

DETERMINANTS OF ENTREPRENEUR'S COMPETENCIES **AT VELLORE DISTRICT IN TAMIL NADU – WITH** **SPECIAL REFERENCE TO THE LEATHER INDUSTRY**

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Abstract

With the ever increasing market competition, pressure of up-grading technology and increase in the demand for more productivity are all factors that need an effective management with effective competencies. Leather industry plays a vital role in development of Indian economy. This study highlights the determinants of entrepreneur's competencies in Leather Industry. Respondents i.e., entrepreneurs for the study are from leather companies and tanneries situated in Vellore district of Tamil Nadu in India, sample size was 398. The Percentage Analysis results reveal that majority of the respondents were graduates and leather shoe manufacturing industry owners in the age group of 40-50 years. Factor analysis was performed and four important dimensions are identified namely Leadership competencies, Aptitude competencies, Inter-personal competencies and Financial Management competencies, and these factors were identified as essential for improving the organisational growth .

Keywords:

Leadership competencies
Aptitude competencies;
Inter-personal competencies;
FinancialManagementcompetencies.

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1. Introduction

The leather industry occupies a prominent place in Indian economy in the view of its massive potential for employment, growth and export, The expectations of the corporate and semi corporate set ups concentrate on enhanced management control, efficient decision making, optimum workforce, diligent financial planning and control, structured cost control and improved customer relationship management. Therefore, entrepreneurs are expected to be highly competent in different dimensions like intellectual, behavioural, attitudinal, technical, and managerial aspects.

2. Need for the study

In today's competitive world of business and industry, entrepreneurs should possess exceptional competencies to that lead to organisational excellence. Entrepreneurs are therefore constantly challenged to deploy a set of competencies to succeed in their entrepreneurial activities. India accounts for 12.93% of the world's leather production of hides/skins. The country ranks second in terms of *footwear* and leather garments production in the world and accounts for 9 per cent of the world's *footwear* production. There are around 1,226 leather units in Vellore district. There are many *leather manufacturing* and leather based industries in and around Vellore. In fact, it contributes 37% of India's leather goods exportation to foreign market. Thus, the leather sector has generated enormous scope for employment and entrepreneurship. Hence, this study aims to find out the various determinants of entrepreneurial competencies which appear to be essential in Leather industry in Vellore district of Tamilnadu.

3. Review of Literature

Noor Azmi Bin Hashim et al., (2018) in his assessment determined that small firms usually prosper in highly competitive, turbulent and unpredictable markets. In addition, as small firms do not have any influence or control over the markets and to tackle the economic shocks, it is essential that small firms adopt the approach of dynamic capability. The study proved that the intervening part of dynamic capabilities is essential in enhancing the firm performance. Thus, it proved there is a need of dynamic capabilities to mediate the relationship between entrepreneurial competencies and small firm performance.

Tetsushi Sonobe et al.,(2009) finds that the leather shoe industry has been growing not only because of a number of new entrants but also because of the growth of enterprises that have been improving product quality and developing new marketing systems.

Man, Wing-yan Thomas (2001) studied the relationship between the entrepreneurial characteristics and the performance of Small and Medium Enterprises (SMEs) under the context of the services sector in Hong Kong. Qualitative analysis was conducted to identify entrepreneurial competencies in a sample of 19 successful owner/managers. The results reveal that entrepreneurial competencies determinant factors affect the performance of an SME.

4. Objectives of the study

The objectives of the study are

1. To study the demographic profile of Leather Entrepreneurs in Vellore district
2. To identify the various dimensions of Leather Entrepreneur competencies in Vellore district.

5. Research Methodology

The study is exploratory and descriptive in nature. Primary data is collected with a well-structured five point scale Questionnaire on entrepreneur characteristics and demographic factors. The questionnaires were designed for a nominal and Likert scale. Secondary sources of data, is obtained from various research papers, published article in journals, web articles (internet sources), past studies and newspaper etc.

6. Sample and data collection

Stratified Random sampling method was used for this research study. 398 respondents were selected as a sample size for the study from the leather companies and tanneries situated in Vellore district of Tamil Nadu in India.

7. Statistical Tools Applied for Analysis

SPSS 21 is used for analysing the data. Percentage analysis, Factor Analysis and Chi Square test were used to analyze the results.

8. Analysis and Findings

Table No. 8.1

Demographic Factors

Demographic Factor	Variables	Frequency	Percent
Age	30-40 years	44	11.1
	40-50 years	237	59.5
	Above 50 Years	117	29.4
Educational Qualification	HSC	97	24.4
	Graduate	234	58.8
	Post Graduate	67	16.8
Entrepreneurial Status	Shoe Job work Exporters	56	14.1
	Shoe Industry Owners	230	57.8
	Tannery Owners	72	18.1
	Leather Job Exporters	40	10.1

From the above table it can be understood that 11.1% of the entrepreneurs are in the age group of 30-40 years, 59.5% are in the age group of 40-50 years and 29.4% are in the age group of above 50 years. As far as educational qualification is concerned, 24.4% have completed higher secondary course, 58.8% are graduates and 16.8% are post graduates. On the basis of the Entrepreneurial status, 14.1% are Shoe Job work exporters, 57.8% are Shoe industry owners, 18.1% are Tannery owners and 10.1% are Leather Job Exporters.

Dimensions of Entrepreneur competencies in Leather Industry

Table No. 8.2

Reliability Statistics

Cronbach's Alpha	N of Items
.864	12

The Cronbach's Alpha for the 12 variables of entrepreneur traits is above 0.864 and therefore is considered to be good. All the twelve items have tested strongly positive in the test for reliability.

Table No. 8.3

KMO and Bartlett's Test

Kaiser-Meyer-Olkin		.693
Measure of Sampling Adequacy.		
Bartlett's Test of Approx. Chi-Square		3934.697
Sphericity	df	66
	Sig.	.000

The KMO measure of Sampling adequacy is .693 above 0.5 and it indicates the sample adequacy (Hair et al., 2006) The significance value of Bartlett's test is .000 which is less than .05 which suggest that at 95% of confidence level the null hypothesis is not accepted, thus the alternative hypothesis is considerable. Therefore, exploratory factor analysis is performed.

The results of the exploratory factor analysis are displayed in Table under:

Table No.8.4

Exploratory Factory Analysis of Entrepreneur competencies

Factor	Factor Loading	Eigen Value	Total Variance	% Variance	Cumulative %
1.Leadership competencies		5.522	46.016	35.364	35.364
Clarity of Purpose	.810				
Passion and Motivation	.672				
Adaptable and Flexible	.658				
Self- Belief, Hard work and dedication	.857				
Product and Market Knowledge	.813				
Creative and Innovative	.869				

2. Aptitude competencies		1.668	13.899	18.312	53.676
An open mind and ability to learn new things	.850				
Belief in Technology	.861				
Taking Risks	.611				
3. Interpersonal competencies		1.419	11.826	15.126	68.802
Good Communication Skills and Incredible networks	.686				
Team Player	.888				
4. Financial Management competencies		1.021	8.506	11.445	80.247
Strong Money Management	.864				

The loading values of the items in their respective factors ranged from 0.611 to 0.888. A total of four factors that explain 80.25 per cent of the total variability with an Eigen value greater than 1 and four variables were extracted from these characteristics using principal component analysis and varimax rotation.

From the table, we see the attributes; Clarity of Purpose (.810), Passion and Motivation(.672), Adaptable and Flexible (0.658), Self Belief, Hard work and Dedication (.857), Product and Market Knowledge(0.813), Creative and Innovative (0.869). are together termed as "**Leadership Competencies**". This is the first and foremost important factor which is essential for entrepreneurs in the organisation. Entrepreneur should possess these qualities as these qualities influence the activities of an individual to manage the organized group and move forward towards goal achievement. Leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished (Richards & Engle, 1986)

The second important factor attributes such as An open mind and ability to learn new things (0.850), Belief in Technology (0.861) and Taking risks (0.611) is termed as "**Aptitude competencies**." This factor is termed as Aptitude Skills. This is defined by Bingham (1937)

''Aptitude is a condition symptomatic of a person's relative fitness, of which one essential aspect is his readiness to acquire proficiency - his potential ability - and another is his readiness to develop an interest in exercising that ability''. Thus, aptitude skills means "ability to acquire" and genuine absorption in the work in the organisation.

The third important factor comprises of three attributes such as Good Communication Skills and Incredible networks (.686) and Team Player (.888) These variables together are known as "**Interpersonal competencies.**" According to Ferdinand Hunter (2007) They must be able to not only effectively communicate their needs and goals, but they must also learn to listen and to understand others. Successfully developing interpersonal skills also means learning to solve problems intelligently and efficiently. Thus, interpersonal skills are related to communication skills, they are more specific about individual behaviours. They include cooperating, working on teams. Sharing, listening, participating, leading and respecting others.

The Fourth factor constitutes of only one variable namely "Strong Money Management". This variable is called "**Financial Management competencies.**" Good financial management requires good planning. The decisions you make regarding your finances will affect many aspects of the organization life. Mitchell (2007) goes on to argue that there is a correlation between goal-setting and financial management. Thus, the goal-setting process is a key to successful financial management for entrepreneurs.

9. Conclusion

Competence based analyses of the entrepreneur is related to organisational effectiveness in terms of business, product, processes, services and human resources. Through proper assessment of skills, the entrepreneurs will be able to gauge the skill gap and try to improve their competencies or change their strategies of the business as suited for them. From the study it can be understood that all the employee character attributes together are reduced to four important competencies which is important for the entrepreneurs to run their organisation successfully. They are Leadership competencies, Aptitude competencies, Inter-personal competencies and Financial Management competencies. Thus with these competencies, this sector can become more vibrant

in terms of efficiency, quality finishing, design and technology to cater to the untapped Indian market and foreign market.

10. References

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