

# Role of strategic management for employee engagement and skill development for start-ups

Role of  
strategic  
management

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## Abstract

**Purpose** – Start-ups are the new avenues for innovation and employment. Strategic management is critical for employee engagement and skill development of start-ups. This study aims to understand the impact of strategic management on employee engagement and skill development.

**Design/methodology/approach** – The study attempts to identify principal factors of strategic management influencing employee engagement and skill development. Structural equation modeling has been used to understand effects of the study.

**Findings** – The study results have shown the challenges concerning employee skill development and reflected on importance of the employee engagement programmes for the growth of the human resource in the start-ups.

**Research limitations/implications** – The study has confined to strategic management for employee engagement and skill development. However, studies related to challenges encountered by start-ups in the specific areas of marketing, operations and finance, etc. would provide more detailed impact on the growth of start-ups.

**Practical implications** – This study provides an insight into strategic management for employee engagement and skill development. The results would provide directions for improving strategy management from the perspective of employee engagement and skill development.

**Social implications** – The study on start-ups provides a direction to the owners of start-ups to understand the importance of strategic management and human resource management for building strong enterprising which can provide employment opportunity for the youth of the nation and improve the society at large.

**Originality/value** – This paper is an attempt to provide directions for managing challenges from the perspective of employees' engagement and skill development, which is essential for growth and sustainability in the future.

**Keywords** Start-ups, Strategic management, Skill development, Employee engagement, Start-ups

**Paper type** Research paper



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## Introduction

Ever since the inception of start-ups, youth has received a platform for innovation and employment opportunity (Salamzadeh and Kawamorita Kesim, 2017). Therefore, start-ups have created a niche for themselves in the industry for innovation and product development (Giardino *et al.*, 2015).

Start-up India flagship programme floated by the Government of India has also provided an opportunity for Indian youth to establish start-ups.

The impact of Start-up India has observed substantial growth in the establishment of start-ups in India. A similar trend in the establishment of start-ups is also witnessed across the world (Berger, 2016; Frederiksen *et al.*, 2017; Georgallis, 2017).

Growth and development of start-ups are influenced by the experience of founders and their managerial skill sets. (Zaheer *et al.*, 2019). Hence, the application of management theories related to process, people and proposition is essential for start-ups (Kohler, 2016).

The success of a start-up depends upon the experience of founders and holistic dimensions of the product, finance, market and human resource (Klotins *et al.*, 2016). The initial stage for any start-up is usually influenced by the founder's experience. However, for long-term sustainability, strategic management and human resource management are critical for any start-up (Newbery, 2018).

Strategic management and human resource management provide support to start-ups to sustain growth during an unpredictable business environment. (Bratianu, 2017). Therefore, developing an effective strategy is essential for creating a sustainable work environment which would further boost growth of start-ups (Bendickson *et al.*, 2017).

Practices of human resource management would provide directions to employees to operate in a high-risk business environment and provide a platform to learn and manage risk while achieving organizational goals (Hasan *et al.*, 2017).

One of the key human resource practices for growth of the start-ups is skill set of employees (Rabideau *et al.*, 2016). Skill sets of employees are developed through effective employee engagement programmes (Kaur and Sharma, 2019). Therefore, it is important to understand the role of strategic management in developing skill sets through effective employee engagement programmes (Beynon, 2016).

Hence, this study has been undertaken to understand the role of strategic management for effective employee engagement and skill development of employees.

## Role of strategic management and its impact on employee engagement and skill development of start-ups

In this section, the study provides definitions and concepts related to strategic management and its impact on employee engagement and skill development.

*Start-ups:* They are the institutions designed to create new products and services under the situation of uncertainty. According to Edison (2015), start-ups are the organization that creates high-tech innovative products without having past operational experiences having done so.

*Strategic management:* Strategic management concept was first introduced in the early 1960s. Strategic management includes planning an approach for implementation of strategic plans for the corporates. According to Mintzberg (1994), strategic management involves strategic thinking, which is based on intuition and creates open space for new ideas. This definition elaborates that strategic management is a befitting concept for the growth of start-ups.

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### *Strategic management and employee engagement and skill development*

Strategic management is the formulation of strategies by top-level management. They develop these strategies based on vision and mission of the organization. Strategy formulation in start-ups has a potent influence on the founder's vision on the start-up (Kohtamäki, 2012). Hence, strategic management is essential for the success of start-ups in respective business domain. Start-ups operate in a dynamic business environment; therefore, strategic management acts as an effective tool for start-ups for decision-making, monitoring, planning pragmatic policies, procedures and managing technology (Talaular, 2005; Rey and Bastons, 2018; Afolayan *et al.*, 2015; White *et al.*, 2015).

Start-ups need to develop a strategy of collaboration. That is essential for developing an innovative mindset of employees. This is imperative for the success of start-ups (Zahra and Nambisan, 2012).

Strategic management is long-term planning tool to create strength and competitive advantage for the organization (Allio, 2006). Thus, provides the right direction for managing competition for organization and builds self-efficacy amongst the founders of start-ups (Tunstall, 2009). These studies conclude that startup's strategic management is influenced by the role of top management, vision, and mission, strategic objectives, policies and technology.

### *Employee engagement and skill development for employee of start-ups*

Start-ups operate in a dynamic business environment (Forster *et al.*, 2013; Baptista *et al.*, 2014). Managing human resources with an employee engagement programme would be useful, as it involves employee's physical, cognitive and emotional involvement. Therefore, employee engagement is essential for attracting and retaining a talented workforce (Moser *et al.*, 2017; Girotra and Kaushik, 2018).

Employee engagement programmes include training and development, compensation and creating organization brand value (Anitha, 2014; Coad *et al.*, 2016; Bicho *et al.*, 2019). Start-ups training programmes on employee engagement need to be focused on developing skill sets related to flexibility, innovation capacity building and communication (Forster *et al.*, 2013; YuBo, 2014).

The aim of employee engagement and skill development is to create a high-performance work system and to manage talented workforce of start-ups (Bendickson *et al.*, 2017). Therefore, training employees is a necessary aspect for start-ups (Bendickson *et al.*, 2017).

Hence, from the above studies, it can be emphasized that employee engagement is an essential factor for the motivation of employees and developing skill sets for the growth of the start-ups.

The above literature review shows that strategic management direction, employee engagement and skill development influence the growth of start-ups. The review was focused upon strategic management, employee engagement or skill development separately. However, there is a need to have holistic amalgamation of strategic management, employee engagement and skill development from the perspective of start-ups. In the next section, conceptualization of the theoretical foundation for the research model is conducted.

### **Antecedents of strategic management and its interrelationship with employee engagement and skill development**

The literature review lays a strong foundation for important variables of strategic management, employee engagement and skill development in start-ups. The variables accepted for the study is based on the literature review and are listed as follows: vision and

mission statement, strategic objectives, accountability and responsibility, employee engagement and skill development.

*Importance of vision and mission statement for start-ups:* Vision and mission statement for the organization is critical in strategic management (Alegre *et al.*, 2018). A mission statement is vital for maintaining a competitive advantage (Rey and Bastons, 2018; Mas-Machuca, 2017). Therefore, developing a vision and mission statement has a positive impact on the growth of an organization (Stewart *et al.*, 2017).

The above studies mention that vision and mission statements are critical for the growth of an organization. Hence, it is imperative to understand the impact of vision and mission statements on the growth of the start-ups.

*Strategic objectives and goals of the organization:* According to Biga Diambeidou and Gailly (2011), the role of investors and key decision-makers of a startup is to pay attention to strategy and strategic objectives. Strategic management is influenced by factors such as experience in managing business and market analysis. In a study conducted by Watson *et al.* (1998) shows that start-ups founders experience has a direct impact on the framing business objectives and matching employee expectation.

*Responsibility and accountability:* The role of responsibility involves doing the work, whereas accountability involves reporting (Cornock, 2011). The concept of total responsibility management depicts a link between visions, mission with objectives of the organization. Hence, a measurement of responsibility and accountability is critical for success of the organization. (Waddock *et al.*, 2002). The analysis for responsibility and accountability is crucial from perspective of the founders of the organization, as founders responsibility and accountability influence growth of the organization (Ferrell *et al.*, 2011).

*Employee engagement:* Large organization have been applying the concept of employee engagement to enhance workforce productivity (Weiblen and Chesbrough, 2015). Employee engagements benefits in creating a sense of recognition, trained workforce etc. Employee engagement programmes have to be implemented with caution, as the eco-system of start-ups differs significantly from large corporate (Weiblen and Chesbrough, 2015; Manning, 2016; Gulyani and Sharma, 2018).

*Skill development:* The most critical challenge encountered by the start-ups is skill sets of the workforce (Picken, 2017). Indian start-ups are implementing measures to improve the skill sets of the workforces through collaboration with foreign institutes, yet there is an enormous gaps in skill-set development of the workforce (Majumdar *et al.*, 2020). There is a need for creating the right eco-system for start-ups to develop skill sets in changing the economy of business (Agrawal *et al.*, 2017). Therefore, the success of an organization depends on skill sets of the workforce (Kuschel *et al.*, 2018).

The above studies shown in Table 1 summarizes the of summary on strategic thinking and its interrelationship with employee engagement and skill development in start-ups.

## Research methodology

This section of the paper presents the formulation of a hypothesis based on the literature review of model development and research on strategic management, employee engagement and skill development of start-ups. Details of participants for the study, instrument development for the study, data collection methods and measurement methods of data are presented in this section.

### *Formulation of hypothesis*

The hypotheses are developed based on the literature review on strategic management, employee engagement and skill development in the context of start-ups. The hypotheses

**Table 1.** Summary on strategic thinking and interrelationship with employee engagement and skill development

Author, Year	Study variables	Details
Stewart et al. (2017)	Vision and Mission Statement	It is important to understand the impact of vision and mission statement on future growth of startups
Alegre et al. (2018)	Mission statement of the organization	Mission statement of the organization provides directions for developing competitive advantage startups
Watson et al. (1998)	Strategic objectives for startups	Startup founder's experience of business has an impact on framing of strategic objectives
Biga Diambeidou and Gailly (2011)	Strategic Objectives	Startups strategic formulation has an impact on strategic objectives
Ferrell et al. (2011)	Responsibility and Accountability	Responsibility and accountability not only confined to employees but in the scenario of startups even the founders are equally accountable and responsible for the growth of startups
Weblen and Chesbrough (2015)	Employee Engagement	Startups have to be careful in applying the concept of employee engagement as the eco-system of startups is significantly different from large corporates
Picken (2017); Kuschel et al. (2018)	Skill development	The most critical factor for success of a startup depends on the skill sets of the workforce
Majumdar et al. (2020)	Skill development	The study identified that there is a huge gap in skill sets required by startups and available with the workforce

cover following areas, namely, vision and mission statement and its relationship between strategic objectives of start-ups; role of strategic objectives on accountability and responsibility of employees; influence of accountability and responsibility on employee engagement; relationship between employee engagement on skill development and role of skill development in achievement of start-ups vision and mission statement.

Vision and mission of an organization is the crucial factor for the growth and development of the industry (Yadav and Sehgal, 2019). This factor also holds good for start-ups. Authors note a dearth in research on the relationship between growth of start-ups with vision and mission statement (Watson et al., 1998; Barringer et al., 2005; Patel and Mehta, 2016). Vision and mission statement of the organization is strongly related to strategic objectives of the firm. Hence, start-up's vision and mission statement needs to be understood by the perspective of strategic objectives (Sasaki et al., 2020). Hence, the following hypothesis is formulated as below:

*H1.* There exists a relationship between vision and mission statement of start-ups with strategic objectives of start-up.

Start-ups enter the market with innovative products and services. Strategic objectives guide in developing job descriptions (Cascio and Graham, 2016), which support development of accountability and responsibility toward each employee working in the start-up (Talaular, 2005). Therefore, it is essential to understand the role of accountability and responsibility achieved through strategic objectives of startup. Hence, the following hypothesis is formulated as below:

*H2.* There exists a relationship between strategic objectives with accountability and responsibility of employees in a start-up.

Accountability and responsibility are the most critical factors in achieving organizational goals. Accountability and responsibility support the employee with role clarity for effective engagement of employees on the job (Grossman and Burke-Smalley, 2018; Davila et al., 2010;

Kohtamäki, 2012). Hence, the role of accountability and responsibility is critical for developing effective employee engagement programmes in the start-ups (Jiang and Luo, 2018). Therefore, a detail study on the role of accountability and responsibility on employee engagement programs needs direction of evaluation for the growth of start-ups. Hence, the following hypothesis is formulated as below:

- H3. There exists a relationship between accountability and responsibility with employee engagement in a start-up.

Employee engagement is important for enhancing the efficiency of the employees. Organizations are applying various methods and tools to improve employee engagement. However, the impact of employee engagement programs needs to be evaluated in the perspective of start-ups (Oliveira *et al.*, 2019; Moquin *et al.*, 2019). Employee engagement programs are related to skill development in which right skill sets enhances employee efficiency (Lee *et al.*, 2019). Therefore, a study on employee engagement programs on skill development of employees in start-ups will provide a direction in understanding the effectiveness of employee engagement programmes. Hence, the following hypothesis is formulated as below:

- H4. There exists a relationship between employee engagement and skill development of employees in a start-up.

Skill sets of employees are essential for the effective performance of employees. Training and development are interventions for skill development of employees to achieve organization goals. Training programs on skill development needs to match with the vision and mission of start-ups. Hence, a study is required to understand the influence of skill set training on vision and mission achievement of start-ups (Jones *et al.*, 2013; Felce *et al.*, 2016; Dixit, 2018). Hence, the following hypothesis is formulated as below:

- H5. There exists a relationship between skill development with achievement of vision and mission of start-up

*Participants:* In total, 121 start-ups registered with the Government of Karnataka, India, took part in the study. The respondents were from four different cities, namely, Bangalore, Belagavi, Hubli and Dharwad. Researchers contacted 251 start-ups with frequent follow-ups through emails and telecommunication. The survey's respondents included in the study were start-ups with over five years of registration. The final sample size for the study was 121 start-ups. The profile of the respondents is presented in Table 2.

*Instrument development:* The construct was sufficiently covered in the scale to address research study (Churchill, 1979). The study developed the survey instrument based on previous literature. Therefore, the items and scale for *vision and mission, strategic objectives, responsibility and accountability, employee engagement* and *skill development* were different. Yet, they were interrelated to the study. Participants of the study were the founders of start-ups in Karnataka, India. The responses were measured on the five-point Likert scales with an interval ranging from "strongly agree" to "strongly disagree." The questionnaire was presented to respondents in English and Kannada language. The scale was subjected to content validity to enhance the accuracy of data collection. Expert suggestion was collected for clarity concerning strategic management, employee engagement and skill development. The pre-testing process on content validity includes academicians, first-generation entrepreneurs, start-ups founders and university incubators. In all, eight experts guided the researchers in the selection of relevant variables of the construct. The researchers received

**Table 2.**  
Profile of the respondents

Gender	Male		Female	
	N	(%)	N	(%)
	106	88	15	12
<i>Age</i>				
21–25 Years	35	33	5	33
25–30 Years	29	27	3	20
30–35 Years	16	15	1	7
35–40 Years	11	10	3	20
40–45 Years	4	4	1	7
45–50 Years	8	8	1	7
50 Years and Above	3	3	1	7
<i>Educational qualification</i>				
Engineering	35	33	4	27
Commerce	47	44	7	47
Science	9	8	2	13
Arts	8	8	1	7
Management	7	7	1	7
<i>Year of establishment</i>				
2000–2005	16	13		
2005–2010	22	18		
2010–2015	44	36		
2015–2018	39	32		

feedback on the amending two constructs, namely, Organization Development in Skill Development and Realistic Targets in Strategic Objectives. The experts mentioned that strategic management is a vital component for start-up’s development and for the growth of workforce in start-ups. Hence, this research would give new directions to develop effective strategies by involving human resource practices in the study of start-ups. The details with regard to scale development is presented in [Table 3](#).

*Data collection:* Researchers collected the data from 121 founders of the start-ups in Karnataka, India, through an online survey. We conducted a pilot study on 30 randomly selected start-ups to test reliability of the scale. Cronbach’s alpha was used to understand the reliability of the scale. The reliability score of over 0.65 ([Henseler et al., 2009](#)) is considered as benchmark for acceptability of the item. Hence, scale items with score over 0.65 were accepted in the study. The data was collected from January 9, 10 and 11, 2018 followed by January 20 and 21, 2020. The total response was 48.0% with 12 incomplete data responses. We considered finally 121 respondents for the study. Reliability analysis is presented in [Table 4](#).

*Measurement model:* The reliability analysis of scale measurement proved accuracy of the data collection scale. The preliminary analysis was conducted to check data normality, missing values and multi-collinearity of data. Further, regression analysis was conducted by using SPSS 23. Regression analysis was applied to understand the relationship between the vision and mission statements on strategic objectives; strategic objectives relationship on accountability and responsibility of employees in a startup; accountability and responsibility and its relationship on employee engagement programs in start-ups; role of employee engagement on skill development of employees in start-ups and relationship between skill development of startup employees in achieving vision and mission of startup. Structural equation modeling was administered to understand the relationship among the

**Table 3.**  
Measurement items  
for the study

Construct	Measurement items	Source
Vision and Mission	VM – 1-Vision and mission statement are vital for gaining competitive advantage for start-ups	Rey and Bastons (2018)
	VM – 2 Startups future growth is reflected in vision and mission statement of the startups	Mas-Machuca et al. (2017)
	VM – 3 Vision and mission statement have a strong impact on employees and motivates the employees of startups	Stewart et al. (2017);
Strategic objectives	SO – Performance measurement of startups need to be aligned with strategic objectives of startups.	Baird (2017)
Accountability and responsibility	AR – Acceptance of accountability and responsibility towards work task in a startups	Brees and Martinko (2015)
Employee engagement	EE – Employee engagement is critical for enhancing the performance of startups employees	Anitha (2014)
Skill development	SD – Skill development and its impact on employee performance	Boxall et al. (2014)

**Table 4.**  
Reliability analysis

Construct	Items	Acceptable Score	Cronbach's alpha	Outcome
Vision and Mission statement	VM – 1	> = 0.65	0.803	Supported
	VM – 2	> = 0.65	0.775	Supported
	VM – 3	> = 0.65	0.814	Supported
Strategic objectives	SO	> = 0.65	0.793	Supported
Accountability and responsibility	AR	> = 0.65	0.783	Supported
Employee engagement	EE	> = 0.65	0.795	Supported
Skill development	SD	> = 0.65	0.831	Supported

variables of the study. AMOS 23 software was applied to the study. Further, structural equation modeling was applied to test the model and understand the relationship between the variables of the construct. and understand model fit, researchers included following estimates in the analysis  $\chi^2$  statistic, the goodness of fit index (GFI), root mean square error of approximation (RMSEA), comparative fit index (CFI) and normed fit index (NFI). The summary of an acceptable range of results for the structural equation model is given in Table 5.

## Results

The study tested the model to investigate the proposed relationship between strategic management for employee engagement and skill development in start-ups at Karnataka, India. The psychometric test results of the study presented in Table 6 shows factor loadings between 0.739 to 0.896 (fulfilling factor loadings acceptance range of 0.60 and above). The results on Cronbach's alpha are in an acceptable range of 0.60 and above (study outcomes have shown a result from 0.775 to 0.831). They indicate the composite reliability at 0.919 which satisfies the acceptance value of 0.70 and above. Result on average variance extracted



(AVE) is indicated at 0.874 which satisfies the acceptance value of 0.50 and above. Table 7 shows model summary, Table 8 shows ANOVA analysis and Table 9 shows coefficients analysis of regression analysis used in the study.

The study result shows that “Vision and Mission” statement of start-ups has relationship with “Strategic Objectives” [Regression analysis shows significance level of (0.000 < 0.05) with Beta coefficient = 0.607 (indicating positive relationship) and R<sup>2</sup> = 0.393]. The study result shows that “Strategic Objectives” has relationship with “Responsibility and Accountability” [Regression analysis shows significance level of (0.000 < 0.05) with Beta coefficient = 0.153 (indicating positive relationship) and R<sup>2</sup> = 0.378]. The study result shows that the relationship of “Responsibility and Accountability” with “Employee Engagement” is insignificant [Regression analysis shows significance level of (0.067 > 0.05)]. The study result shows that “Employee Engagement” has relationship with “Skills-development” of employees [Regression analysis shows significance level of (0.000 < 0.05) with Beta coefficient = 0.328 (indicating positive relationship) and R<sup>2</sup> = 0.394]. Finally, the study result shows that the relationship of “Skills-development” with “Vision and Mission” statement is insignificant [Regression analysis shows significance level of (0.075 > 0.05)]. All the above results were tested at 5% (0.05) level of significance.

The proposed model of the study was subjected to structural equation modeling, and results of model fit are presented in Table 10. The model fit analysis showed  $\chi^2$  of 4.211, P <= 0.05, df = 5,  $\chi^2/df$  = 0.8422, RMSEA = 0.910 (>=0.9), CFI = 0.935 (>=0.9), NFI = 0.935 (>=0.9) and GFI = 0.973 (>=0.9). The results on model fit showed superior fit, as the study results have matched above the standard results for model fitment.

Sr. No	Parameters	Acceptable range	Source
1	Factor loadings	>= 0.50	Bagozzi and Yi (1988)
2	Composite reliability (C.R)	>= 0.70	Fornell and Larcker (1981)
3	Average variance extracted (AVE)	>=0.50	Chin and Todd (1995)
4	Comparative fit index (CFI)	>=0.9	Chin and Todd (1995)
5	Normed fit index (NFI).	>=0.9	Chin and Todd (1995)
6	Goodness of fit index	>=0.9	Chin and Todd (1995)
7	Root mean square error of approximation (RMSEA)	<=0.05	Browne et al. (1992)

**Table 5.** Acceptable range for results on structural equation modelling

Construct	Items	Factor loadings	Cronbach's $\alpha$	Composite reliability	AVE
Vision and Mission statement	VM – 1	0.858	0.803	0.919	0.874
	VM – 2	0.784	0.775		
	VM – 3	0.806	0.814		
Strategic objectives	SO	0.896	0.793		
Accountability and responsibility	AR	0.839	0.783		
Employee engagement	EE	0.566	0.795		
Skill development	SD	0.739	0.831		

**Notes:** VM = Vison and Mission, SO= Strategic objectives, AR= Accountability and responsibility, EE = Employee engagement, SD = Skill development

**Table 6.** Psychometric results of the study

**Table 7.**  
Model summary –  
Regression analysis

Model	Model Summary		Adjusted $R^2$	Std. error of the estimate
	$R^2$	$R^2$		
Strategic objectives are dependent on vision and mission statement a. Predictors: (strategic objective) b. Dependent Variable: (Vision and Mission Statement)	0.627	0.393	0.364	0.61785
Accountability and Responsibility are dependent on strategic objectives a. Predictors: (Accountability and Responsibility) b. Dependent Variable: (Strategic objectives)	0.615	0.378	0.015	0.82735
Accountability and Responsibility are dependent on employee engagement a. Predictors: (Accountability and Responsibility) b. Dependent Variable: (Employee Engagement)	0.627	0.393	0.733	0.53217
Employee engagement are dependent on skill development a. Predictors: (Employee Engagement) b. Dependent Variable: (Skill Development)	0.628	0.394	0.100	0.96422
Skill development is dependent on vision and mission statement a. Predictors: (Skill Development) b. Dependent Variable: (Vision and Mission Statement)	0.629	0.396	0.018	0.87545

## Discussions

The literature on strategic management for employee engagement and skill development emphasizes on the key role of strategic management on employee engagement and skill development for enhancing growth of start-ups. The primary aim of study was to examine the impact of strategic management on employee engagement and skill development of employees in start-ups. The study developed a model to understand this relationship. This study provides evidence that vision and mission statement of start-ups have a significant relationship with strategic aims. The study findings support earlier studies (Kohtamäki, 2012; Stewart *et al.*, 2017; Alegre *et al.*, 2018) which show that vision and mission statement are critical for the growth of startup and give directions to achieve strategic aims to reach market growth and financial stability. Further, strategic aims have shown significant relationship with development of responsibility and accountability among the employees of startup, these study findings are well supported by the previous studies (Grossman and Burke-Smalley, 2018; Davila *et al.*, 2010; Kohtamäki, 2012). This indicates well defined responsibility and accountability based on strategic objectives of the firm, providing directions to employees on job role clarity and enhancing productivity of employees on the job (Picken, 2017; Carraro *et al.*, 2020). Earlier studies have indicated that accountability and responsibility support in developing effective employee engagement programs in the organizations (Oliveira *et al.*, 2019; Weiblen and Chesbrough, 2015). However, the findings in the study have shown non-congruence with these findings, reason being that start-ups work in a dynamic work environment, wherein challenges are significantly different from traditional organizations; hence, these factors influence in creating effective employee engagement programs for employees. Employee skill development are essential for effective

Model	ANOVA Sum of squares	df	Mean square	F	Sig.
<i>Strategic objectives are dependent on vision and mission statement</i>					
Regression	26.554	1	26.554	69.559	0.000 <sup>b</sup>
Residual	45.427	119	0.382		
Total	71.981	120			
<i>a. Predictors: (strategic objective) b. Dependent Variable: (Vision and Mission Statement)</i>					
<i>Accountability and Responsibility are dependent on strategic objectives</i>					
Regression	1.948	1	1.948	2.846	0.000 <sup>b</sup>
Residual	81.456	119	0.685		
Total	83.404	120			
<i>a. Predictors: (Accountability and Responsibility) b. Dependent Variable: (strategic objectives)</i>					
<i>Accountability and Responsibility are dependent on employee engagement</i>					
Regression	93.588	1	93.588	330.455	0.012 <sup>b</sup>
Residual	33.702	119	0.283		
Total	127.290	120			
<i>a. Predictors: (Accountability and Responsibility) b. Dependent Variable: (Employee Engagement)</i>					
<i>Employee engagement are dependent on skill development</i>					
Regression	13.381	1	13.381	14.392	0.000 <sup>b</sup>
Residual	110.637	119	0.930		
Total	124.017	120			
<i>a. Predictors: (Employee Engagement) b. Dependent Variable: (Skill Development)</i>					
<i>Skill development is dependent on vision and mission statement</i>					
Regression	2.478	1	2.478	3.234	0.075 <sup>b</sup>
Residual	91.202	119	0.766		
Total	93.681	120			
<i>a. Predictors: (Skill Development) b. Dependent Variable: (Vision and Mission Statement)</i>					

**Table 8.**  
ANOVA –  
Regression analysis

employee engagement programme; however, the study showed skill development programs in start-ups are effective, but owing to dynamic work environment accountability and responsibility and skill development do not correlate with effective engagement programmes. These findings are in congruence with earlier studies on employee engagement, accountability and responsibility and skill development (Manning, 2016; Gulyani and Sharma, 2018). Therefore, skill development program in start-ups needs to be addressed and matched with vision and mission of startup. This will enhance productivity of the start-up; these findings of skill gap paucity were addressed in earlier research findings (Picken, 2017; Kuschel *et al.*, 2018; Patel and Mehta, 2016; Majumdar *et al.*, 2020).

The above discussions show that, start-ups need to build on effective skill development programs for employees to achieve vision of the startup and also device effective tools with clear role clarity to support employees on accountability and responsibility on the job.

**Table 9.**  
Coefficients analysis  
– Regression  
analysis

Model	Coefficients <sup>a</sup>				Sig.	Remarks
	Unstandardized coefficients B	Std. Error	Standardized coefficients Beta	t		
(Constant) Strategic objectives are dependent on vision and mission statement	1.648	0.259		6.370	0.000	
(Constant) Accountability and Responsibility are dependent on strategic objectives	0.564	0.068	0.607	8.340	0.000	Significant
(Constant) Accountability and Responsibility are dependent on employee engagement	0.124	0.073	0.153	1.687	0.000	Significant
(Constant) Employee engagement are dependent on skill development	0.412	0.145		2.841	0.005	
(Constant) Skill development is dependent on vision and mission statement	0.869	0.048	0.857	18.178	0.067	Insignificant
(Constant) Strategic objectives are dependent on vision and mission statement	1.818	0.289		6.282	0.000	
(Constant) Accountability and Responsibility are dependent on strategic objectives	0.378	0.100	0.328	3.794	0.000	Significant
(Constant) Employee engagement are dependent on skill development	3.412	0.367		9.309	0.000	
(Constant) Skill development is dependent on vision and mission statement	-0.172	0.096	-0.163	-1.798	0.075	Insignificant

### Practical implications

The findings of study have significant managerial implications that may support the start-ups with a better understanding of strategic management from the employee's perspective.

Study on the impact of skill gap amongst the employee is reflected on vision and mission of start-ups. Therefore, it is important for the startup's founders to create awareness among the employees on vision and mission statement and how skill sets are important for effectively achieving vision of the start-ups. Training programs support in developing skill sets for employees. Effective methods of training need identification to close skill gap will support in higher level of performance among the employees. This should act in bridging the gap in skill shortage among the employees.

Another key study area emerged in the study from the perspective of employee engagement programs in start-ups. Founders and practitioners need to test the right tools for employee engagement, as these tools give directions to employees to understand the responsibility and accountability.

However, the study findings indicated that employee engagement programs are effective but not been effective in developing skill set of the employees and achieving vision and mission of start-ups, probably because most of the start-ups have focused on market growth and financial growth; hence, in the vision and mission of start-up, employee's perspective needs to be considered. This might support in developing role clarity, better engagement programs and achievement of the same.

### Conclusion

Start-ups provide an opportunity for the growth of an economy. The present study provided directions on strategic management from the perspective of employees in a startup. The study results show that start-ups need to develop clarity in vision and mission statement from the perspective of skill development. Results show that start-ups need to develop techniques and tools for employee engagement and skill development in line with employee's expectations. The overall results of the study showed start-ups strategic management practices are effective. However, from the perspective of human resource management, skill development is a critical factor for the growth of start-ups.

The present study was confined to start-ups in Karnataka, India. However, studies on specific areas of start-ups such as the technology-driven start-ups, health care-related start-ups can provide further research directions for the study. Additionally, managerial area-related studies including financial management of start-ups, operational management and marketing management can provide in-depth information for the growth of a start-up community in India.

Model Fit Variables	Standard	Results
$\chi^2$ (chi-square)	–	4.211
<i>df</i> (Degree of Freedom)	–	5
$\chi^2/df$	–	0.8422
Comparative fit index (CFI)	$\geq 0.9$	0.966
Normed fit index (NFI)	$\geq 0.9$	0.935
Goodness of fit index	$\geq 0.9$	0.973
Root mean square error of approximation (RMSEA)	$\leq 0.5$	0.310

**Table 10.**  
Results on structural  
equation modelling  
and model fit

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