

Role of Entrepreneurial Competencies in the Growth of Women-Owned Enterprises

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ABSTRACT

Entrepreneurial competencies influence how entrepreneurs identify opportunities, formulate strategies, build business relationships, and respond to changing market conditions. This study examines the role of three selected entrepreneurial competencies—Opportunity Competency, Strategic Competency, and Relationship Competency—in explaining Business Growth among women-owned enterprises. A quantitative, descriptive, and analytical research design was adopted. For learning and methodological illustration, a simulated dataset representing 186 women entrepreneurs was used. Data were assumed to have been collected through a structured questionnaire using a five-point Likert scale. Frequency and percentage analysis, mean and standard deviation, Cronbach's Alpha, Pearson correlation, and multiple linear regression were employed. The simulated findings indicate that all three competencies were positively and significantly associated with Business Growth. Strategic Competency recorded the strongest standardized influence, followed by Opportunity Competency and Relationship Competency. The regression model explained 56.4 percent of the variation in Business Growth. The paper highlights the importance of strengthening strategic planning, opportunity recognition, and stakeholder relationship capabilities among women entrepreneurs seeking sustainable enterprise expansion.

Keywords: Women Entrepreneurs, Entrepreneurial Competencies, Opportunity Competency, Strategic Competency, Relationship Competency, Business Growth.

1. Introduction

Women-owned enterprises contribute to employment generation, household income, innovation, local economic activity, and inclusive development. However, enterprise growth depends not only on access to finance and markets but also on the competencies of the entrepreneur who recognizes opportunities, allocates resources, makes strategic choices, and develops relationships with customers and other stakeholders.

Entrepreneurial competency refers to an integrated set of knowledge, skills, abilities, motives, and behavioural characteristics that enable entrepreneurs to perform entrepreneurial tasks effectively. Competency-based perspectives are useful because they shift attention from demographic characteristics toward capabilities that can be strengthened through experience, education, mentoring, and enterprise-support programmes.

The present paper concentrates on three competencies that have a direct theoretical connection with enterprise expansion. Opportunity Competency concerns the entrepreneur's ability to identify unmet customer needs, detect market changes, evaluate business possibilities, and convert promising ideas into

commercial opportunities. Strategic Competency concerns goal setting, planning, competitive positioning, resource prioritization, monitoring, and long-term decision-making. Relationship Competency concerns the ability to establish and maintain productive connections with customers, suppliers, financial institutions, business associations, mentors, and other stakeholders.

Business Growth is treated as the outcome variable and reflects improvement in sales, customer base, market reach, product or service offerings, employment, and overall scale of operations. By examining these three competencies together, the paper provides a focused explanation of how entrepreneurial capabilities may contribute to the growth of women-owned enterprises.

2. Review of Literature

Bird (1995) conceptualized entrepreneurial competencies as underlying characteristics associated with entrepreneurial performance. The competency approach suggests that effective entrepreneurial behaviour emerges from a combination of knowledge, skills, motives, and capabilities rather than from a single personal trait.

Man, Lau, and Chan (2002) developed an influential competency perspective for small and medium enterprises and identified opportunity, relationship, conceptual, organizing, strategic, and commitment competencies as important entrepreneurial domains. Their framework provides a useful basis for examining specific capabilities rather than treating entrepreneurial competence as a single undifferentiated construct.

Opportunity Competency enables entrepreneurs to scan the environment, recognize unmet needs, identify changes in customer preferences, and evaluate potential markets. For women entrepreneurs operating with limited resources, effective opportunity recognition can support the introduction of new offerings and entry into attractive market segments.

Strategic Competency is associated with establishing a business vision, setting measurable goals, planning future activities, evaluating competitive conditions, and aligning resources with priorities. Enterprise growth often requires movement beyond day-to-day survival toward deliberate decisions concerning market expansion, product development, investment, and competitive positioning.

Relationship Competency is particularly relevant to small enterprises because entrepreneurs frequently depend on external relationships for information, referrals, supplies, finance, customers, and market access. Strong relationships can reduce information constraints, facilitate trust, and create opportunities that may not be available through formal channels alone.

Mitchelmore and Rowley (2013) specifically discussed entrepreneurial competencies in the context of women entrepreneurs pursuing business growth, strengthening the argument that competency development can be central to women-owned enterprise expansion. Nevertheless, the relative influence of selected competencies can vary by context, making focused empirical examination valuable.

3. Research Gap

- Many studies discuss entrepreneurial competencies broadly, while fewer isolate a small set of competencies directly associated with enterprise growth.
- Women entrepreneurship studies frequently emphasize finance, barriers, motivation, or socio-demographic factors rather than competency-based explanations of growth.
- Limited studies jointly examine Opportunity, Strategic, and Relationship Competencies as predictors of Business Growth among women-owned enterprises.

- The comparative strength of these three competencies in explaining growth requires further empirical examination.

4. Objectives of the Study

1. To assess the level of selected entrepreneurial competencies among women entrepreneurs.
2. To examine Opportunity Competency among women entrepreneurs.
3. To assess Strategic Competency among women entrepreneurs.
4. To evaluate Relationship Competency among women entrepreneurs.
5. To examine the relationship between selected entrepreneurial competencies and Business Growth.
6. To analyze the influence of Opportunity, Strategic, and Relationship Competencies on Business Growth among women-owned enterprises.

5. Hypotheses

H₀₁: Opportunity Competency does not have a significant effect on Business Growth among women-owned enterprises.

H₁₁: Opportunity Competency has a significant positive effect on Business Growth among women-owned enterprises.

H₀₂: Strategic Competency does not have a significant effect on Business Growth among women-owned enterprises.

H₁₂: Strategic Competency has a significant positive effect on Business Growth among women-owned enterprises.

H₀₃: Relationship Competency does not have a significant effect on Business Growth among women-owned enterprises.

H₁₃: Relationship Competency has a significant positive effect on Business Growth among women-owned enterprises.

6. Research Methodology

6.1 Research Design

The study follows a quantitative, descriptive, analytical, and empirical research design. The descriptive component measures the level of selected entrepreneurial competencies, while the analytical component examines their association with and influence on Business Growth. The numerical findings reported in this paper are based on a simulated dataset developed exclusively for learning and methodological illustration.

6.2 Population of the Study

The population comprises women entrepreneurs who own and manage micro and small enterprises across service, retail, manufacturing, food-related, beauty and wellness, apparel, education, and other business activities.

6.3 Sample Size

For illustrative purposes, a simulated sample of 186 women entrepreneurs was considered.

6.4 Sampling Technique

Purposive sampling was assumed to identify eligible women entrepreneurs who owned or actively managed an enterprise and possessed sufficient experience to evaluate their entrepreneurial activities and business growth.

6.5 Data Collection

Primary data were assumed to have been collected through a structured questionnaire. Competency and growth statements were measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

6.6 Variables and Measurement

Independent Variables

Opportunity Competency (OC): ability to identify customer needs, detect market changes, recognize business possibilities, evaluate opportunities, and act on commercially promising ideas.

Strategic Competency (SC): ability to develop a business vision, establish goals, formulate plans, prioritize resources, monitor the competitive environment, and make long-term business decisions.

Relationship Competency (RC): ability to develop and maintain productive relationships with customers, suppliers, business networks, financial institutions, mentors, and other stakeholders.

Dependent Variable

Business Growth (BG): perceived improvement in sales, customer base, market coverage, product/service range, employment, and overall business scale.

7. Statistical Tools

- Frequency and percentage analysis
- Mean and standard deviation
- Cronbach's Alpha reliability analysis
- Pearson correlation analysis
- Multiple linear regression analysis

8. Results and Discussion

8.1 Demographic Profile of Respondents

Demographic Variable	Category	Frequency	Percent
Age	Below 30 years	45	24.2
Age	30–39 years	68	36.6
Age	40–49 years	49	26.3
Age	50 years and above	24	12.9
Education	Up to PUC/Diploma	31	16.7
Education	Graduate	79	42.5
Education	Postgraduate	62	33.3
Education	Others	14	7.5
Business Experience	Less than 3 years	43	23.1
Business Experience	3–5 years	61	32.8
Business Experience	6–10 years	52	28.0
Business Experience	Above 10 years	30	16.1

The profile indicates representation across age, education, and business-experience categories. The largest age group was 30–39 years, while graduates constituted the largest educational category. More than half

of the simulated respondents had at least three years of entrepreneurial experience, providing a suitable basis for assessing competencies and growth perceptions.

8.2 Reliability Analysis

Variable	Number of Items	Cronbach's Alpha	Reliability Status
Opportunity Competency	6	0.891	Good
Strategic Competency	7	0.918	Excellent
Relationship Competency	6	0.884	Good
Business Growth	7	0.907	Excellent
Overall Instrument	26	0.934	Excellent

Cronbach's Alpha was used to examine internal consistency. Construct-level coefficients ranged from 0.884 to 0.918, exceeding the commonly accepted benchmark of 0.70. Strategic Competency recorded the highest reliability, followed by Business Growth, Opportunity Competency, and Relationship Competency. The overall instrument achieved an Alpha of 0.934, indicating excellent internal consistency and suitability for subsequent analysis.

8.3 Descriptive Statistics

Variable	N	Mean	Standard Deviation	Minimum	Maximum
Opportunity Competency	186	3.89	0.63	1.83	5.00
Strategic Competency	186	3.82	0.66	1.71	5.00
Relationship Competency	186	4.01	0.61	2.00	5.00
Business Growth	186	3.86	0.64	1.86	5.00

All mean scores exceeded the neutral midpoint of 3.00, indicating favorable perceptions of the selected competencies. Relationship Competency recorded the highest mean of 4.01, suggesting comparatively strong confidence in maintaining customer, supplier, and stakeholder relationships. Opportunity Competency followed with a mean of 3.89, while Strategic Competency recorded 3.82. Business Growth obtained a mean of 3.86.

8.4 Ranking of Entrepreneurial Competencies

Rank	Competency	Mean Score
1	Relationship Competency	4.01
2	Opportunity Competency	3.89
3	Strategic Competency	3.82

The ranking shows that Relationship Competency was the most prominent competency in the simulated sample. However, a higher descriptive mean does not necessarily imply the strongest predictive effect on growth; the regression analysis assesses the unique contribution of each competency while controlling for the others.

8.5 Correlation Analysis

Variables	OC	SC	RC	BG
Opportunity Competency	1			
Strategic Competency	0.548**	1		
Relationship Competency	0.471**	0.526**	1	
Business Growth	0.621**	0.681**	0.574**	1

Pearson correlation analysis indicates that all three competencies were positively and significantly related to Business Growth at the 0.01 level. Strategic Competency recorded the strongest correlation with Business Growth ($r = 0.681$), followed by Opportunity Competency ($r = 0.621$) and Relationship Competency ($r = 0.574$). Correlations among the predictors remained below 0.80, indicating no evidence of severe multicollinearity.

8.6 Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	0.751	0.564	0.557	0.426	1.972

The multiple correlation coefficient of 0.751 indicates a strong positive relationship between the three competencies and Business Growth. R Square of 0.564 indicates that 56.4 percent of the variation in Business Growth is explained jointly by Opportunity, Strategic, and Relationship Competencies. The adjusted R Square of 0.557 confirms substantial explanatory power after adjustment for the number of predictors.

ANOVA

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	42.750	3	14.250	78.559	<0.001
Residual	33.010	182	0.181		
Total	75.760	185			

The regression model was statistically significant, $F(3,182) = 78.559$, $p < 0.001$, indicating that the selected entrepreneurial competencies jointly contribute significantly to explaining Business Growth.

Regression Coefficients

Predictor	Unstandardized B	Standard Error	Standardized Beta	t-value	Sig.
Constant	0.618	0.229	—	2.699	0.008
Opportunity Competency	0.244	0.047	0.261	5.191	<0.001
Strategic Competency	0.319	0.049	0.337	6.510	<0.001
Relationship Competency	0.173	0.045	0.184	3.844	<0.001

Strategic Competency produced the strongest standardized effect on Business Growth ($\beta = 0.337$), followed by Opportunity Competency ($\beta = 0.261$) and Relationship Competency ($\beta = 0.184$). All three effects were positive and statistically significant. The results suggest that planning and long-term strategic decision-making have the greatest unique contribution to growth after controlling for the other competencies.

9. Hypothesis Testing

Hypothesis	Relationship	Statistical Result	Decision
H ₁₁	Opportunity Competency → Business Growth	$\beta = 0.261$; $p < 0.001$	Supported
H ₁₂	Strategic Competency → Business Growth	$\beta = 0.337$; $p < 0.001$	Supported
H ₁₃	Relationship Competency → Business Growth	$\beta = 0.184$; $p < 0.001$	Supported

All three alternative hypotheses are supported because the significance values are below 0.05. Accordingly, the corresponding null hypotheses are rejected in the simulated analysis.

10. Findings of the Study

- Women entrepreneurs demonstrated favorable levels of Opportunity, Strategic, and Relationship Competencies.
- Relationship Competency recorded the highest descriptive mean among the three competencies.
- All three entrepreneurial competencies were positively and significantly correlated with Business Growth.
- Strategic Competency demonstrated the strongest correlation with Business Growth.
- The three competencies jointly explained 56.4 percent of the variation in Business Growth.
- Strategic Competency emerged as the strongest predictor of Business Growth, followed by Opportunity Competency and Relationship Competency.
- All three alternative hypotheses were supported.

11. Implications

Enterprise-development programmes for women entrepreneurs should combine opportunity-scanning exercises with practical strategic-planning tools and networking support. Training should help entrepreneurs translate market information into measurable growth goals, resource plans, customer-acquisition strategies, and partnership opportunities. Mentoring networks, buyer–seller interactions, industry associations, and peer groups may further strengthen relationship capabilities that support market access and growth.

12. Conclusion

The study examined the role of Opportunity, Strategic, and Relationship Competencies in the growth of women-owned enterprises. The simulated findings indicate that each competency contributes positively to Business Growth, with Strategic Competency showing the strongest unique influence. The results reinforce the view that growth is not determined solely by external resources; it is also shaped by the entrepreneur's capacity to recognize opportunities, make strategic choices, and mobilize relationships. Future research may use actual field data, longitudinal designs, sector-wise comparisons, and additional variables such as innovation capability, access to finance, or digital competency.

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