



ARE WOMEN ENTREPRENEURS COMPETENT ENOUGH? AN EVIDENCE FROM KERALA

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Abstract

Entrepreneurial competencies are having a major impact on the entrepreneur growth and success. There is a growing body of literature defining competencies and entrepreneurial competencies. Hunt (1998) suggests that competent behaviour results from a variety of factors including an individual's motivation, personality traits, self-concept, knowledge or skill and it is perhaps therefore not surprising that the boundaries and relationships between these terms are ill-defined. Entrepreneurial competencies are a specific set of competencies that an entrepreneur has to possess for the successful running of his business. Even though various studies have been conducted in this field, there is so much of uncertainty regarding the entrepreneur competencies of women entrepreneurs. The objective of this paper is to empirically analyse the entrepreneurial competencies of women entrepreneurs and how these competencies have led to the business performance in ventures founded by women entrepreneurs in Kerala. The paper also provides a conceptual framework on entrepreneurial competencies and also shed some light on the importance of women entrepreneurs in Kerala. A questionnaire-based survey of entrepreneurs was conducted. The questionnaire was circulated to 125 women entrepreneurs all over Kerala. Convenience sampling method was used for data collection. The questionnaire contains a list of entrepreneurial competencies compiled from the Empretec methodology developed uniquely at Harvard University coupled with Likert scales through which the entrepreneurs were invited to rate their ability in relation to each competency. The questionnaire identifies 10 key areas of competencies related to entrepreneurial development. These include: opportunity-seeking and initiative; persistence; fulfilment of commitments; demand for quality and efficiency; calculated risks; goal-setting; information-seeking; systematic planning and monitoring; persuasion and networking; and independence and self-confidence (Gemma U.Reyes 2018).The study was also undertaken to understand the relationship between entrepreneurial competencies and organisation behaviour. For this purpose, ten variables were identified. SaskiaCrucke and AdeliDecramer (2015) and KavehAsiaei (2014) was used as a basis for this study.

Keywords: *Women Entrepreneurship, Economic Development, Entrepreneurial Competencies,Business Performance,Organisation performance.*

Introduction

A business firm should be created and developed by keeping the point of sustainability in mind. An enterprise should be developed so that it contributes towards economic, social, cultural and ecological improvements. The growth of an enterprise is having an effect on maintaining and creating jobs which in turn makes an impact on socio-economic and cultural developments. This growth and success of a micro and small-scale enterprise solely depends upon the competencies that the entrepreneurs possess. An entrepreneurial performance can be increased by implementing new skills, knowledge and techniques. This competency which may lead to growth and survival of a business is known as entrepreneurial competencies.

Bird (1995) suggests that entrepreneurial competencies are defined as underlying characteristics such as specific knowledge, motives, traits, self-images, social roles and skills which result in venture birth, survival and/or growth. Man et al. (2002) defined entrepreneurial competencies as the total ability of the entrepreneur to perform a job role successfully.

Entrepreneurship has grown steadily in India over the last decade. But most of these are funded by men. Even though women entrepreneurs are very ambitious and interested towards entrepreneurship,

it is very difficult for them to succeed in this area. Lack of business resources such as finance, capital, training and development are some of the unfavourable conditions they face. Gottschalk and Niefert (2017) have recently studied the gender differences in business success of German start-up firms. They analysed the business performance of 4,700 German start-up firms. Sales, employment growth, and return on sales were used as business performance indicators. Gottschalk and Niefert found that compared to male owned companies, women-owned firms underperform. Now, the reason for underperformance among women entrepreneurs need to be assessed. There are various reasons to these under performance. One of the major reasons will be the lack of entrepreneurial competencies among women entrepreneurs relating to risk taking, opportunity

Literature review

Women entrepreneurs

Bertaux and Crable (2007) conducted a research among female entrepreneurs in India to understand the socio-economic development in rural areas of the country. The study showed a positive data about the economic development in some parts of the country because of the entrepreneurial activities by women. The study shows how women manage the enterprise in spite of domestic activity and how they contribute to the family budget.

Entrepreneurial Competencies

The concept of entrepreneurial competency has its foundation not only in the competency and competence literature, but also in the literature of entrepreneurship.

Mitchelmore and Rowley (2010) studied the entrepreneurial competencies which concentrate on personal features and characteristics of the entrepreneur like the knowledge and skills which help the entrepreneur to run a business competently. Mitchelmore and Rowley believed the entrepreneurial competencies as a group of characteristics that are relevant to successful entrepreneurship and are frequently associated with the development of new and small businesses, although there is also growing interest in the competencies of corporate entrepreneurs.

Sarwoko (2016) argues that entrepreneurial competencies affect the ability to create growth strategies and therefore, business performance. He demonstrated how the business growth can be achieved through the possession of entrepreneurial competencies by the entrepreneurs.

Gemma U.Reyes 2018 in her article studied the personal entrepreneurial competencies among non-business students engaged in entrepreneurship course. Here she used the PEC scale developed in Harvard University. This scale is known as empretec technology and here the competencies are divided into ten competencies. The MSI in partnership with McBer& company undertook a five-year USAID funded research known as the Empretec methodology to identify the competencies. This methodology was coined and formed by Professor David McClelland. He believed that every person has an inner motivation to improve. This motivation he divided into three types: Achievement, affiliation and power drive. On the basis of these three drives, a set of common competencies was formed by the research team and was called PEC. This study focuses and uses the scale used by Gemma U.Reyes (2018) in her study known as PEC which are opportunity-seeking and initiative; persistence; fulfilment of commitments; demand for quality and efficiency; calculated risks; goal-setting; information-seeking; systematic planning and monitoring; persuasion and networking; and independence and self-confidence. All these competencies are given under three clusters: achievement cluster, planning cluster and power cluster. Opportunity seeking, risk taking, persistence, demand for efficiency and quality and commitment comes under achievement cluster. Information seeking, systematic planning and monitoring and goal setting come under the planning cluster. Persuasion and networking and self-confidence come under the power cluster.

Organisation performance

It is very much needed to assess the organisation performance from time to time due to the growing interest in sustainability and survival of any organisation. The success and failure of small and medium enterprises depends upon the entire capacity and the entrepreneurial competencies that the entrepreneurs possess. It is a highly agreeable debate that the performance of the organisation be

assessed from time to time. For this purpose, researchers and practitioners have developed different methods and tools from time to time. In firms owned and controlled by women entrepreneurs, the entrepreneur's demographic, psychological and behavioural characteristics and their competencies are often cited as the most influencing factors related to organisation performance (man, Lau and chan, 2002)

Problem statement

The role of women entrepreneurs towards employment creation, wealth creation, overall GDP and innovation in all economies are really commendable. Even though, the growth of women entrepreneurs in most of the countries are steadily growing, women entrepreneurship remains an understudied area (de Bruin et al., 2006). One of the many reasons cited for this is that studies on entrepreneurship were conducted in a "generic" manner, with an assumption that there is no need to segregate women from men entrepreneurs for they presumably would have similar characteristics (de Bruin et al., 2007). There are some researches which emphasised on the point that women entrepreneurs are less competitive than men entrepreneurs. Some studies also focused on the point that the entrepreneurial competencies among women entrepreneurs are comparatively less when compared with the other gender. In a study conducted by Brindley (2005), it was found that women entrepreneurs are having less risk-taking mentality and because of their conservative behaviour and cautiousness they are found to be less successful in new ventures. So here it is highly essential to carry out a research to analyse the entrepreneurial competencies of women entrepreneurs in Kerala. It is a highly agreeable argument that the performance of the organisation should be assessed from time to time. On this basis, researchers and practitioners have developed different methodologies and tools for measuring the organisation performance. Some tools are general in nature while some tools are specific and customised according to the study. But even then, the role of entrepreneurial competencies on organisation performance especially among women entrepreneurs are understudied and underexplored. For this very reason this research tries to answer the following research questions:

1. What are the entrepreneurial competencies possessed by women entrepreneurs in Kerala?
2. What are the impact and relationship of these entrepreneurial competencies on their organisation performance?

Objectives of the study

1. To study the personal entrepreneurial competencies (PEC) of women entrepreneurs in Kerala.
2. To analyse the influence of educational qualification on the various entrepreneurial competencies of women entrepreneurs.
3. To analyse the relationship between entrepreneurial competencies and organisation performance among women entrepreneurs.

Research methodology

The questionnaire-based survey was conducted for collecting data from women entrepreneurs all over Kerala. Convenience method of sampling was used here due to the difficulty in eliciting a sufficient level of response (Bryman and Bell, 2007). A total of 125 samples were collected from women entrepreneurs. The questionnaire was divided into three parts. The first part consists of profile of the respondents and the nature of their organisation. The second part consists of the entrepreneurial competencies and the third part is the details of their organisation performance.

The key section was the entrepreneurial competencies listed out. For this purpose the entrepreneurial competencies developed by the management system international in partnership with McBer&company was used (Gemma U.Reyes 2018). The ten PECs identified were opportunity-seeking and initiative; persistence; fulfilment of commitments; demand for quality and efficiency; calculated risks; goal-setting; information-seeking; systematic planning and monitoring; persuasion and networking; and independence and self-confidence. These competencies were measured with the five-point Likert scale.

The third section was to analyse the organisation performance of women entrepreneurs in Kerala. For this purpose, ten variables were identified. SaskiaCrucke and AdeliDecramer(2015) and KavehAsiaei(2014) were used as a basis for this study. The variables were customised to fit the objectives of this study. The ten variables used for measuring the organisation performance was return on investment, profit, cash flow from operation, cost control, developments of new products, sales volume, market share, market developments, personnel developments and political public affairs. Here also five-pointLikert scale was used ranging from 1=quite below average and 5=quite above average.

Findings of the study

Respondent's profile

From the sample of 125 women entrepreneurs, majority of them are in the age group of 20-30 (64%), followed by 30-40 age group (32%). The female entrepreneurs within this sample are highly educated with 38% of the respondents qualifying UG and 36% acquiring PG.

Majority of the respondents (76%) have not attended any entrepreneurship development programmes conducted by Government or non-Government agencies. 86% of the female entrepreneurs started their business afresh and built up their organisation from scratch. Only 14% of the respondents have inherited their business. Out of the 125 respondents, 61% of the respondent's type of ownership is partnership in nature.

The concentration of women entrepreneurs are much seen in trading sector with 55% which is closely followed by the service sector. The numbers of women entrepreneurs in manufacturing sectors are comparatively less.

Entrepreneurial competencies

The personal entrepreneurial competencies are divided into three clusters. The achievement cluster, planning cluster and power cluster (Gemma U.Reyes 2018). Under achievement cluster five entrepreneurial competencies are identified. They are opportunity seeking, risk taking, persistence, demand for efficiency and quality and commitment. Under planning cluster there are three competencies such as information seeking, systematic planning and monitoring and goal setting. Under the third cluster, two competencies are identified persuasion and networking and self-confidence.

To find out the competencies under each cluster, three statements were provided under each variable where the respondents were asked to rate their level of competencies using Likert scale. Mean score analysis was used for this.

Out of the five competencies under achievement cluster, three competencies showed a positive response as the mean score was above three. The two competencies which was lacked by the women entrepreneurs was their ability for seeking out opportunities and their persistence level with a mean score of 2.6 and 2.1 respectively. The most possessed PEC among female entrepreneurs in the achievement cluster is their ability to demand efficiency and quality. This is closely followed by their risk calculating and taking ability with a mean score of 3.4. this result seems to outcast some weaknesses among the female entrepreneurs in terms of their opportunity seeking ability and their persistence level.

Under planning cluster, three PECs were analysed. Here all the competencies showed a positive response as all were having a mean score of three above. The key competencies emphasised more in this cluster is the goal setting competency. In power cluster, two PECs were identified. Persuasion and networking and independence and self-confidence. Here both competencies showed a positive response as their mean score was above 3. However, among the two the key competency was that of their persuasion and networking ability.

According to the analysis, our sample of 125 women entrepreneurs' highest level of possession of the entrepreneurial competencies are under the power cluster and the lowest one being the achievement cluster. The analysis of the standard deviation of the evaluations of the sample highlights that the variability is rather similar for most of the entrepreneurial competencies.

Table 1: Descriptive Statistics

Variables	Mean	Cronbach's Alpha
Opportunity seeking	2.61	0.791
Persistence	2.65	0.812
Fulfilling commitment	2.98	0.831
Demand for efficiency and quality	3.14	0.734
Taking calculated risks	3.11	0.825
Planning Goal Setting	2.84	0.839
Information seeking	2.71	0.754
Systematic planning and monitoring	2.92	0.754
Persuasion and networking	3.62	0.845
Independence and self-confidence	3.14	0.812
Financial performance	3.36	0.825
Non-financial performance	3.29	0.819

Source: Authors calculation

Table 1 lists the Cronbach alpha coefficients for the measure of reliability. In general, the minimum requirement of Cronbach alpha coefficient is 0.7(Hair et al. 1998). Hence Cronbach alpha coefficients of the 12 constructs are more than 0.7, the measurement of this study is acceptable in reliability. Table 1 show that out of the ten PECs, 4 PECs are the most possessed entrepreneurial competencies among the hotel entrepreneurs. The mean value of all these four PECs was more than 3. The highest influential competency among the hotel entrepreneurs is the demand for efficiency and quality with a mean value of 3.32. it is closely followed by persuasion and network capability, the ability for taking calculated risks and the level of independence and self-confidence. The least influenced competencies among the hotel entrepreneurs were their ability to fulfil the commitments with a mean value of 2.16.

Normality: Shapiro Wilks test ($p < 0.5$) (Shapiro and Wilk, 1965; Razali and Wah, 2011) and visual inspection of the histograms, normal QQ plots and box plots showed that the Personal Entrepreneurial Competencies of Women Entrepreneurs and organisational performance are not approximately normally distributed.

Table 2 Pearson Correlation

	OS	P	FC	DEQ	TCR	GS	IS	SPM	PN	ISC	FP	
NFP												
OS	1											
P	.512	1										
FC	.412	.731	1									
DEQ	.612	.642	.589	1								
TCR	.421	.519	.621	.689	1							
GS	.691	.591	.682	.811	.792	1						
IS	.791	.811	.823	.791	.811	.811	1					
SPM	.922	.731	.831	.751	.914	.811	.821	1				
PN	.891	.921	.825	.811	.841	.821	.821	.877	1			
ISC	.781	.751	.821	.811	.792	.831	.781	.741	.911	1		
FP	.812	.521	.948	.874	.912	.933	.917	.926	.829	-.066	1	
NFP	.791	.612	.712	.791	.911	.912	.891	.912	.921	-.056	.912	1

Source: Authors calculation

Note: OS is opportunity seeking, P is persistence, FC is fulfilling commitments, DEQ is demand for efficiency and quality, TCR is taking calculated risks, GS is goal setting, IS is information seeking, SPM is systematic planning and monitoring, PN is Persuasion and networking, ISC is Independence and self-confidence, FMS is financial management skills, OMS is operational management skills.

The spearman's correlation analysis was used here to study the relationship between the ten personal entrepreneurial competencies (PECs) and the organisational performance. The organisation performance was classified into financial and non-financial performance. The financial performance was measured by the scale used by KavehAsiaei (2014) having four key variables. Return on investment, profit, cash flow from operations and cost control. The non-financial performance was measured by six variables such as development of new products, sales volume, market share, market developments, personnel developments and political public affairs as used by SaskiaCrucke and AdeliDecramer (2015) in his study.

Here we can conclude that there is no relationship between the organisation performance and the independence and self-confidence competency. The rest nine PECs are having a significant effect on the organisation performance of women entrepreneurs in Kerala. So, a higher level of entrepreneurial competencies among women entrepreneurs may lead to a higher level of organisation performance.

Table 3 - Kruskal – Wallis Test Result

	Null Hypothesis	Sig.	Decision
1	The distribution of Opportunity Seeking is the same across categories of Educational Qualification	.000	Reject the null hypothesis.
2	The distribution of Persistence is the same across categories of Educational Qualification	.008	Reject the null hypothesis.
3	The distribution of Fulfilling commitments is the same across categories of Educational Qualification	.878	Retain the null hypothesis.
4	The distribution of Demand_for_efficiency_and_Quality is the same across categories of Educational Qualification	.770	Retain the null hypothesis.
5	The distribution of Taking CalculatedRisk is the same across categories of Educational Qualification	.987	Retain the null hypothesis.
6	The distribution of Goal Setting is the same across categories of Educational Qualification	.732	Retain the null hypothesis.
7	The distribution of Information seeking is the same across categories of Educational Qualification	.776	Retain the null hypothesis.
8	The distribution of systematic planning and monitoring is the same across categories of Educational Qualification	.776	Retain the null hypothesis.
9	The distribution of Persuasion and Networking is the same across categories of Educational Qualification	.971	Retain the null hypothesis.
10	The distribution of Independents and self-confidence is the same across categories of Educational Qualification	.780	Retain the null hypothesis.

Kruskal-Wallistest was used in order to identify the influence of education qualification on the ten entrepreneurial competencies among women entrepreneurs. On these bases, ten hypotheses were formed. As $p > 0.05$ in eight cases, the null hypothesis was retained. In two cases the p value was less than 0.05, so the hypothesis was rejected. So here we can interpret that the opportunity seeking and initiative ability of women entrepreneurs differ according to their educational qualification. In the same manner the persistence level of women entrepreneurs also differs according to their level of education qualification. All the rest eight entrepreneurial competencies remain the same in all levels of education qualifications.

Conclusion

In this competitive world, it is very much necessary for every entrepreneur to have a special set of competencies. In this paper we have focused on the entrepreneurial competencies of women entrepreneurs in Kerala and the impact of these on their organisation performance. Here three clusters of competencies were identified. The achievement cluster, power cluster and planning

cluster. One of the key findings of the study is that the women entrepreneurs believe themselves to possess all the three clusters. However, the least possessed competencies were in the achievement cluster mainly the opportunity seeking ability and their persistence competency. The competencies of persuasion and networking abilities appear to be strongly possessed.

Spearman's correlation analysis was conducted to study the relationship between entrepreneur competencies and organisation performance. In sum, our results support that the entrepreneurial competencies do not only pave for individual performance but also towards the organisation performance.

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