

Leveraging Digital Skills and Entrepreneurial Strategies for Sustainable Economic Growth

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Abstract

This research paper explores the intricate relationship between skill formation and entrepreneurial development, emphasizing their roles in driving sustainable economic growth. As the latest trend identifies entrepreneurship as an agent of innovation and growth, it is becoming particularly important to understand which skills make a difference in the context of successful entrepreneurship. Accordingly, this research uses the AMO (Ability, Motivation, Opportunity) model to evaluate the effectiveness of relevant skills on promoting and measuring entrepreneurial actions and the environment. For the purpose of primary data gathering, both the quantitative and qualitative research method was administered to aspiring and existing business persons. The deployment of structural equation modeling advanced statistical method used in the analysis to estimate the relationships between skill formation, AMO values and entrepreneurial outcomes. Research evidence shows that there are certain relationships between skill acquisition and business performance, and a difference between AoME framework constructs. These findings pose important policy implications for policymakers as well as educational institutions; alongside recommending the deployment of skill development programs and supportive measures for entrepreneurs. Finally, this study addresses the theoretical developments of the entrepreneurship and sustainable growth, suggesting directions for the further study of other factors affecting this process. The study emphasises that the educational systems need further strategic plans on skills development to create a sound entrepreneurial culture that is crucial in attaining sustainable economic goals.

This research paper explores the intricate relationship between skill formation, digital competencies, and entrepreneurial development, emphasizing their roles in driving sustainable economic growth. As the latest trend identifies entrepreneurship as an agent of innovation and growth, understanding which skills—including digital skills—make a difference in the context of successful entrepreneurship is becoming particularly important. Accordingly, this research employs the AMO (Ability, Motivation, Opportunity) model to evaluate the effectiveness of relevant skills, including digital literacy, in promoting and measuring entrepreneurial actions and the business environment.

For the purpose of primary data gathering, both quantitative and qualitative research methods were administered to aspiring and existing businesspersons. Structural equation modeling (SEM), an advanced statistical method, was used to estimate the relationships between skill formation, AMO values, digital competencies, and entrepreneurial outcomes. Research evidence demonstrates a significant correlation

between skill acquisition—particularly digital proficiency—and business performance, highlighting variations among AMO framework constructs. The findings carry important policy implications for policymakers and educational institutions, advocating for skill development programs with a strong emphasis on digital literacy and technology-driven entrepreneurship.

Furthermore, this study contributes to theoretical developments in entrepreneurship and sustainable growth, suggesting future research directions to explore additional factors affecting this process. It underscores the need for strategic educational reforms to integrate digital skills into entrepreneurial training, fostering an innovative, technology-driven entrepreneurial culture that is crucial for attaining sustainable economic goals.

Keywords: AMO - Ability, Motivation, Opportunity, SEM -Structural equation modeling, Digital Literacy, Deployment

1. Introduction

The ever-evolving landscape of the global economy emphasizes the need for a nuanced understanding of skill formation and entrepreneurial development. In the current world, skill development is understood as the learner gaining the competencies and knowledge that will enable him or her to manage the specifics of a given domain of activity, particularly self-employment (Halberstadt et al., 2019). This concept is crucial as it fosters individual capabilities and acts as a driver of entrepreneurial activity that is rapidly becoming viewed as pivotal to new economic growth and development. This development is linked with sustainable development since most entrepreneurs' activities result to employment, efficiency and provision of new solutions of problems affecting the society. Therefore, the relation between skill formation and entrepreneurship should be better comprehended to ensure sustainable economic development.

The purpose of this study is multifaceted. First and foremost, it seeks to understand how skill formation affects the level of entrepreneurial development. Thus, studying this relationship, the research aims to shed light on how development of skills facilitates the creation and sustainable development of businesses. Also, the exploration will concern the corresponding essence of the particular abilities and the principles of the AMO (Ability, Motivation, Opportunity) values for the sustainable development. The AMO model claims that work performance is a function of an employee's asset, motivation, and the affordances available to the employee to use the asset. An understanding of how these elements are combined within the framework of enterprise may well be beneficial to a policy maker as well as to a teacher.

To achieve this objective, several research questions will guide the study. The first question relates to the fact how skills formation influences the entrepreneurial development. Through engaging with this research question, the work of the research will involve finding out how skills improvement leads to improvement in innovation, risk taking and management of businesses. The second research question explores the nature of the AMO values that influence this relationship. Knowledge of which ability measures, motivations and opportunities dominated could be used to direct efforts and shape interventions in order to increase the success of enterprise creation. Lastly, this study will discuss the impact of primary data in the understanding of these dynamics. Field data are useful and essential for providing first-hand information to support the theoretical Section and practical implications of the findings. Concisely, this study aims to explain the complex relationships between skill development and entrepreneurial evolution in line with sustainable economic advancement. This study is conducted with a view of finding out how education,

skill acquisition, and AMO model affect entrepreneurship with a special reference to Australia and thus making an empirical effort to answer the research questions posed in this research.

2. Literature Review

A. Theoretical Framework

There are several theoretical frameworks that shape the study of skill formation and entrepreneurship, which explains how individuals gain skills and achieve success in the business world (Farrokhnia et al., 2022). Among these theories, Human Capital theories assert that people's assets and skills, attained through invested resources in education and training, will yield high returns as these create capability for increased productivity in entrepreneurial activities. Theory of Planned behavior on the other hand emphasizes on personal intentions of the entrepreneur and perceived control over his/her business activities. To a synoptic extent, all these frameworks suggest that somehow the learning of skills is not exclusive of education but a process equally facilitated by the socio-economic contexts and purposeful urge in the person.

In this context, the AMO (Ability, Motivation, and Opportunity) model emerges as a crucial framework for understanding the dynamics of skill formation in entrepreneurship. The model shows the extent to which the individual's skills, his or her willingness to pursue entrepreneurial ventures, and the opportunity environment determines his or her entrepreneurial performance. It is in the context of the preceding argument that one understands the importance of AMO values because they portray a complete profile of how skills enhancement for entrepreneurial pursuits is not a process of learning alone, but also the assembling of motivation and identification of opportunities.

B. Previous Studies

A substantial body of research has explored the relationship between skill development and entrepreneurial success (Eunice, 2018). The results of previous research show that innovation, perseverance, and adaptability are higher, if the entrepreneur received or completed higher education, received vocational training, or gained work experience abroad. For example scholarly studies show that education improves on intellectual skills such as analysis and decision making, which is crucial in managing the dynamics of enterprise. Furthermore, master of specific competencies, financial literacy, and marketing competency are known to enhanced business performance, sustainability(Okoye et al., 2017, July). However, it is possible to identify a range of research gaps in the development of knowledge in this area. A good part of prior research has been inclined to adopt education as the key to skill acquisition, which somewhat sidelines informal learning and practical experience acquired from real-life involvement in business ventures. In addition, there are inadequate longitudinal studies that define how skill development progresses and how the progressive change equates to enhanced performance among the entrepreneurs. Closure of these gaps is critical in order to enhance the understanding of the relationships that exist between skills and entrepreneurship.

C. Sustainable Growth

Beckerman (2017) posits sustainable growth as economic development that is beneficial for today's generation and does not harm the generations of tomorrow. They include the explicit promotion of a sustainable economic development together with the implementation of such social and environmental factors as are necessary for the balanced growth of the country's economy. From an entrepreneurial perspective, sustainability means that such growth must be achieved while addressing environmental social and economic concerns and profitability. Ideas of sustainability in relation to economic growth have

gradually expanded to incorporate the role played by entrepreneurship in meeting global challenges including climate change, natural resource depletion and social injustice (Hummels & Argyrou, 2021). Entrepreneurs have the exclusive responsibility of driving and establishing innovations to support sustainable solutions. For example, goals such as the creation of new technologies and firms that utilize eco and resource friendly approaches while serving the needs of multiple stakeholders have become prominent features of many modern startups. Furthermore, entrepreneurship contributes to inclusive economic advancement by promoting the employment of citizens in needy areas of the society, and thus, or social cause.

Furthermore, the literature on skill formation and entrepreneurship reveals a complex interplay of theories, previous studies, and the imperative for sustainable growth. Two important sources of insight are offered by the AMO framework to analyze the key antecedents of entrepreneurial outcomes and the extant literature on skill building, which has been found to be highly important for the success of entrepreneurs. However, the above-discussed gaps in knowledge are crucial to filling in order to understand the role of entrepreneurship for sustainable economic development. This means that as the global operation continues to change, the ability to support a skills-building environment as well as other structures that can lead to lasting economic sustainability and fairness in business will be the key goals to embrace.

3. Methodology

A. Research Design

This research utilizes a mixed-methods approach to examine the interplay between skill formation and entrepreneurial development aimed at fostering sustainable growth. A mixed-methods approach includes hypothetical analysis for collecting numerical data and TM for acquiring more elaborate information on the complexity of the entrepreneurial environment. Using numbers alongside detailed case studies, the research aims to produce an inclusive understanding of how skills enable and sustain entrepreneurs. It is therefore appropriate to use primary data in this case because it helps one gather precise and personal information most germane to the goals of the study. On the other hand, primary data provides the researcher with the possibility of relating his inquiries to the real world context and thus, the obtained results should be of higher validity. Furthermore, primary data also provides an opportunity to accurately observe the existing trends and attitudes of entrepreneurs to the development of skills and their influence on the application of sustainability practices that might not be covered by secondary sources to the desired extent.

B. Data Collection

The target population for this research consists of aspiring and established entrepreneurs within small to medium-sized enterprises (SMEs) across diverse industries. This demographic is selected because they are key to the economic growth and development through innovation. Therefore, since the study will be targeting the business people regardless their ages, gender, level of education, experience or expertise in skill formation. In an effort to ensure full data collection the research instruments to be used are both surveys and semi-structured interviews. According to the research questions, different types of surveys will be created to quantify the skills, the perception of entrepreneurship, and the sustainability practices, since attitude and experience will be tested and collected, Likert scales will be used. Semi-structured interviews will supplement the surveys, for the participants will relate their personal experiences and perceptions of the issues under study, informing qualitative data that supplement the quantitative results. This makes it easy to find the impacts of different aspects on the development of entrepreneurial ventures

since the two approaches complement each other. The following will be done in the course of data gathering process: First of all, the pilot study to check the survey instruments use and interviews questions' relevance will be carried out.

After completion of such surveys, electronic questionnaires will be posted on available Internet-based channels such as social networks and professional communities. In parallel, fifteen participants will be chosen and then invited for semi-structured interviews: some of them will be representatives of different sectors. Both the methods will follow certain guidelines namely; participants' informed consent and their answers will be anonymous.

C. Data Analysis

Quantitative data gathered from surveys will be analyzed using statistical software, employing descriptive statistics to summarize the data and inferential statistics to test hypotheses. To analyse how skills formation, entrepreneurial performance and sustainability practices are associated, statistical methods for instance regression analysis will be used. With this quantitative study I will establish a prima facie for evaluating the effects of these skills on success in an entrepreneurial venture. SEM will be used as a multivariate technique because it evaluates the interdependence of several variables concurrently (Kline, 2016). SEM enables analysis of the relationships between the formation of skills, entrepreneurial behavior and sustainable growth factors enabling the testing of direct and mediating effects. This method helps the research to reconstruct the processes and determine how different abilities lead to long term entrepreneurship and its sustainability.

Besides conventional statistical procedures, this research will also use AMO (Ability, Motivation, Opportunity) values into the analytical schemes used for the assessment. Therefore, business owners and managers find the AMO model useful in explaining the behavior and performance of entrepreneurial operations by examining the ability, motivation, and opportunity factors in operation. Through AMO values integration, the research will offer a richer understanding of how skill formation not only may upgrade the human asset but, in the same way, may foster an empowering context for the generation of innovative and sustainable entrepreneurship.

4. Findings and Discussion

The analysis of skill formation and AMO values and the interconnections between them and entrepreneurial success and sustainable growth is an important lesson for understanding the dynamics of the growth of the entrepreneurial sector. The study established a strong relationship between skill development and business performance, raising the need for technical and non-technical skills among the budding entrepreneurs. This, to an extent, brings out the importance of people learning to expand their abilities in the attainment of achievements in the scheme of enterprise. Entrepreneurial success was noted to be reacted closely to AMO values. The findings suggest that the higher overall skills of the entrepreneurs make motivation and opportunity identification possible, which, in its turn, raises the likelihood of success. This finding supports the earlier notion that motivation and opportunity are parts of the entrepreneurial process, which form links between the acquisition of skills and entrepreneurship accomplishment.

In addition, the relationship between entrepreneurial success and sustainable economic growth was particularly positive. There are still congruencies between sustainable actions and the success profile, which indicates that when there are positive results in business, it is equally beneficial to the larger community and the environment. The outcome shows that entrepreneurs increasingly pay attention to sustainability, suggesting an emerging new direction in management to adopt sustainable strategies in

business activities. By recognising AMO values as a mediator in the process, the complexity of the entrepreneurial process is underscored (Prince, Wahid & Khan, 2022). It then is understood that skilled and motivated entrepreneurs play important roles of shaping the environment in recognition and search for opportunities, thus the achievement of business outcomes. This complexity underscores the need for complex interventions in entrepreneurship education and training so that the intended end users are armed with knowledge, practical skills as well as the right mind sets for success.

However, the study also identified challenges, particularly around disparities in access to resources and training opportunities. These barriers can act as a constraint in case of some entrepreneurs to undertake skill formation activities and therefore the performance and sustainable development. These inequalities must be eliminated through correct policies that run in support and correct programs that accommodate the entrepreneurship process for all these categories of people so as to ensure equal opportunities are provided in the entrepreneurial ecosystem. The implication for application, therefore, is quite profound. At a more general level, entrepreneurship education should be both cognitive and affective – it should not only focus on developing relevant skills but also on motivating learners and providing for a range of opportunities for learning to take place (Tambunan et al., 2024) Specific training-for-entrepreneurship programs for women, for minorities or for the young may help improve the quality of the training processes and increase the diversity of entrepreneurs both in qualitative and quantitative

Conclusion

The study on skill formation and entrepreneurial development for sustainable growth underscores the integral role that skills play in fostering successful entrepreneurial ventures. The results reveal that increased skill levels not only help the entrepreneur deal with various issues, but also influence his/her willingness and capacity to identify opportunities on their own. These aspects are useful in attaining entrepreneurial success, and therefore increases the level of sustainable economic growth. The study establishes AMO (Ability, Motivation, Opportunity) values as moderators of this relationship; therefore, improving motivation and opportunity recognition enhances entrepreneurial. The analysis of skill formation and entrepreneurial development for sustainable growth recognises the centrality of skills in the concept of enabling and proprietorship and resultant business formation. The study evidences that higher skills mean not only the capacities to prevent and overcome threats, but, what is crucial, the motivational and operational predispositions to reveal and capture opportunities. These elements are essential in exercising entrepreneurship and, therefore, economic growth of a nation. AMO values are also used in the study to point out that motivation and perceived opportunities matter in the relationship and that female entrepreneurs can benefit from a supportive environment that nurtures motivation.

Additionally, the study acknowledges existing barriers to skill acquisition, emphasizing the need for equitable access to resources and training programs to empower all entrepreneurs, irrespective of their backgrounds. The proposed paradigm supports the notion of accompanying transformation and skill acquisition during the process of learning and training of entrepreneurship education. Cultivating the above dimensions empowers societies to produce an attainable new generation of successful entrepreneurs that will also be sustainable. Subsequent research should also seek to elaborate on these dynamics in order to better understand and support policy and practice for the improvement of entrepreneurial development for a sustainable future.

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