



Measuring Entrepreneurial Competencies: A Study on Startup Ventures in Malappuram District

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ABSTRACT

Entrepreneurial competencies play a crucial role in the success of startups, yet little research has focused on how these competencies influence Limited Liability Partnerships (LLPs)—a growing business structure among startups due to its flexibility and liability protection. While prior studies have examined entrepreneurial skills in sole proprietorships and private firms, there is a significant gap in understanding how these competencies drive the performance of LLP-based startups, particularly in emerging economies like India. This study addresses this gap by identifying and measuring the key entrepreneurial competencies that contribute to the success of LLP startups in Kerala, a region with a rapidly expanding entrepreneurial ecosystem.

The study examines competencies such as opportunity recognition, risk management, innovation, and leadership, assessing their impact on business performance metrics like revenue growth and sustainability. Statistical tools, including regression analysis and structural equation modelling (SEM), will be employed to analyse the relationships between competencies and firm success, while also considering moderating factors like government support and access to funding.

The findings will provide a competency framework tailored for LLP startups, offering actionable insights for entrepreneurs, policymakers, and investors. By bridging the gap in literature on LLP entrepreneurship, this study contributes to both academic discourse and practical strategies for fostering startup growth in Kerala and similar emerging economies.

Keywords: Entrepreneurial Competencies, Limited Liability Partnerships (LLPs), Startup Ventures, Kerala, Business Performance, Mixed-Methods Research

Introduction

Entrepreneurship is a key driver of economic growth, innovation, and employment generation, particularly in emerging economies like India. Over the past decade, India has witnessed a surge in startup ventures, supported by government initiatives such as *Startup India* and state-level incubators. It may have 1.59 lakh startups, officially recognised by DPIIT-Department for Promotion of Industry and Internal Trade. Among the various business structures adopted by startups, the **Limited Liability Partnership (LLP)** has gained popularity due to its hybrid nature—combining the flexibility of a partnership with the liability protection of a private limited company. Despite this growing preference, most research on entrepreneurial success has focused on sole proprietorships or private limited firms, leaving a significant gap in understanding how **entrepreneurial competencies** influence the performance of LLP-based startups.

Entrepreneurial competencies—such as opportunity recognition, risk-taking propensity, innovation, and strategic leadership—are critical determinants of business success. However, the unique structure of LLPs, which involves shared decision-making and liability among partners, may require a distinct set of competencies compared to other business models. While prior studies have explored entrepreneurial skills in different contexts, there is limited empirical evidence on how these competencies function within LLPs, particularly in regional economies like **Kerala**, which has a thriving startup ecosystem but remains underrepresented in entrepreneurship research.

Kerala, with its high literacy rate, robust digital infrastructure, and proactive startup policies (e.g., Kerala Startup Mission - KSUM), presents an ideal setting for this study. However, despite these advantages, many LLP startups struggle with sustainability, suggesting potential gaps in entrepreneurial skill sets. This study seeks to address this research void by **identifying and measuring the key entrepreneurial competencies that contribute to the success of LLP startups in Kerala**. By doing so, it aims to provide actionable insights for entrepreneurs, policymakers, and investors while contributing to the broader literature on entrepreneurship in emerging economies.

Research Gap

Existing literature on entrepreneurial competencies has predominantly focused on sole proprietorships, private limited companies, or large corporations, with limited attention given to **Limited Liability Partnerships (LLPs)**. While LLPs offer flexibility and reduced liability, there is a lack of empirical studies assessing the **key entrepreneurial competencies** (such as opportunity recognition, risk management, innovation, and leadership) that drive the success of LLP-based startups, particularly in emerging economies like India

- Most frameworks (e.g., Entre Comp) are generic and not tailored to **LLPs' partnership dynamics**.
- Overreliance on **self-reported data** may overlook biases (e.g., overconfidence in solo founders vs. LLP teams).
- Limited tools account for **region-specific challenges** (e.g., Kerala's reliance on remittances, high operational costs).

Proposed Tools/Methods for Measurement

1. Quantitative Tools:

- **Entrepreneurial Competency Questionnaire (ECQ):** Adapted from Bird (1995) or Man et al. (2002), with LLP-specific modifications.
- **Likert-scale Surveys:** Measuring competencies (e.g., 1–5 scales on innovation, networking, resilience).
- **Performance Metrics:** Correlation of competencies with revenue growth, survival rate, or funding secured.

2. Qualitative Tools

- **Behavioral Event Interviews (BEIs):** Asking founders to describe critical incidents showcasing competencies.
- **Case Studies:** In-depth analysis of high-growth vs. struggling LLPs to identify competency gaps.
- **Expert Panels:** Inputs from incubator managers/investors on observed competencies in LLP founders.

3. Hybrid Tools

- **360-Degree Feedback:** Combining self-assessments, partner ratings, and mentor evaluations.
- **Simulation Exercises:** Role-playing scenarios (e.g., pitch competitions, conflict resolution) to observe competencies in action

Statement of problem

Despite the growing popularity of LLPs among startups in Kerala, there is limited understanding of how to effectively measure the entrepreneurial competencies critical for their success. Existing assessment tools, designed for traditional business models, fail to account for LLP-specific dynamics like shared leadership and liability structures. This gap hinders entrepreneurs, investors, and policymakers from accurately evaluating and fostering the skills needed for LLP growth in Kerala's unique business ecosystem. This study addresses this problem by developing and validating a contextualized competency measurement framework for LLP startups.

Review of Literature

1. Eva Kyndt, Herman Baert (2015): Entrepreneurial competencies: Assessment and predictive value for entrepreneurship: This Study Competency ratings of aspiring entrepreneurs were consistently and significantly lower than those of nascent and experienced entrepreneurs, however effect sizes were limited. The second study examined the predictive value of these competencies for being active as an entrepreneur three to five years after completing the instrument. Administrative data on the status regarding entrepreneurship was retrieved for a subsample of 3239 participants. Results indicated that perseverance and insight into the market contributed positively to being and remaining active as an entrepreneur

2. A.Lopatka (2021)-“Entrepreneurial competencies of women ICT start-up”-Entrepreneurial competencies of business owners are one of the main factors determining the development and competitiveness of economic entities. However, in the scientific literature and research on women, there is not much space devoted to the recognition of their competencies that determine the creation and running of start-ups this study analysis women start-up-owners so there is possibility to study.

3. Norasmah Othman 1, Radin Siti Aishah Radin A Rahman 1,* and Hanim Kamaruddin2022 “Competences of Rural Women Entrepreneurs and Their Quality of Life”In this study examine the relationship between rural women entrepreneurs' competence and their quality of life. The collected data were subjected to statistical analysis using frequency, mean, standard deviation and correlation coefficient were used to assess the relationship between entrepreneurial competence and quality of life. Results: Findings showed that rural women entrepreneurs have a higher level of life competencies and achieved a good quality of life. There is a strong relationship between their life competencies and quality of life and similarly, between rural women entrepreneurs' entrepreneurial skills and spiritual skills and their quality of life

4. Gholami, Hesamedin, Eghbali, Jamshid-2018 “Measuring the Entrepreneurial Competencies of Members of Agricultural Engineering, Technical, and Advisory Services Companies”. this study was to measure entrepreneurial competencies of Agricultural Engineering, Technical, and Advisory Services Companies. Results revealed that respondents’ entrepreneurial competences were upper than moderate level but less than good level (3.46 from 5) and most the respondents (72.72 percent) had moderate level of entrepreneurial competences. Furthermore, respondents were most competent in commitment competency and least competent in conceptual competency.

5. Liu H, Kulturel-Konak S, Konak A (2020) “Measuring the effectiveness of entrepreneurship education” his study explores a multi-dimensional model for measuring the effectiveness of entrepreneurship education. The proposed model was validated through an empirical study involving 298 college students who have participated in entrepreneurship courses in China. The research results show that the effectiveness of entrepreneurship education can be observed through the improvement of participants' entrepreneurial competencies, the reduction of their entrepreneurial barriers and the change of their entrepreneurial intention. On this basis, this study draws on the approach of the Triangulation widely used in qualitative research and develops a 'Triangle Measurement Model for the Entrepreneurship Education Effectiveness'. The Model provides an effective tool for the development and upgrading of entrepreneurship education courses, as well as a standard framework for cross-cultural or cross-regional comparative studies of entrepreneurship education.

Research Objectives:

1. Identify various Competency factors effecting Entrepreneurial Success
2. Analyse most specific competencies factors effecting Entrepreneurial Success (e.g., shared leadership, risk management) impact LLP startup success metrics (revenue, survival rate).

Variables of Study

1. Opportunity Recognition 2. Shared Leadership
3. Operational Sustainability and Risk-Taking Capacity 4. Founder Experience
5. Problem solving and Decision-making capacity

Research Methodology

Research Design

This study will adopt a **mixed-methods approach**, combining quantitative and qualitative techniques for a comprehensive analysis.

Qualitative: Thematic analysis will be used to extract key entrepreneurial traits and challenge

Descriptive & Explanatory Phase (Quantitative: A structured survey questionnaire will be administered

Data Sources

- Kerala Startup Mission (KSUM) database.
- Incubators and co-working spaces in Malappuram District
- Direct contact with Start-up ventures

ANALYSIS AND INTERPRETATIONS

Table 1. Competency Level analysis

Competency /skill	Response Level	Percentage
Leadership Skill	4	13.3
Risk Management skill	6	20
Experience	4	13.3
Opportunity Recognition	6	20
Problem solving Skill	4	13.3
Decision making Skill	5	16.7
Total	30	100

Secondary Source: Self Study

Inference: - The study shows that risk management and opportunity recognition excel in entrepreneurial growth, while decision-making skills, problem-solving skills, and experience follow

Table 2: - Measuring and Validating Entrepreneurial Competency

The entrepreneurial competencies were measured on a 5-point Likert scale

Participant Response	Leadership	Risk Management	Experience	Opportunity Recognition	Problem solving	Total
1	3	5	2	5	3	18
2	3	4	2	5	4	18
3	2	4	4	4	3	17
4	5	5	2	5	3	20
5	4	5	4	5	4	22
6	4	5	3	5	2	19
7	5	5	5	5	3	23
8	2	3	3	2	2	12
9	5	3	4	5	3	20
10	4	5	5	5	4	23
Total	37	44	34	46	31	192

Source: Primary Data

Inference: - The study shows that risk management and opportunity recognition excel in entrepreneurial growth 46 point and 44 respectively, while Leadership Skills, problem-solving skills, and experience follow

Table 3: Competency wise analysis

Competency Name	Mean	SD	% High (4-5)	% Medium (3)	% Low (1-2)
problem solving	3.2	1	50%	30%	20%
Leadership	3.6	1	65%	25%	10%
experience	3.4	1.2	55%	30%	15%
Opportunity Recognition	3.9	0.9	75%	20%	5%
Risk-taking	3.7	0.8	70%	20%	10%

Interpretation: -Opportunity recognition and risk-taking exhibit the highest mean scores (indicating strong perceived competency) along with the lowest standard deviations (suggesting high consensus among respondents). The other variables also demonstrate strong competency levels, collectively forming a well-rounded entrepreneurial competency profile.

Findings

1. Opportunity recognition and Risk-Taking skill is a very important competency factor for entrepreneurs' success
2. Opportunity recognition and risk-taking exhibit the highest mean scores (indicating strong perceived competency) along with the lowest standard deviations (suggesting high consensus among respondents)
3. The study shows that risk management and opportunity recognition excel in entrepreneurial growth 46 point and 44 respectively, while Leadership Skills, problem-solving skills, and experience follow
4. selected variables are active factors for creating entrepreneur's competency

CONCLUSION

Measuring entrepreneurial competency is a critical factor in determining enterprise success. Developing a conceptual tool to assess these competencies is highly valuable for fostering successful ventures. This study focused on a select set of entrepreneurial competencies, with opportunity identification and risk-taking emerging as key drivers of success. The analysis also identified which competencies have the strongest and weakest influence on entrepreneurial outcomes, providing actionable insights for entrepreneurs and policymakers.

Reference

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