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MEASUREMENT OF BUSINESS SKILLS IN PRIVATE AND PUBLIC BUSINESS INCUBATORS IN GUJARAT: A COMPARATIVE STUDY

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CONFERENCE PROCEEDING



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ABSTRACT

This Research paper analyses the concept of skills and also explores the skills required by in organisations in a strategic environment. The relevance of this research is based on the approach to theories of skills development and the main purpose is to identify the skills to be developed by business incubators. The skills needed by the organizations were identified through data analysis based on questionnaire which is taken from metro city of Gujarat state (50 private and 50 public business incubators from each city). The research paper focuses on analytical dimension of skills development in organisations anchored to the following research questions:

What are the skills required in order to make business more operative and functional? This study is centred on the research of more relevant skills which can contribute to transform the organisations into more viable ones. It also deals with certain skills which can improve the performance and competitiveness of business firm in the market.

KEYWORDS: skills, business skills, private business incubators, public business incubators

INTRODUCTION

This research paper focuses on skills and knowledge which are necessary for the success in the workplace. As management is dynamic concept, all the managers are not using the same techniques to increase viability but they keep changing strategies as per the needs of the employees are the organisation. The skill management deals with increasing the abilities of employees in terms of work efficiency required for various positions. According to the Business Dictionary, a skill is an ability and capacity acquired through deliberate, systematic and sustained effort to smoothly and adaptively carry out activities or job functions involving ideas, things, or people. A skill, is an ability or proficiency in a specific area, it is important at any level an employee works in an enterprise. The skill sets of employees can be enhanced by managers by motivating them to work more and increase their productivity. Majority of HR managers have that belief that technical skills are hardest to find but it is easier to teach and improve. They are essential. The increase in productivity of business and management



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skills depends on the employee's efforts (individuality) and it can be affected by the corporate culture and motivational factors as it was more specifically examined by teams of authors such as Lorincova et al., (2016, 2016a and 2018), Hitka et al. (2018, 2016) or Kucharčíková et al. (2018a, 2018b). There is a need to create the motivation programs for groups of employees at different levels –specific factors (Hitka, et al. 2017).

There are many business skills that a successful entrepreneur will have, the following skills are the ones that you absolutely need to make your business successful.

- ✓ Marketing
- ✓ Human resources
- ✓ Finance
- ✓ Entrepreneurial and Network

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✓ Business plan

MEANING

Measurement:

Measurement is a Quantitative outcome that measures the success of an organisation in terms of achieving its objectives. These quantitative outcomes are used in scrutinising the performance of various aspects in business including production, marketing, finance, research and accounting and sales department.

Business skills:

Business skills, are soft skills like communication skills, leadership, motivational skills and team management skills, these business skills help business to prosper more and achieve overall organisational objectives. Any individual who is equipped with the following skills are more likely to be hired by different business organisation or in another term a person equipped with business skills can add more value to any business organisation. Most of the successful organisations keep upgrading their employees' skills to meet the changing needs of the society.



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Business incubators

According to The National Business Incubation Association (NBIA) "Business incubators act as a catalyst tool for either regional or national economic development".

According to Allen, "A business incubator is defined as a facility/service that provides affordable rent to new and small firms, shared office and logistical services, and arranges business management and financial assistance."

RESEARCH OBJECTIVES

This research aimed to achieve the following objectives:

- 1. To investigate the business skills of entrepreneurs and their perception of incubation;
- 2. What are the weaknesses skill of incubators in Metro city Of Gujarat State?

LITERATURE REVIEW

The history of business incubators (BI) can be traced back in the mid of last century, when there was high unemployment rate as a result of the great recession of U.S.A and U.K leading to a major collapse of industrial sectors. During that time it was increasingly felt that there is need of newer strategies which could help regenerate the income levels of industries and increase the entrepreneurial activities in the economies. Studies have provided that BIs play crucial role in creation as well as the promotion of some technology intensive businesses. Such organizations often lack necessary skills for the survival of business, thus the second generation of incubators started providing knowledge based services long-with physical infrastructure (Jamil, Ismail, and Mahmood, 2015b; Wonglimpiyarat, 2014).

The researchers have found that the provision of training and coaching services are important services provided by BIs. Coaching is considered necessary for ongoing learning and skills development process. (Somsuk and Laosirihongthong, 2014). The studies conducted by the various researchers to evaluate the performance of BIs concluded that they provide business support services to their clients which might include: training, mentoring, access to finance



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etc. The best thing about the business incubators is that they provide services as per the requirements of each entrepreneur. Incubators have been found as helping to create culture of entrepreneurship. They act as a promoter for the development of cohesive business, and support networks which include universities, finance providers, business schools, business organizations, large companies and government bodies. However, the qualification and experience of staff of incubators is more important to provide effective services to businesses. It is because if the incubator staff does not possess the advanced knowledge and skills it will lead to create a vicious circle of low skills (European Commission, 2013; Jamil, Ismail, and Mahmood, 2015a).

While measuring the performance of business incubators, it is revealed in the literature that the evaluation of business performance of incubators is a complex procedure since there is not a single standard to do this. Secondly, most of the studies in literature deal with performance of incubators in developed countries and very less in developing countries. Eshun (2009) has suggested that efforts of government should also be included to evaluate performance of BIs. Porter, in his model of entrepreneurship, has identified three stages of development in countries and suggested to measure the performance of BIs as per developments in economic innovations such as: factor driven stage, efficiency driven stage and innovation driven stage.

RESEARCH METHOD

The advantage of using a sample is that it is more practical and less costly than collecting data from all of the population. A total number of 4 00businessincubatros Metrocity for GujaratState were selected as the sample as shown in table no 1.1

Table1.1

Sr no	City name	Sample
1	Ahmedabad	100
2	Baroda	100



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Total		400
4	Surat	100
3	Rajkot	100

Sampling Process:

The researcher used a random sampling technique to select a sample from the population. Random sampling is used primarily for the purpose of convenience and simplicity. Practically, theincubators were encouraged by the researcher to participate. The numbers of depicted in table 1.1 represents the number of incubators who agreed to fill the questionnaire. A total number of 400 incubators (50 Public and 50 Private total 100 from each city) agreed to participate and hence represents the sample size.

Research Methods

The quantitative part was in the form of a structured questionnaire. Quantitative approach prevents bias and converts phrases and facts into numbers. It also makes people feel free in expressing their points of view.

DATA ANALYSIS

What skills do you need for your effectiveness of business?

Table 1.2

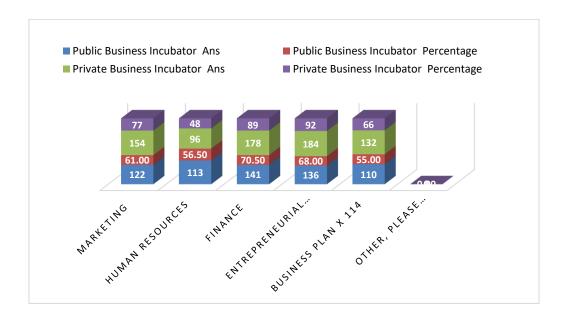
Sr No	Options	Public Business Incubator		Private Business Incubator	
		Ans	Percentage	Ans	Percentage
1	Marketing	122	61.00	154	77
2	Human resources	113	56.50	96	48
3	Finance	141	70.50	178	89



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4	Entrepreneurial and Network	136	68.00	184	92
5	Business plan	110	55.00	132	66
6	Other, please specify	0	0.00	0	0



Data Interpretation

Marketing

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 61 % (122) business incubators need Marketing skill
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 77 % (154) business incubators need Marketing skill

Result:

As per the measurement the need for marketing skills in private business incubators ratio is higher than public business incubators.



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Human resources

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 56.50
 (113) business incubators need Human resources skill
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 48 %
 (96) business incubators need Human resources skill

Result:

As per the measurement the need for Human resources skills in private business incubators ratio is lower than public business incubators

Finance

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 70.50
 (141) business incubators need financial skill
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 89 % (178) business incubators need financial skill

Result:

As per the measurement the need for Human resources skills in private business incubators ratio is higher than public business incubators.

Entrepreneurial and Network

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 68 % (136) business incubators need Entrepreneurial and Network skill
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 92 % (184) business incubators need Entrepreneurial and Network skill

Result:

As per the measurement the need Entrepreneurial and Network skill in private business incubators ratio is very higher then Public business incubators .



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Business plan

- 1. Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 55% (110) business incubators need Business Plan skill
- 2. Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 66 % (132) business incubators need Business plan skill

Result:

As per the measurement the need for Business plan skill in private business incubators ratio is very higher then Public business incubators.

Incubators who are entrepreneurially inclined and those who are not, don't have the same level of the following entrepreneurial qualities & skills:

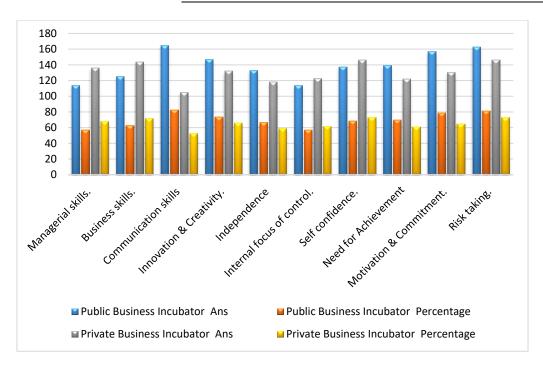
Table 1.3

Sr No	Options	Public Business Incubator		Private Business Incubator	
		Ans	Percentage	Ans	Percentage
1	Managerial skills.	114	57.00	136	68.00
2	Business skills.	125	62.50	144	72.00
3	Communication skills	165	82.50	105	52.50
4	Innovation & Creativity.	147	73.50	132	66.00
5	Independence	133	66.50	118	59.00
6	Internal focus of control.	114	57.00	123	61.50
7	Self confidence.	137	68.50	146	73.00
8	Need for Achievement	139	69.50	122	61.00
9	Motivation & Commitment.	157	78.50	130	65.00
10	Risk taking.	163	81.50	146	73.00



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Data Interpretation

Managerial skills

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 57%
 (114) business incubators are entrepreneurially inclined the same level of the Managerial qualities & skills
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 68% (136) business incubators are entrepreneurially inclined the same level of the Managerial qualities & skills

Result:

As per the measurement the business incubators are entrepreneurially inclined to the same level of the Managerial qualities & skills in private business incubators as well as public business incubators but private business incubators are more inclined then the public business incubators.



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Communication skills

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 82.50% (165) business incubators are entrepreneurially inclined the same level of the Communication qualities & skills
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 52.50% (105) business incubators are entrepreneurially inclined the same level of the Communication qualities & skills

Result:

As per the measurement the business incubators are entrepreneurially inclined the same level of the Communication qualities & skills in private business incubators and public business incubators but the ratio is higher in private incubator in comparison to Public business incubators.

Innovation and Creativity skills

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 73.50% (147) business incubators are entrepreneurially inclined the same level of the Innovation and Creativity qualities & skills
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 66%
 (132) business incubators are entrepreneurially inclined the same level of the Innovation
 and Creativity qualities & skills

Result:

As per the measurement of business incubators are entrepreneurially inclined the same level of the Innovation and Creativity qualities & skills in private business incubator and public business incubators. The ratio is lower in Public business incubators.



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Independence skills

 Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 66.50% (133) business incubators are entrepreneurially inclined the same level of the Independence work qualities & skills

Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 59%
 (118) business incubators are entrepreneurially inclined the same level of the Independence work qualities & skills

Result:

As per the measurement of business incubators are entrepreneurially inclined at same level of the Independence work qualities & skills in private business incubators and public business incubators but this ratio is lower in Public business incubators than in private business incubator.

Internal focus of control.

Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 57%
 (114) business incubators are entrepreneurially inclined the same level of the Internal focus of control. qualities & skills

Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 61.50
 (123) business incubators are entrepreneurially inclined the same level of the Internal focus of control. qualities & skills

Result:

As per the measurement of business incubators are entrepreneurially inclined the same level of the Internal focus of control. qualities & skills in private business incubators and public business incubators but the ratio is higher in private business incubator then Public business incubators.



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Self confidence.

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 68.50% (137) business incubators are entrepreneurially inclined the same level of the Self-confidence qualities & skills
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 73 %
 (146) business incubators are entrepreneurially inclined the same level of the Self-confidence qualities & skills

Result:

As per the measurement of business incubators are entrepreneurially inclined the same level of the Self-confidence qualities & skills in private business incubators and public business incubators but the ratio is higher in private business incubator then Public business incubators.

Need for Achievement

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 69.50% (139) business incubators are entrepreneurially inclined the same level of the Need for Achievement
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 61 %
 (122) business incubators are entrepreneurially inclined the same level of the Need for
 Achievement

Result:

As per the measurement of business incubators are entrepreneurially inclined the same level of the Need for Achievement in private business incubators and public business incubator but this ratio is lower in private business incubator then Public business incubators.



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Motivation & Commitment

- Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 78.50%
 (157) business incubators are entrepreneurially inclined the same level of the Motivation
 & Commitment.
- Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 65%
 (130) business incubators are entrepreneurially inclined the same level of the Motivation
 & Commitment

Result:

As per the measurement of business incubators are entrepreneurially inclined the same level of the Need for Motivation & Commitment in private business incubators and public business incubators but this ratio is higher in private business incubators then Public business incubators.

Risk taking

- 3. Out of 200 public business incubators from Ahmedabad, Baroda Rajkot and Surat 81.50% (163) business incubators are entrepreneurially inclined the same level of the Risk taking.
- 4. Out of 200 private business incubators from Ahmedabad, Baroda Rajkot and Surat 73% (146) business incubators are entrepreneurially inclined the same level of the Risk taking.

Result:

As per the measurement of business incubators are entrepreneurially inclined the same level of the Need for Motivation & Commitment in private business incubators ratio is low then Public business incubators.

FINDINGS

Measurement of need marketing skills in private business incubators ratio is higher then
 Public business incubators



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- Measurement of need Human resources skills in private business incubators ratio is lower then Public business incubators
- Measurement of need Human resources skills in private business incubators ratio is higher than Public business incubators.
- Measurement of need Entrepreneurial and Network skill in private business incubators ratio is higher than Public business incubators.
- Measurement of need Business plan skill in private business incubators ratio is very high in comparison to Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Managerial qualities & skills in private business incubators but ratio is higher than Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Communication qualities & skills in private business incubators but this ratio is lower than Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Innovation and Creativity qualities & skills in private business incubators but this ratio is lower than Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Independence work qualities & skills in private business incubators ratio is lower than Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Internal focus of control. qualities & skills in private business incubators but this ratio is higher than Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Self-confidence qualities & skills in private business incubators but this ratio is high than Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Need for Achievement in private business incubators but this ratio is lower than Public business incubators.



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- Measurement of business incubators are entrepreneurially inclined the same level of the Need for Motivation & Commitment in private business incubators but this ratio is higher than Public business incubators.
- Measurement of business incubators are entrepreneurially inclined the same level of the Need for Motivation & Commitment in private business incubators but this ratio is lower than Public business incubators.

SUGGESTIONS

Gujarat should provide continued support for business incubators, particular financial support and facilitation of entrepreneurial skills. This support may assist entrepreneurship as it is the most important solution for poverty alleviation, low economic growth and unemployment in the country. Incubated entrepreneurs create job opportunities; as the study indicated a number of one to ten locals were employed in each incubator.

The study recommends Recruiting high quality entrepreneurs into the incubation process should be taken seriously by management, and a proper evaluation of the personnel of the business incubator should be done periodically. Furthermore, training was also recommended to those who are failing to manage the business.



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