

INFLUENCE OF ORGANIZING AND STRATEGIC COMPETENCIES ON SUCCESS OF WOMEN ENTREPRENEURS IN BAUCHI STATE, NIGERIA

BY

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Abstract

The study examined the influence of organizing and strategic competencies on business success of women entrepreneurs in Bauchi state, Nigeria. A survey research design was adopted where a simple random sampling technique was used in the study. The study had two specific objectives, two research questions. Data were collected using a structured questionnaire from 200 registered women entrepreneurs in Bauchi states, Nigeria. The data collected was analyzed using multiple regression. The findings revealed that organizing competencies and strategic competencies have significant and positive influence on success of women entrepreneurs. Therefore, the high rate of business failure and mortality especially among women entrepreneurs in Bauchi state which becomes issue of serious concern can be significantly addressed when women entrepreneurs are well expose to organizing and strategic competencies. This study recommended that Bauchi State Government through various agencies like Small and Medium Enterprises Development Agency of Nigeria should organize a training workshop for women entrepreneurs on organizing and strategic competencies. These would significantly improve the business success of women entrepreneurs in the state.

Keywords: Business success, Women entrepreneurs, Organizing competencies and Strategic competencies

Introduction

Entrepreneurship as a concept, has emerged from the entrepreneurial venture drive orientation of an individual (Wiklund & Shepherd, 2015). It covers the several processes, which are involved in the revitalization of market offerings, innovation, risk taking and creation of new and uncertain products, services, or markets (Wiklund & Shepherd, 2015). Entrepreneurship allows for proactiveness in the exploration of new business opportunities, especially, those in areas where other competitors are yet to identify or are underexploited, by helping to fashion out new set of resources necessary to exploit them (Ho, Fang, & Lin, 2011). It is the importance of entrepreneurship in integrating people from varying and diverse backgrounds, which brought to the limelight, the significant role of women to the forefront of economic development (Nation, 2006). Women folks have been noted to have substantially contribute to the development and growth of the national economies, both in the developed and developing countries, through their participation in business start-ups, and in the growth of small and medium businesses (Nation, 2006). However, this crucial and dynamic role of women in the economic life of every society were owed to their creative ability, and the easiness with which they are able adapt to changes (Ayogu & Agu, 2018). This unique attribute has therefore, made women to be designated as engines of growth and the rising stars of the economies of developing nations, which brings in welfare and prosperity (Vossenber, 2013).

Confirming the substantial impacts of women on the national economy, most of which has featured in the areas of startup participation, growth and survival of small and medium businesses, the Global Entrepreneurship Monitors [GEM] (2016) reports across the 37 GEM countries, reveals that women have participated in diverse entrepreneurial activities, majority of which focused on the areas of establishing new enterprises for the purpose of jobs and wealth creation. Substantiating this GEM's (2016) report, the United Nations (2006) also asserted that the women entrepreneurial role of acting as an agent in the labor market, especially in the areas of employment generation, wealth creation, resource provision, and poverty alleviation, has help tremendously towards increasing the number of women-owned entrepreneurial ventures around the world. However, Ayogu and Agu (2018) argued that, women entrepreneurs in Nigeria are constrained by numerous socio-cultural challenges, which has contributed to their failure. Some of these identified challenges ranged from governmental regulations, limited access to finance, poor access to information technology, family dependence, lack of access to control property, and managerial incompetency, to restrictions to the family businesses, with minimum leadership role (Agwu & Emeti, 2016). All these problems were reported to have impeded women entrepreneurial development, and eventually culminating into their failure.

Similarly, in Bauchi state the activities of women entrepreneur have been plagued by high rate of failure. This high business failure rate has been attributed to several challenges, such as lack of education, mentorship, management, training skills, and sound business background confronting the women (Musah, 2018). Coupled with these institutional obstacles is the psychological fear of failure, which often characterize the minds of some woman that launched a business start-up. This fear has therefore, prevented them from taking risks, which is seen as an essential ingredient for successful entrepreneurship (Musah, 2018). Some scholars (see, for example (Ogundeji, 2016); (Irene, 2016) have identified organizing and strategic competencies as critical and essential ingredients to successful entrepreneurship. In view of above arguments this study determined influence of organizing and strategic competencies on success of women entrepreneurs in Bauchi state.

Purpose of the Study

The study examined the influence of organizing and strategic competencies on success of women entrepreneurs in Bauchi state, Nigeria. The specific objectives are:

1. Examine the influence of organizing competencies on success of women entrepreneurs in Bauchi state.
2. Examine the influence of strategic competencies on success of women entrepreneurs in Bauchi state.

Research Questions

the following question are formulated:

1. What is the influence of organizing competencies on success of women entrepreneurs in Bauchi state?
2. What is the influence of strategic competencies on success of women entrepreneurs in Bauchi state?

Literature Review

Business Success of Women Entrepreneurs

The term business success connotes different interpretations in the same way as the entrepreneurial perceptions of the term differs among entrepreneurs and genders. Succinctly, success can be defined as a favourable or prosperous conclusion of any human endeavour, activity or business (Cabrera & Mauricio, 2017). However, in the field of entrepreneurship research on small and micro enterprises, the concept of success is often used synonymously with the term performance and growth (Reijonen & Komppula, 2007). For example, (Gill & Biger, 2012) used the term performance, success and growth alternately in measuring firms' performance, while (Alasadi & Abdelrahim, 2007) critically analyzed and modeled performance of small businesses, by confirming growth as being synonymous with success. Reijonen & Komppula, (2007) describes performance firms from the angle of how successful a firm is and uses the terms success and performance interchangeably.

Inferring from the above analogies, business success can, in its simplest form, be equated to a state of continued business operation, opposite of which is failure, meaning the cessation of the business operation (Simpson, Padmore, & Newman, 2012). Consistently, (Pasanen, 2003) likens the term business success to a state of achieving a well-defined and measurable goals and objectives in all segments of human life. However, these goals and objectives may sometimes be subjective or financial in nature. Although, studies in extant literature has shown that success of small firms is, to some extent, influenced by the behaviors and characteristics of their owners, in addition to the characteristics of the tasks environment (Simpson, Padmore, & Newman, 2012). Hence, some entrepreneurs might have deemed themselves as being successful, but an assessment from the external environment, using the traditional financial indicators of performance, may show that their stage of business operation presents different levels of successes (Simpson, Padmore, & Newman, 2012). This is because the perception of success, as viewed from one angle, may suggest unsuccessful business activities when viewed from the other angle (Davidsson, Steffens, & Fitzsimmons, 2013) because, its measure varies among individuals or context (Cabrera & Mauricio, 2017).

Organizing Competencies

The entrepreneur's organizing competencies have been noted to share some similarities with the managerial competencies (Ahmad, Wilson, & Kummerow, 2016). However, earlier models on entrepreneurial competencies have stressed the importance of organizing competency and the need for its mastery by every entrepreneur (Man, Lau, & Chan, 2018). This advocacy stems out of the fact that, organizing competency is seen as a reflective of wider range of managerial functions, which the entrepreneur, as an owner/manager, must assume in the organization (Chandler & Jansen, 2016). These competencies are manifested in the entrepreneur's ability to develop plans, organize and allocate resources, lead and motivate the employees, coordinate activities, delegate tasks, and ensure a smooth running of the organization (Chandler & Hanks, Founder competence, the environment, and venture performance, 2014). (Baum, 1995) also found a positive and significant relationship between organizing competencies and business performance. In addition, (Man, Lau, & Chan, 2018) referred to entrepreneur's competencies relating to the organization of different internal and external, financial, human, physical, and technological resources, as organizing competencies.

Strategic Competencies

The second prime function of the entrepreneurs, as the owner/manager of a firm is their ability to establish the direction towards realizing the purpose and goals for which the business was established. This is contained in the strategy adopted by the entrepreneur. According to (Man, Lau, & Chan, 2018), strategic competencies relate to the process of establishing, evaluating, and implementing strategies for the firm. (Thompson & Richardson, 1996) attempt a comparison between strategic competencies to strategic management and assert that strategic competencies involve the establishment of a mission, defining of objectives, making both internal and external analysis of the environment, and the evolving of appropriate strategies to achieve these objectives.

However, strategic competencies require an entrepreneur to have a clear vision and goal of what the organization is seeking to achieve (Thompson & Richardson, 1996), and on the basis of this, formulates and implements strategies toward achieving these goals and visions (Man, Lau, & Chan, 2018). Strategy entails the application of planning techniques in the handling of various functional areas of the organization (Man, Lau, & Chan, 2018). (Man, Lau, & Chan, 2018) operationalized strategic competencies through a measure of some of the entrepreneur's behaviors. Some of these behaviours are the entrepreneur's awareness of the projected direction and how its changes may affect the firm, prioritizing of work in alignment with the business goals, and the reorganization of the firm towards achieving its objectives. Other behaviours are linking the present firm's actions with the strategic goals, monitoring of the firm's progress towards achieving strategic goals, assessing firms results against the strategic goals, and lastly, determining the firm's strategic actions through an evaluation of its costs and benefits. (Thompson & Richardson, 1996) opined that a change in the management component of strategic management could be linked with competitive success of firms that operate in a highly competitive environment.

Methodology

This study adopted a survey research design. A survey method is adopted when a study is trying to assess thoughts, feelings, and opinions about a given situation by collecting primary data from the respondents (Fisher, 2010). The survey method allows the researcher to gather quantitative data and analyze it using descriptive and inferential statistics. Then, possible reasons for particular relationships between variables can be suggested and models of these relationships can be produced (Saunders, Lewis, & Thornhill, 2017). Additionally, survey research using questionnaires compared to observation, secondary data and interview is inexpensive and easy, especially when collecting data from a large sample. Therefore, a survey method using questionnaire as the instrument for data collection is found to be more appropriate for this study. This is because the study involved from registered women entrepreneurs in Bauchi state in order to determine the influence of entrepreneurial competencies on their business success of women entrepreneurs in the state. The population of the study comprised 453 registered women entrepreneurs in Bauchi state, Nigeria who engages in micro or small business enterprises (SMEDAN) (2021). The sample of this study consisted of 200 registered women entrepreneurs in Bauchi states, Nigeria. The sample was statistically determined using GPower which is statistical software for power analysis and sample size calculation (Faul, Erdfelder, Lang, & Buchner, 2007). This statistical test commonly used in the social and behavioral sciences (Faul, Erdfelder, Lang, & Buchner, 2007). Simple random sampling technique was used in this study, because this sampling technique is believed to produce samples which are free from bias (Sekaran & Bougie, 2016). Following this argument, the study randomly selected 200 women entrepreneurs using the list of registered women entrepreneurs (sampling frame) that were provided by SMEDAN.

The study adapted measurements from the existing studies related to this study, this will be done because (Sekaran & Bougie, 2016) recommended that a researcher can adopt or adapt measurement from the existing studies relevant to the current research. The study has three (3) constructs; business success was measured with 11 items adapted from (Ahmad, Wilson, & Kummerow, 2016), organizing competencies has 10 items and strategic competencies with 9 items both adapted from (Man, Lau, & Chan, 2018). In this study, Likert scale was adopted for all the items, the respondents were asked to indicate their responses to each question on a five-point scale. To ensure the reliability of instrument of the present study, the pilot test was conducted in Gombe state with 40 registered women entrepreneurs who engages in micro or small business enterprises. The state is outside the study area but the respondents have similar characteristics with the sample of this study. The 40 registered women entrepreneurs satisfied the recommended pilot test range from 25-75 (Hair, Ringle, & Sarstedt, 2011). The data generated from the pilot survey was subjected to statistics analysis using Cronbach Alpha. The Cronbach alpha coefficients of the three variables are; business success of women entrepreneurs (0.74), organizing competencies (0.74) and strategic competencies (0.88). The results suggested that the instrument is reliable based on the recommendation given by (Hair, Ringle, & Sarstedt, 2011). According to Hair et al. Cronbach alpha coefficient of at least .70 is considered satisfactory and acceptable.

Finally, data analysis, SPSS 25 was used throughout the process. The influence of organizing and strategic

competencies on success of women entrepreneurs in Bauchi state was determined using multiple regression. A multiple regression is a statistical technique for testing the influence of a number of independent variables on one continuous dependent variable.

Results

Table 1: Regression analysis on influence of organizing and strategic competencies on success of women entrepreneurs in Bauchi state.

Variable	Standardized Coefficients Beta	t-value	p-value	Decision
Organizing competencies	0.213	19.662	0.000	Rejected
Strategic competencies	0.117	3.064	0.002	Rejected

After checking and satisfying the necessary assumptions of regression analysis, (Hair, Ringle, & Sarstedt, 2011) recommendation was followed in interpreting the result of this study. Hair et al. recommended that when interpreting the result of multiple regression, a researcher should first consider the F value, then the R-square value or adjusted R square, and follow by the individual contribution. Following their recommendation, in this study, the statistical evidence has proved that the model was statistically significant based on the F ratio 36.142, $p = .000$. The result also revealed the R^2 value of of .65, indicating that the model fit is large.

Concerning the individual contribution of independent variables, the variable organizing competencies had a standardized coefficients beta value of 0.213, $p = .000$. This indicates a significant contribution of the variable in the model, that is, organizing competencies had significant influence on business success of women entrepreneurs in Bauchi state. This result does not support the prediction of hypothesis 1 that organizing competencies have no significant influence on business success of women entrepreneurs in Bauchi state. Similarly, the variable strategic competencies had a standardised coefficients beta value of 0.117, $p = .000$. This indicated that strategic competencies had significant influence on business success of women entrepreneurs in Bauchi state. Hypothesis 2 is, therefore, not supported.

Discussion

The findings of this study indicated that organizing competencies have significant influence on business success of women entrepreneurs. The findings concurred with arguments in the existing literature, such as studies of (Ahmad, Wilson, & Kummerow, 2016) who found that organizing competencies strongly predict business success of small and medium enterprises (SMEs) in Malaysia. The finding is also supported by the study (Sánchez, 2017) that organizing competence plays an influential role in organizational capability and competitive scope, and also has a direct effect on firm performance. Similar finding was reported by (Gerli, Gubitta, & Tognazzo, 2011) in North-East Italy that entrepreneur competency portfolio is directly related to business success and that specific competencies such a planning, organizing, leadership, directing, strategic and others were seen to result in higher entrepreneurial performance.

Additionally, the finding of this study revealed that strategic competencies influenced business success of women entrepreneurs significantly. This is supported by (Gerli, Gubitta, & Tognazzo, 2011) in the context of Italy that strategic competencies have direct and significant effect on entrepreneurial performance. The finding also agreed with the study of (Liyana & Jaafar, 2018) in Malaysia that strategic competencies have significantly impact on the success of women project managers in the construction industries. Chandler & Jansen, (2016), reported a similar finding in the context of United states. The study found that strategic competencies positively related to business success.

Conclusion

This study provided empirical evidence on influence of organizing and strategic competencies on business success of women entrepreneurs in Bauchi state, Nigeria. The study proved that organizing competencies and strategic competencies have significant and positive influence on business success of women entrepreneurs. Therefore, the high rate of business failure and mortality especially among women entrepreneurs in Bauchi state which become issue of serious concern can be significantly addressed and improved the performances of businesses owned by women entrepreneurs by exposing the women entrepreneurs to some entrepreneurial competencies such like organizing and strategic competencies.

Recommendations

Based on the findings of the study, the following recommendations are made:

- i. A training workshop for women entrepreneurs on organizing competencies should be organized by Bauchi State Government to ensure business success among women entrepreneurs in the state.

- ii. A training workshop for women entrepreneurs on strategic competencies should be organized by Bauchi State Government to ensure business success among women entrepreneurs in the state.

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