

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 to 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**

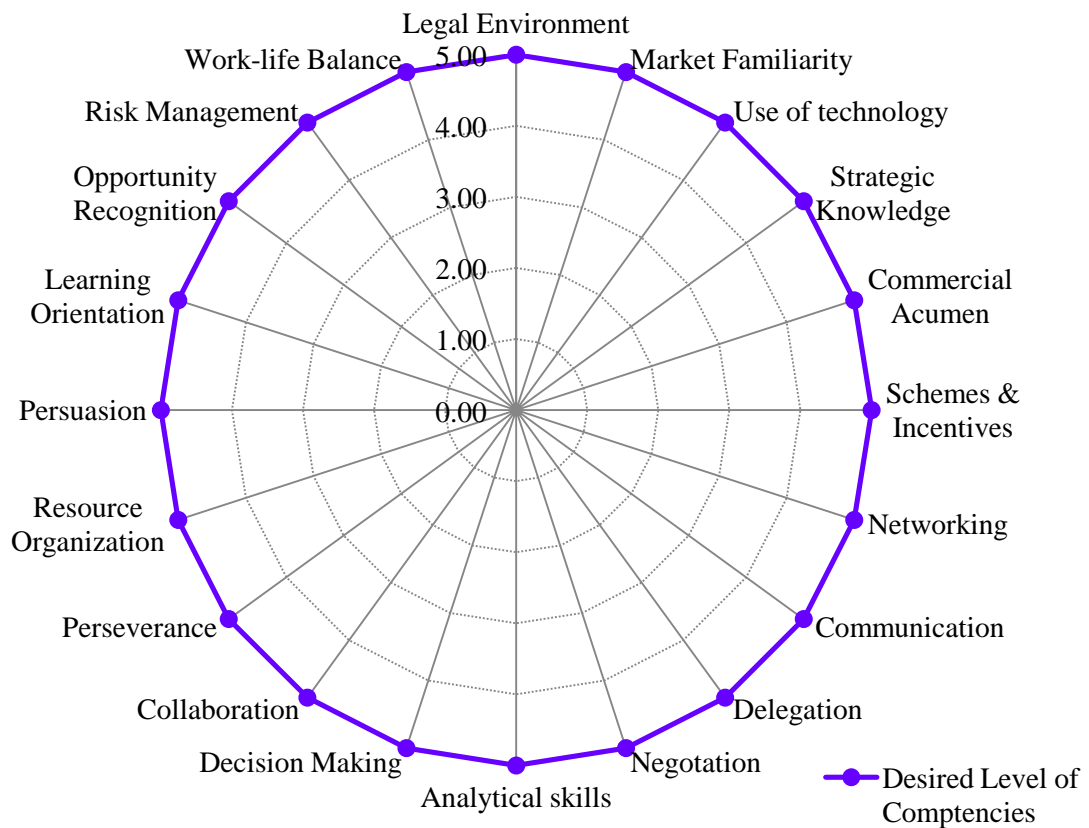
The data on demographic background of the sample were collected, in order to have a better understanding of the sample.

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 had an undergraduate level of education. The sample consisted of 32.99 per cent of salaried employees, of which majority of them 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 respondents 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 majority (66.67%) of the sample entrepreneurs had an undergraduate degree. Around 60 per cent of the sample entrepreneurs were male.

### ***Desired Level of Entrepreneurial Competencies***

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



**Figure 1. Desired Level of Entrepreneurial Competencies**

*(Source: Primary data)*

### *Classifying competencies*

The identified desired level of entrepreneurial competencies essential for entrepreneurs in the early stages of their entrepreneurial career, were then classified into knowledge competencies, skills and abilities. Knowledge competency included knowledge on the 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.

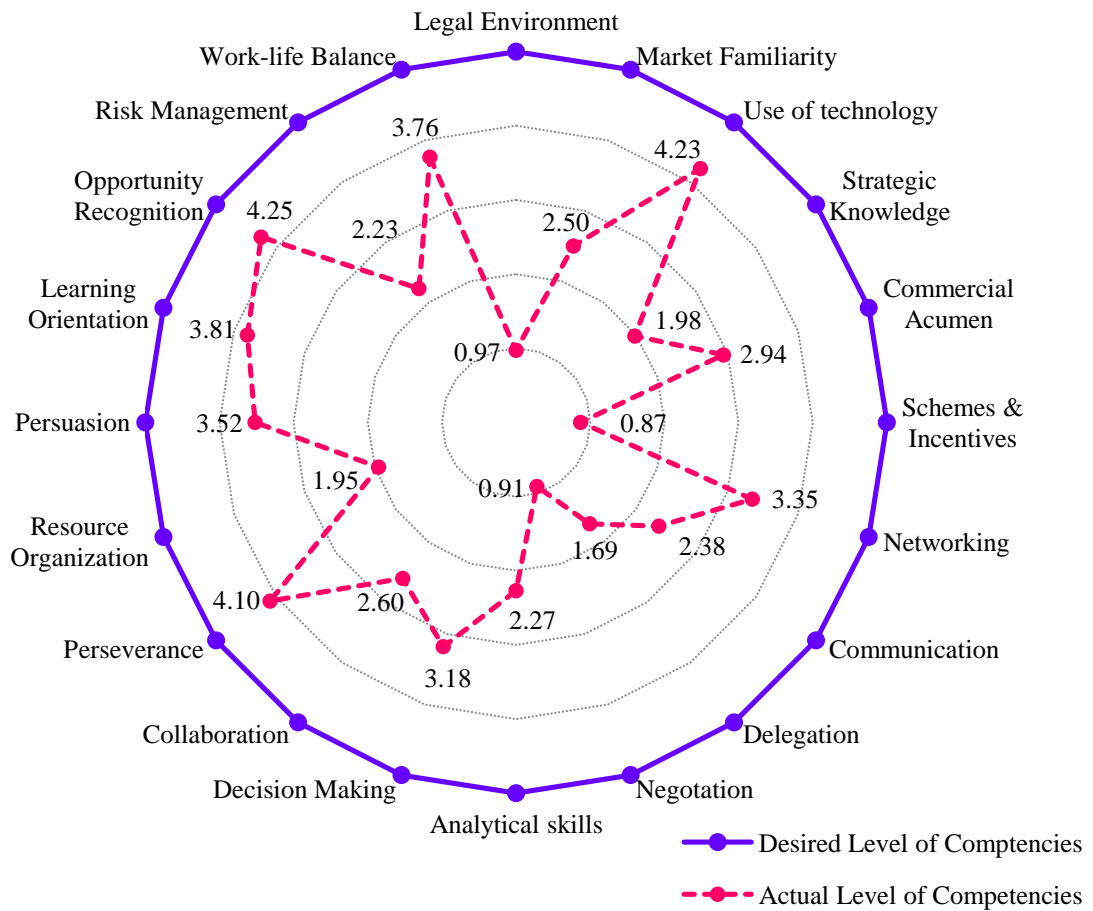
- *Collaboration* - Being a successful entrepreneur necessitated the collaboration with others. Entrepreneurs with collaborative skills were able to successfully work with others to achieve a common goal.

### *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.

### *Actual level of Competencies*

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



**Figure 2. Actual Level of Entrepreneurial Competencies in the sample Educated Youth**  
*(Source: Primary data)*

The sample of educated youth reported very high levels of competency in terms of technology use, opportunity recognition, and perseverance, as shown in Figure 2. Networking skills, decision-making ability, persuasion, learning orientation, and the ability to balance work and life were strong among the sample respondents.

Market familiarity, commercial acumen, communication skills, analytical skills, collaboration skills, and the ability to manage risk were moderate. Strategic knowledge, delegating skills, and the ability to organise resources were low in the sample, as well as knowledge of the legal business environment, schemes and incentives, and negotiation skills.

### Competency Gap

The desired level of entrepreneurial competencies were compared against the actual (existing) level to identify the gaps, 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.	<b>Knowledge</b>			
	<i>Legal Environment</i>	5.00	0.97	4.03
	<i>Market familiarity</i>	5.00	2.50	2.50
	<i>Use of technology</i>	5.00	4.23	0.77
	<i>Strategic knowledge</i>	5.00	1.98	3.02
	<i>Commercial acumen</i>	5.00	2.94	2.06
2.	<i>Schemes and incentives</i>	5.00	0.87	4.13
	<b>Skills</b>			
	<i>Networking</i>	5.00	3.35	1.65
	<i>Communication</i>	5.00	2.38	2.62
	<i>Delegation</i>	5.00	1.69	3.31
	<i>Negotiation</i>	5.00	0.91	4.09
	<i>Analytical Skills</i>	5.00	2.27	2.73
3.	<i>Decision Making</i>	5.00	3.18	1.82
	<i>Collaboration</i>	5.00	2.60	2.40
	<b>Abilities</b>			
	<i>Perseverance</i>	5.00	4.10	0.90
	<i>Resource Organization</i>	5.00	1.95	3.05
	<i>Persuasion</i>	5.00	3.52	1.48
	<i>Learning Orientation</i>	5.00	3.81	1.19
<i>Opportunity Recognition</i>	5.00	4.25	0.75	
<i>Risk Management</i>	5.00	2.23	2.77	
	<i>Work-life Balance</i>	5.00	3.76	1.24

(Source: Primary data)

It could be inferred from Table 1 that, knowledge of schemes and incentives (4.13), negotiation skills (4.09), and knowledge of the legal business environment (4.03) were found to have the highest competency gap. This indicated that the sample youth lacked the desired level of competency in the aforementioned categories, necessitating educational and entrepreneurship development institute's intervention to develop these competencies. These skills should be at the forefront of curriculum or programmes on entrepreneurship in such institutions.

Competencies pertaining to delegation skills (3.31), ability of the sample educated young to organise resources (3.05), and strategic knowledge (3.02) all had moderate gaps. This suggested that efforts should be made to improve these skills in order ease the process of entrepreneurial entry and to sustain in the entrepreneurial process during the early stages of their entrepreneurial journey.

The ability to recognise opportunities (0.75) had the smallest gap among the entrepreneurial competencies, followed by the use of technology (0.77) and perseverance (0.90), indicating that the sample educated youth were strong in these competencies.

## **CONCLUSION**

Mapping competencies required for the entrepreneurs in the early stages of their career would help the educated youth in identifying their strengths and weaknesses. This would enable them to direct their efforts in strengthening competencies before their entrepreneurial entry. 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 sustain in their business. This leads to reduction in rate of entrepreneurial exits in the country. The gaps identified in the study could be minimized by designing appropriate pedagogical tools and techniques that inculcate the identified competencies in the educated youth through proper training and 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 development of competencies could be considered for further research in this context.

## **Consent**

As per international standard or university standard, respondents' written consent has been collected and preserved by the author(s).

## **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.

## **ACKNOWLEDGEMENT**

This research was funded by NFOBC (National Fellowship for OBC candidates) by University Grants Commission under the Ministry of Human Resource Development (Government of India).

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