

Entrepreneurial Competencies and Livelihood Improvement: The Moderating Role of Gender

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ABSTRACT

This study examined the interactive effect of gender in the relationship between entrepreneurial competencies and livelihood improvement in Uasin Gishu and Bungoma counties in the Western part of Kenya. A survey approach was used to collect data. A matched sample of 101 male and female was generated for the study from a wider study undertaken in the study area. The criterion for participation in the study was experience of under three years of experience in operating the venture. A questionnaire was the main data collection tool. The findings reveal that the moderation results did not supported the hypotheses for the study. Practical implications are that the paper identifies gender as a critical influence and suggests that the relationship between gender and development of entrepreneurial competencies should be addressed through supportive policies that encourage and develop entrepreneurial competencies for enhanced livelihood improvement. The theoretical and methodological framework used in this study provides an enhanced understanding and developing literature on the interactive effect of gender in the relationship between entrepreneurial competencies and livelihood improvement research which constitutes originality.

Keywords: Entrepreneurial Competencies, Gender, Livelihood improvement, Moderation, Western Kenya.

INTRODUCTION

Livelihood improvement has been of major concern in the developing world, especially the African context. Some of the key concerns have been the high levels of poverty and conflicts in the developing world. These have impacted negatively on the livelihood improvement. In addition, gender based issues as espoused in the cultural practices and norms seem to have impacted on the utilisation of entrepreneurial competences to improve livelihoods.

Livelihood improvement strategies are founded upon the notion that any intervention must have an appreciation of what underpins it (Morse & McNamara, 2013). A focused approach on development according to Cowen and Shenton (1998) encompasses firstly, what people are doing and in this case entrepreneurial activities. Secondly, interventionist development approach where by specific and directed activities/ programmes are put in place by the state and non-state agencies to help the vulnerable segments of society. Interventions geared at assisting entrepreneurs include, entrepreneurial capacity development and entrepreneurial development programmes such as counseling and consultancy that enhance entrepreneurial competencies. A livelihood comprise of capabilities, assets and activities needed for a means of living (Scoones, 1998).

Entrepreneurial Competencies and Livelihood improvement

Entrepreneurial competencies are defined as higher-level characteristic encompassing personality traits, skills and knowledge (Man, , Lau, , & Chan, 2002). Bird (1995) alludes that

entrepreneurial competencies are defined as underlying characteristics such as specific knowledge, motives, traits, self-images, social roles and skills that spur venture birth, survival and/or growth. According to Nuthall (2009) entrepreneurial competencies are identified as a specific group of competencies critical to successful entrepreneurship (Nuthall, 2009). Entrepreneurial competencies have been identified to completely affect small business growth in Malaysia (Mohamad & Sidek, 2013). These findings imply that a high level of entrepreneurial competencies can translate into an enhanced livelihood among the entrepreneurs. Though, as asserted by Capaldo et al. (2004) entrepreneurial competencies are context specific (Capaldo, Landolib, & Ponsiglione, 2004). The theorists of Resource Based View suggests that the entrepreneur's competencies are a key resource for the firm's success (Tehseen & Ramayah, 2015). This suggests that entrepreneurial ventures that are likely to succeed should pose a high caliber of entrepreneurial competencies. The concept of competency can be traced back to Boyatzis (1982) as relevant to effective managerial behaviour and McClelland (1987) desired to identify competencies vital for entrepreneurial success (Chell E., 2013). Indeed entrepreneurial success cannot be delinked with venture success, however, the key issue lies in an understanding as to whether gender differentials play a critical role in the success.

Entrepreneurial competencies include among others the psychological characteristics of entrepreneurs include locus of control, attitude towards risk-taking and innovativeness (Brockhaus, 1982; Chell, Haworth & Brearley, 1991; Brandstätter, 1997; Hérbet & Link, 1988; Stevenson & Jarillo, 1990; Wärneryd, 1998; Kroppd & Lindsay, 2001; Driessen & Zwart, 2007; Bergevoet, 2005; Vesla, Peura & McElwee, 2007; Kahan, 2012;). Within these characteristics, there are entrepreneurial competencies that are observable and measurable in terms of the psychological process of an entrepreneur. Earlier studies find male entrepreneurs to be more self-confident and optimistic about entrepreneurial opportunities in comparison to the female (Koellinger et al., 2008; Minniti et al., 2004).

Female entrepreneurs network less than men since their networks are smaller with fewer weak ties. The network dimension where women are expected to score higher is on contact with friends and kin, which is indeed a less effective approach to securing outside funding (Carter et al., 2003). Various authors have made assumptions that women are handicapped in their ability to network as extensively as men owing to their role in society and within the family. Some studies have found that the networks of females are similar to those of men (Cromie and Birley, 1992).

Gender and Livelihood Improvement

The identification of gender as a social construction of sex based upon a binary ascription of feminine and masculine characteristics to women and men has been an enduring and insightful explanatory framework upon which to base the social valuation of biological identities (Oakley, 1972). The dimension of gender in the development sphere is critical to livelihood improvement. There exists a lot of controversy on the role of gender in entrepreneurial contribution to livelihood. Yet previous studies on gender suggest that firstly, men entrepreneurs' performance is greater as compared to that of women and secondly, enterprises owned by women remains relatively small (Zahirah, Bakar, & Ahmad, 2016). This can suggest that the enterprises owned by women may not contribute much to livelihood improvement. In other studies Women entrepreneurs have demonstrated to be at the same level with their male counterparts in business expertise (Mohamad & Sidek, 2013).

A livelihood comprises capabilities, assets (stores, resources, claims and access) and activities required for a means of living; a livelihood is sustainable when it can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide

sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long-term. Chambers and Conway (1992, p. 7). A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base. The sustainable livelihood approach presented in Figure 1 assists this study in the development of dimensions that constitute the mechanisms through which livelihood improvement is measured. In this study the focus is not on livelihood assets but on improvement of livelihood as explained in the methodology section.

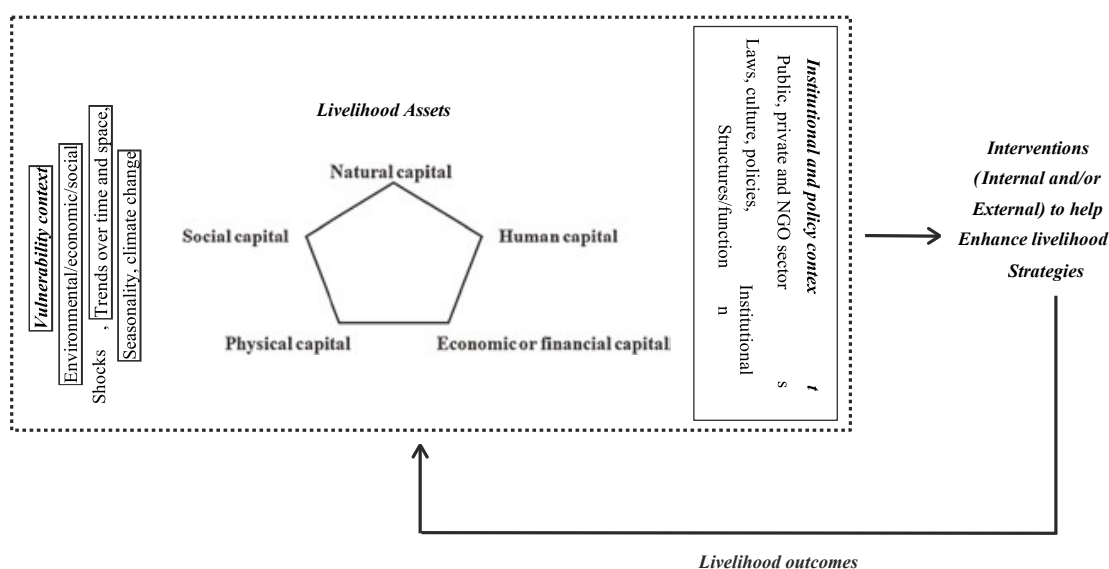


Figure 1. Sustainable rural livelihoods framework
Source: The DFID sustainable rural livelihoods framework (after Carney 1998)

THE CONCEPTUAL MODEL

The conceptual model for the study is presented in Figure 2. The variables in the study are entrepreneurial competencies (attitudinal, Behavioural and managerial) represent the independent variable. The moderating variable is gender (Male, female). The respondents were in the age category of youth (18-35). Finally, the livelihood improvement dimensions are, resource ownership, access to basic needs, livelihood security, enterprisers’ capabilities and activities. This study explored the moderating link of gender in the relationship between entrepreneurial competencies and livelihood improvement. The data was collected using a likert-type five point scale which was transformed before being subjected to moderation analysis. This study adopted elements from the sustainable livelihood framework. The study aimed at enhancing an understanding of the interactive effect of gender between entrepreneurial competencies and livelihood improvement.

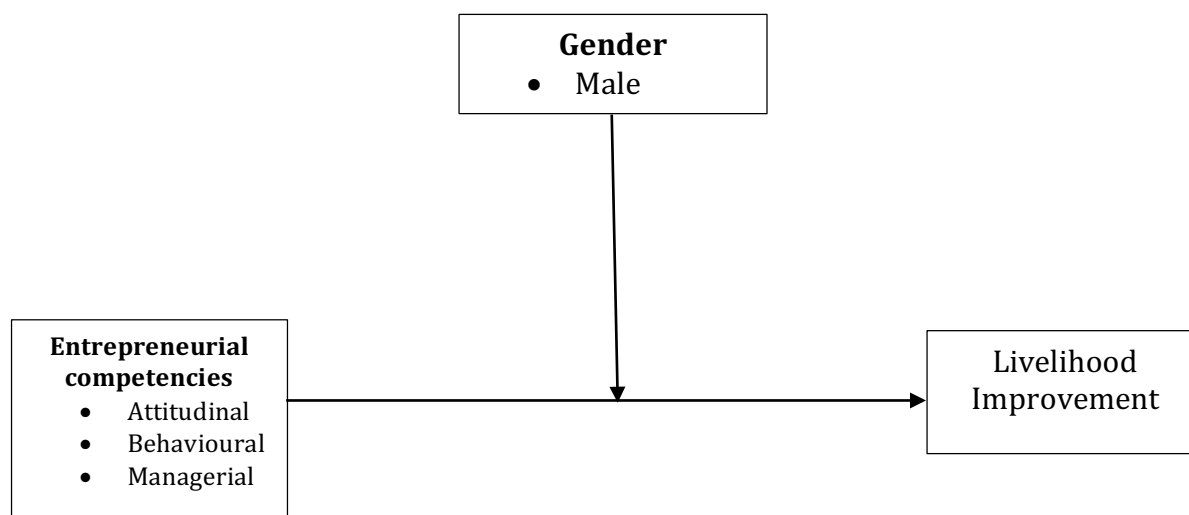


Figure 2. The conceptual moderation model

The study was guided by the following hypotheses:

H₁: There is a positive gender interactive effect in the relationship between attitudinal competences as a dimension of entrepreneurial competence and livelihood improvement among entrepreneurs in Western Kenya

H₂: There is a positive gender interactive effect in the relationship between behavioural competences as a mechanism of entrepreneurial competence and livelihood improvement elements among entrepreneurs in Western Kenya.

H₃: There is a positive gender interactive effect in the relationship between managerial competences as a dimension of entrepreneurial competence and livelihood improvement elements among entrepreneurs in Western Kenya.

METHODOLOGY AND ANALYSIS

Design

This study is founded on the premise that gender is perceived to be a social construction. Hence, this study explores the interactive effect of gender in the relationship between entrepreneurial competences and livelihood improvement. The study adopted a survey design. A cross-sectional design means that the questionnaires were administered only at a single point in time (Singleton Jr. & Straits, 2005). In this study moderation occurs when the relationship between two variables depends on a third variable. The effect of a moderating variable is characterized statistically as an interaction in this case gender had was dichotomous with male representing 1 while female 0.

Sample

This study focused on the youth, entrepreneurs in Uasin Gishu and Bungoma Counties. A sample of 202 respondents' was drawn from the main study that involved 698 respondents. The sample for this study comprised of a sample of 101 pairs (Male & Female) youth enterprisers. The participants were matched by their experience (less than three years). Respondents in the study area were of the experience categories: 1 year, 49, 24%; 2 years, 34% and three years, 85, 42%. All the respondents in the stud were engaged in the trade sector activities. The majority of the respondents in the study counties were in the experience category of three years. The mean age of the respondents in Uasin Gishu was 30years while Bungoma 27 years of age. There was no significant age and educational level differentials in the respondents from the two counties.

Data collection

A researcher administered questionnaire was used in the study to collect detailed data regarding entrepreneurial competencies and livelihood improvement. The hypothesized moderated relationships were investigated with a quantitative and cross-sectional research design. Numerical data relating to established measures of livelihoods improvement (resource ownership, access to basic needs, livelihood security, enterprisers capabilities and entrepreneurs activities) and the dimensions of owner's entrepreneurial competencies, including their attitudinal (self-confidence, self-esteem, dealing with failures, tolerance for ambiguity, performance, concern for high quality and locus of control); behavioural (initiative, acting on opportunity, persistence, assertiveness, need for achievement, need for autonomy, risk-taking, drive and energy, innovation and creativity) and managerial (Information seeking, Systematic planning & monitoring, Problem solving, Persuasion and Networking, Goal setting & Perseverance, Communication Skill, Technical knowledge, Social skill, and Commitment).

Data Analysis

Previous studies show that there are relatively few convincing theoretically robust quantitative analyses focusing on the relationship between gender and entrepreneurship (Marlow, 2014). This justifies the use of a multivariate analysis strategy to uncover the moderating effect of gender in the relationship between entrepreneurial competences and livelihood improvement. Data were organised and structured to focus on purpose of the study. Analysis was based on Hayes and Preacher moderation process model (Hayes, 2013) using SPSS software. Interpretation of the findings was guided by the findings of previous research.

RESULTS

Results on descriptive statistics and correlation are presented in Table 1. The mean for the various entrepreneurial competencies and livelihood improvement are below 2.0 except the attitudinal competences. The rating was on a scale of 1-5. The standard deviation is also very small. On the other hand the various variable had no significant correlations. While gender was negative with all other variables.

Table 1
Descriptive statistics and Pearson moment correlation

Variable	Mean	Std. Deviation	Gender	ATT	LI	BC	MC
Gender	.5000	.50124	1.000				
ATT	2.1068	.41807	-.155	1.00			
LI	1.5010	.73281	-.051	.804	1.000		
BC	1.9762	.82909	-.031	.410	.452	1.000	
MC	1.9762	.82909	-.031	.410	.452	1.000	1.000

The indirect effects were analysed basing on the hypotheses of the study. Data analysis was based on Hayes and preacher process model 1 (Hayes, 2013). The study examined the interactive effect of gender in the relationship between entrepreneurial competences and livelihood improvement elements.

H₀₁: There is no gender interactive effect in the relationship between attitudinal competences as a dimension of entrepreneurial competence and livelihood improvement among Entrepreneurs in Western Kenya.

The moderation results are presented in Table 1, show that the hypothesis was supported b, -.02, 95% CI [-.41, .37], $t = -.09$, $P > .005$, indicating that the relationship between attitudinal competences and livelihood improvement is not moderated by gender differentials. The findings supported the hypothesis on attitudinal competences.

Table1
Linear Model of impact of altitudinal competence on livelihood improvement under the influence of gender differentials

	b	Se	t	p
Constant	1.50 (1.44, 1.56)	0.032	47.47	$p < .001$
Gender	-.1101 (-.23 ,.015)	0.063	-1.74	$p > .005$
Attitudinal competence	1.4308 1.24, 1.62)	0.098	14.54	$p < .001$
Gender X Attitudinal competence	-.0178 (-.41, .37)	0.197	-.09	$p > .005$

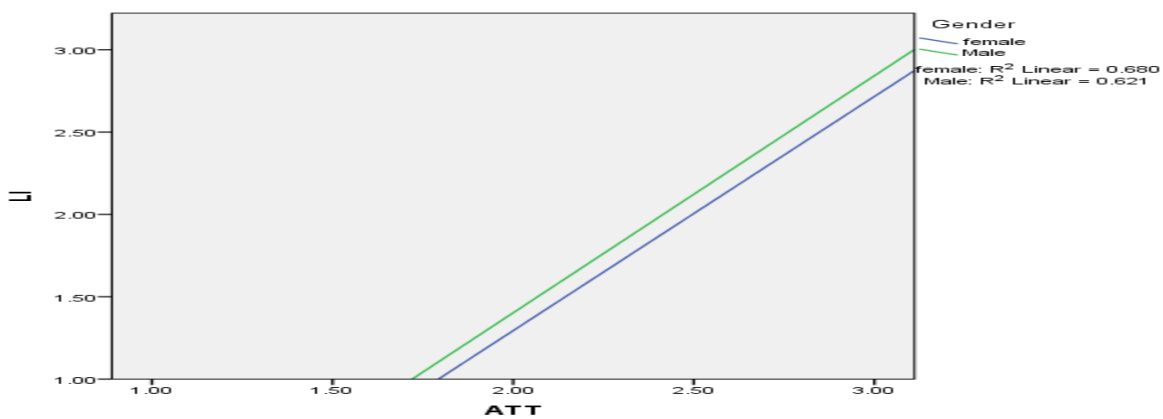


Figure 3. Impact of attitudinal competences on livelihood improvement under the influence of gender differentials.

H02: There is a positive interactive effect of gender in the relationship between behavioural competences as a mechanism of entrepreneurial competence and livelihood improvement among entrepreneurs in western Kenya. The moderation results show that the hypothesis was not supported b, -.78, 95% CI [-.27, .13], $t = -.67$, $P > .005$, indicating that the relationship between behavioural competences and livelihood improvement is not moderated by gender differentials.

Table 2
Linear Model of impact of behavioural competence on livelihood improvement under the influence of gender differentials

	b	Se	t	p
Constant	1.50 (1.40, 1.59)	0.05	32.20	p<.001
Gender	.06 (-.13, .24)	.093	.59	p>.005
Behavioural competence	.39 (.29, .49)	.05	7.67	p<.001
Gender X Behavioural competence	-.78 (-.27, .13)	-.67	-.67	p>.005

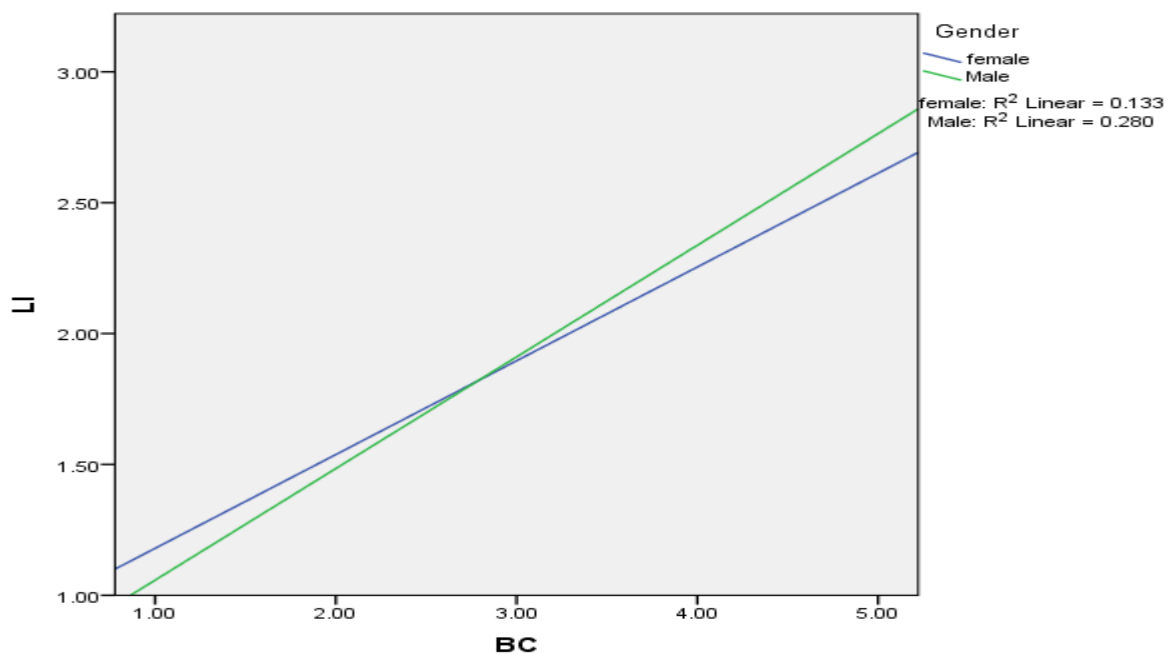


Figure 4. Impact of behavioural competences on livelihood improvement under the influence of gender differentials

H₀₃: There is a positive interactive effect of gender in the relationship between managerial competences as a dimension of entrepreneurial competence and livelihood improvement among entrepreneurs in western Kenya. Moderation results presented in Table 3, show that the hypothesis was not supported b,-.07, 95% CI [-.27, t= -.67, .13], P>.005, indicating that the relationship between managerial competences and livelihood improvement is not moderated by gender differentials.

Table3
Linear Model of impact of managerial competence on livelihood improvement under the influence of gender differentials

	b	se	t	p
Constant	1.50 (1.41, 1.59)	0.05	32.20	p<.001
Gender	.06 (-.13, .24)	.093	.59	p>.005
Managerial Competence	.39 (.29, .49)	.05	7.67	p<.001
Gender X Managerial Competence	-.07 (-.27, .13)	-.10	-.67	p>.005

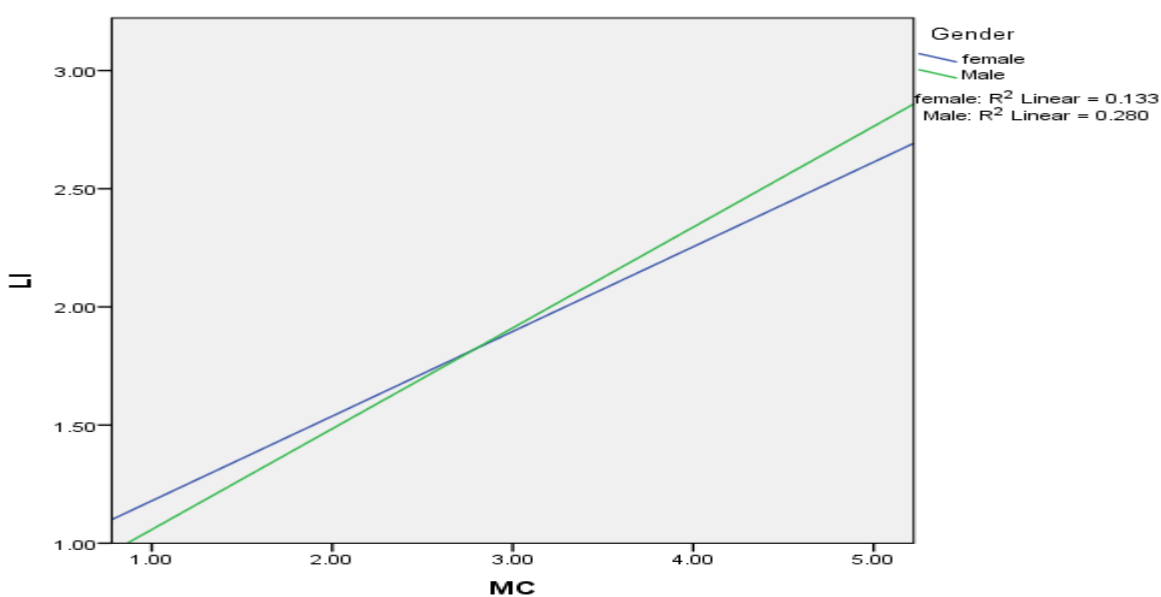


Figure 3. Impact of managerial competences on livelihood improvement under the influence of gender differentials

DISCUSSION

This study analysed the moderating effect of gender in the relationship between entrepreneurial competencies and livelihood improvement in western Kenya. A summary of results show that there was no gender interactive effect in the relationship between attitudinal, behavioural and managerial competences as mechanisms of entrepreneurial competences and livelihood improvement among youth entrepreneurs in western Kenya. On the aspects of direct relationships; entrepreneurial competencies had a positive relationship with livelihood improvement. Equally gender and livelihood improvement had positive relationships. This finding concurs with the finding by Nuthall , 2009; Malaysia (Mohamad & Sidek, 2013; Tehseen & Ramayah, 2015) ; Chell E. , 2013). Entrepreneurial competencies thus have the potential to enhance livelihood improvement.

The findings indicate that at low levels of competencies the male entrepreneurs had a higher level of livelihood in comparison to the female. However, with the enhancement in competencies women entrepreneurs' had a higher livelihood rating in comparison to their male counterparts. The finding confirms the earlier finding by Koellinger et al., 2008; Minniti et al., 2004). The ability of women to perform at the same level and even higher than their male counterparts is confirmed by Mohamad & Sidek, 2013.

CONCLUSION

This study concludes that there is no gender interactive effect in the relationship between entrepreneurial competences (Attitudinal, Behavioural and Managerial) livelihood improvement among youth entrepreneurs in western Kenya. This study faced limitations given that it only focused on youth entrepreneurs from a gender perspective and equally focused on the western part of Kenya. Apart from the sample size being small. Future studies should consider qualitative approaches in undertaking studies on gender and livelihood improvement. Studies could also consider other enterprise sectors given that this one focused on the trade sector. The practical and Policy aspects pertain to the study identifying gender as a critical influence and suggests that the relationship between gender and development of entrepreneurial competencies should be addressed through supportive policies that encourage entrepreneurial development hence enhanced livelihood improvement. On the methodological aspects future studies should consider both the mediating and moderating effects and should consider the performance and growth aspects.

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