

**THE RELATIONSHIP BETWEEN WOMEN
ENTREPRENEURIAL COMPETENCIES,
BUSINESS COMPETITIVE ADVANTAGE AND
FIRM PERFORMANCE IN NIGERIA.**

by

MOHAMMED KABIR

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**HUBUNGAN ANTARA KOMPETENSI KEUSAHAWANAN WANITA,
KELEBIHAN DAYA SAING DAN PRESTASI FIRMA PERNIAGAAN DI
NIGERIA.**

ABSTRAK

Kajian ini bertujuan untuk menguji secara langsung dan tidak langsung hubungan antara kompetensi keusahawanan, strategi kepemimpinan dan prestasi firma usahawan wanita di Nigeria. Bukti yang diketengahkan mendapati bahawa untuk berjaya dalam menjalankan perniagaan mereka secara efektif dan efisien, usahawan wanita di Nigeria perlu melengkapkan diri dengan segala keperluan terhadap kompetensi dan strategi. Dalam mewujudkan kaitan dan hubungan antara pembolehubah-pembolehubah ini dalam menjalankan usahasama perniagaan yang berjaya, sebuah rangka kerja penyelidikan telah dikemukakan untuk tujuan kajian empirikal. Hipotesis-hipotesis telah dirumus bertujuan untuk menilai hubungan antara kompetensi keusahawanan, strategi kepemimpinan dan prestasi firma. Data telah dikumpulkan daripada 183 usahawan wanita yang menjalankan perniagaan mikro di Nigeria menerusi borang kaji selidik. Kajian ini menggunakan perisian SPSS dan SmartPLS 2.0 untuk menganalisis data. Penemuan kajian mendedahkan bahawa peluang, penganjuran, konsepsi dan kompetensi komitmen telah mempengaruhi strategi kepemimpinan secara positif. Namun hubungan ini tidak wujud di antara kompetensi strategik, peribadi, pembelajaran dan hubungan. Kajian ini mengesahkan bahawa prestasi firma dipengaruhi secara signifikan oleh strategi kepemimpinan. Penemuan penting yang terakhir daripada kajian ini adalah strategikepemimpinan menjadi pengantara yang signifikan di antara kompetensi peluang, penganjuran, konsep dan komitmen terhadap prestasi firma. Namun begitu strategi kepemimpinan tidak menjadi perantara signifikan terhadap hubungan antarkompetensi strategik,

peribadi, pembelajaran, dan hubungan terhadap prestasi firma. Sumbangan kajian ini terdiri daripada sumbangan teori dan praktikal. Sebahagian daripada sumbangan ini adalah: kajian ini menyediakan kefahaman yang lebih baik berkenaan kompetensi usahawan wanita di Nigeria dan prestasi firma mereka. Tambahan lagi, strategi kepimpinan kos diletakkan sebagai pengantara antara kedua-dua konstruk ini. Kajian ini juga akan memberi manfaat kepada usahawan wanita, penggubal dasar dan lain-lain pihak berkepentingan yang dibebani dengan tanggungjawab untuk menggalakkan wanita memiliki perniagaan sendiri, oleh yang demikian, kekuatan dan kelemahan usahawan wanita di Nigeria telah diperolehi menerusi kajian ini.

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ABSTRACT

This study examined the direct and indirect relationships between entrepreneurial competencies, cost leadership strategy and firm performance of women entrepreneurs in Nigeria. Evidence indicates that for women entrepreneurs in Nigeria to succeed in running their businesses effectively and efficiently, they need to equip themselves with necessary competencies and strategy. Linking relationship between these variables in running successful business venture, a research framework was proposed for empirical research. Hypotheses were formulated with the view of evaluating the relationship between entrepreneurial competencies, cost leadership strategy and firm performance. Data was collected from 183 women entrepreneurs running micro businesses in Nigeria by self-administered questionnaire. Statistical tests were run on SPSS and SmartPLS 2.0. The findings revealed that opportunity, organizing, conceptual and commitment competencies influence cost leadership strategy positively; but not by strategic, personal, learning and relationship competencies. Furthermore, the study confirmed that firm performance is significantly influenced by cost leadership strategy; while cost leadership strategy mediate relationship between opportunity, organizing, conceptual and commitment competencies with firm performance. However, cost leadership strategy does not mediate relationship between strategic, personal, learning and relationship competencies with firm performance. This study contributed theoretically and practically. Firstly, it provides a better understanding of competencies of women entrepreneurs in Nigeria and performance of their firms that

were hitherto unknown. Secondly, cost leadership strategy was placed as mediator between entrepreneurial competencies and firm performance constructs. Hence, the study will benefit women entrepreneurs, policy makers and other stakeholder saddled with the responsibility of promoting women owned businesses. Since it unveiled the strengths and weaknesses of women entrepreneurs in Nigeria.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Entrepreneurship is a vital element in business activity and is considered to be critical (Man, Lau, & Snape, 2008) to our present day economy. Entrepreneurs are considered to be inventor of new wealth, jobs, goods and service. They are also the transformers of society and economy at large (Cohoon, Wadhwa, & Mitchell, 2010). Entrepreneurship as an academic field of study is relatively new in most of the higher institutions in Nigeria, but it has been established since seventeenth century by a French man named Richard Cantillon (Ernest, Matthew, & Samuel, 2015).

For many decades, there has been growing enthusiasm in entrepreneur and entrepreneurship. This has led to the increased in the number of studies conducted in this field. The reason for this is not far-fetched, as it is about the role played by entrepreneurs in stimulating economic growth and development. Hence, they have been identified as driving force in terms of business opportunities, job creation, poverty alleviation and innovation (Adesua-Lincoln, 2012). In the process, they add value and help solve critical economic and social problems. It is a fundamental fact that opportunities do not appear from nowhere. They are sought and created by human being (Low & MacMillan, 1988). However, entrepreneurs require competencies to search, create and exploit these opportunities that will enable business organisation attain a competitive position in the industry.

Literature and empirical evidence established that competencies of women entrepreneur are one of the important determining factor for success, performance and growth or failure of her business operation (Brinckmann, 2007; Kiggundu, 2002; Mitchelmore & Rowley, 2013). Looking at competencies as a concept, it has

different faces and multiple applications. It is these numerous approaches to and the notion of the concept of competency that entrepreneurial competencies are rooted in (Mitchelmore & Rowley, 2010).

According to Kiggundu (2002) competencies is the total sum of entrepreneur's requisite attributes: attitude, values, beliefs, knowledge, skills, abilities, personalities, wisdom, expertise (social, technical and managerial) and behavioural tendencies needed for successful and sustainable entrepreneurship. They are essential personal attributes, skills, knowledge and motives of both entrepreneur and employee that can lead to superior performance (Mitchelmore & Rowley, 2013). It is important to note that competencies play significant role in growth, survival and success of all categories of firms. Understanding the nature of such competencies in the context of women entrepreneurs is also very significant. Because of its implication when it is put into use (Mitchelmore & Rowley, 2010; Mitchelmore, Rowley, & Shiu, 2014). To justify this position, this research intends to examine the competencies of women entrepreneurs in Nigeria.

Entrepreneurial competencies are associated with the firm's competitiveness, performance and capability (Man, Lau, & Chan, 2002). It is critical to understand female entrepreneurial competencies, hence these competencies that enable them to perform their task the way it is supposed to be performed. In order to ensure adequate and consistent performance for a long time, Man et al. (2002) suggested that there is a need to balance between different competencies. Some of these competencies include: strategic, opportunity, conceptual, personal, learning, organizing, leading, commitment, ethical, relationship, technical and familism competencies among others (Ahmad, 2007; Ahmad, Abdul Halim & Mohamed, 2010; Man et al., 2002).

It is understood that having the required resources to establish and run business, require competencies and strategies to combine and blend both human and material resources. There is a possibility that the business may not grow to the expected level, if human and material resources are not properly integrated. Such situation is tantamount to waste of hard earned resources, time and energy. On the contrary, it is possible for entrepreneurial person to establish and run business unit successfully without having material resources. This assertion is achievable with right competencies and competitive business strategies (Lerner & Almor, 2002).

Moreover, as it is known that competencies are vital to business organizations. Understanding of such competencies in the context of women who own businesses is of great importance (Mitchelmore & Rowley, 2013). Acquiring better education, attaining training, apprenticeships and experience from previous work or going overseas sharpens entrepreneurial competencies (Kiggundu, 2002). Business owner focus on internal organizational activities and structure need to be consolidated, whilst external business environment also deserves extensive focus as well (Adam & Chell 1993 as cited in Man et al. (2002). There is no magical formula for business success (Low & MacMillan, 1988). Consequently, any loss of focus internally or externally has a multiplier effect on the current position of the firm in the industry, its prospect for growth and eventual failure of the business.

Globally, female entrepreneurs have two major characteristics; firstly, they are women attached to domestic responsibilities, such as cooking, cleaning, bringing up children, household chores and family responsibility pressures (Seedhouse, Johnson, & Newbery, 2016; Simo Kengne & Simo Kengne, 2016). Secondly, they are entrepreneur saddled with the responsibility of establishing and running business firm successfully (Okafor & Mordi, 2010). In this manner, they perform double duty.

This is common to most African women in general and Nigerian women in particular. Based on African culture, tradition and norms, regardless of her age, educational level and her position, she will always be regarded as subordinate to man (Adesua-Lincoln, 2011; Woldie & Adersua, 2004). In certain ethnic groups in Nigeria like Yoruba, Hausa and Ibo, their culture determines who will eventually become an entrepreneur (Babalola, 2009). Men are mostly favoured, except that such situation is gradually changing. This could be the probable reason for the wide gap between numbers of men and women entrepreneurs in Nigeria. Influence of culture and tradition in Nigeria plays certain roles in undermining the relationship competency of women entrepreneurs. Both limit the level of relationship women have with their business partners and colleagues. However, they determine which business is most appropriate for women.

Women encompass the majority living below the poverty line, as they have inadequate access to income resources, health, education, home, and other infrastructures that make life conducive and they face severe intra-household and social discrimination (Alao, 2015; Alese, 2013; Iheduru, 2002; Ilavbarhe & Iyore, 2015). This was contrary to the pre-colonial era when, they dominated commercial activities (Akinwumi, 2000), especially small scale businesses. Although, the oil boom in the post-colonial period led to the reduction of women that are engaged in commercial activities (Okpara, Halkias, Nwajiuba, Harkiolakis, & Caracatsanis, 2011). A survey conducted by National Bureau of Statistics (NBS) in collaboration with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2013 shows that men accounted for 77.25% of the ownership of business organizations across the economic sector of Nigeria, the remaining 22.75% consist of women entrepreneurs.

However, it is the responsibility of the business owners to make strategic and operational decision as well as implementing them (Lerner & Almor, 2002). In such a way that aims and objectives of her venture is effectively achieved. Thus, entrepreneur needs to acquire varieties of competencies, abilities, skills and capabilities that are fundamental for corporate and continued existence of her business firm (Mitchelmore et al., 2014). In addition to these, for her to perform effectively she must be able to identify business opportunities and have the drive for business success (Mitchelmore & Rowley, 2013).

Women-led businesses depend mainly on the owners' skills and abilities as it is the case in developed countries like USA, UK and developing country like Nigeria. Most of them leverage on the skill of the owners because they are mostly small scale business organizations (Carter & Shaw, 2006; Lerner, Brush, & Hisrich, 1997). Since most businesses owned by women centred on retail business and service industry (Lerner et al., 1997; SMEDAN & National Bureau of Statistics, 2013), intangible resources like competencies is more required than tangible resources (Solesvik, 2012) as the contributing element to business competitive advantage and business performance. Therefore, this present research chooses competencies as intangible resources of women entrepreneurs in Nigeria and studies its relationship with cost leadership strategy and performance of their firms.

Porter (1980) proposed a framework unfolding generic strategies that a firm can use to achieve competitive advantage. The framework postulated that firms can choose to implement strategies based on either cost leadership or differentiation strategy to enjoy a competitive advantage. Over the years, Porter's (1980) dissimilarity between cost leadership and differentiation strategies and his related typology have been conceivably the best researched in the strategy literature (Block,

Kohn, Miller, & Ullrich, 2015). In addition to this, Porter's generic strategy framework is still applicable to business competitiveness in this digital age (Kim, Nam, & Stimpert, 2004). To achieve competitive advantage, the firm must create positive value or deployment of resources which equals or some way exceeds that of competitors (Eniola & Ektebang, 2015; Wagner, 2006).

Firms adopting the cost leadership strategy aim to increase market share based on creating a low-cost position comparative to their competitors. To achieve cost leadership advantage firms can implement different resource allocation methods: such as large-scale facilities, process improvements, cost minimization and overhead control (Banker, Mashruwala, & Tripathy, 2014). Differentiation requires being different from competitors by providing superior information, prices, communication, distribution channels, prestige to the customer, design, brand image, reputation, technology, product features, networks, and customer service (Bayraktar, Hancerliogullari, Cetinguc, & Calisir, 2017; Kim et al., 2004). These strategies must be based on elements that are difficult for competitors to imitate.

Due to stiff competition in the business, women entrepreneurs in Nigeria, need to adopt a competitive strategy that will enable them to attain competitive position in the market and better the performance of their firms. Women entrepreneurs in Nigeria tends to focus on cost leadership strategy because consumers of goods and services in Nigeria are not attracted by brand but rather they are price sensitive in the sense that price of products influence their purchasing decision (Gorondutse & Aliyu, 2015; Okpara, 2014). Similarly, women entrepreneurs in Nigeria are operators of micro businesses that are centrally controlled by the owners. They preferred cost leadership because it requires less planning, no special knowledge or sophisticated equipment, especially at the start-up

phase, is about willingness of the owners and their employees to work for low wages (Block et al., 2015; Williams, 2008). Therefore, in view of the forgoing discussion, this study chose cost leadership strategy as mediator between entrepreneurial competencies and firm performance. Because, there are still gaps and inconsistencies in the strategy research that examines the link between strategy and performance (Banker et al., 2014).

Generally, firm performance has been considered as one of the ultimate criterion variable in the field of strategic management (Aziz & Mahmood, 2011). Hence, firms were established as a going concern concept and it is how well the business is doing in the market that will encourage the owner to invest more in such business, this is the reason firm performance is a critical issue to every profit-making firm. Firm performance has been the yardstick for business success for stakeholders, such as business owners, investors, management, etc., who invested in a firm; and it is not forthright, because there is no generally accepted single measure of this concept (Bayraktar et al., 2017; Croteau & Bergeron, 2001; Kaplan, 2001)

To evaluate how well a business is performing, stakeholders use not only financial performance measures for instance stock price, revenue, earnings per share, but also non-financial measures such as customer satisfaction, employee satisfaction, employee compensation, supplier relations relative to the competitors (Kaplan, 2001). While the objective method refers to the financial performance, the subjective method measures non-financial performance or perception of the respondent (Croteau & Bergeron, 2001).

This study adopted subjective performance evaluation, because the study focuses on women entrepreneurs running micro businesses. Their financial operations are private, just for owners' consumption as they are not required to be

reported to any agency (Mohammed, 2016). This makes secondary data about their firm performance not to be available. The study must rely on subjective evaluation, where performance was measured based on the perception of the entrepreneurs.

Some of the businesses women in Nigeria are involved in are: tailoring, poultry, spices, local soft drink (zobo, ginger), cosmetics, trading, food and beverages, aquaculture (fish farming, aquatic plants etc.), snacks, cane work, crop marketing, beat making, bags making, catering, bakery, production of liquid detergent, production of coconut oil, production of gari and palm oil processing, making of rice flour and so forth.

Therefore, it is pertinent that for those female entrepreneurs, who desire to achieve competitive advantage for their business via cost leadership strategy as a standalone strategy (Oyedijo, 2012). Acquiring and leveraging on competencies is vital (Lopa & Bose, 2014) for them to attain strategic competitive position and high-level business performance. Especially in this era where technology advances rapidly and quickly alter existing phenomenon, processes and boundaries (Nimsith, Munas, & Shibly, 2014).

1.2 Problem Statement

The importance of women entrepreneurship in Nigerian society cannot be overemphasized and their participation in business activities is increasing (Olutayo & Yusuff, 2016). Research in this field is still lacking (Eniola & Ektebang, 2015) and there are very few empirical studies that focused on women entrepreneurs (Baker, Aldrich, & Nina, 1997). This is mostly the case in Africa and especially Nigeria. As academic research is only beginning to take a foothold, where statistics about women owned businesses are not regularly updated (Akor, 2015; Eniola & Ektebang,

2015). For instance, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), a statutory body responsible for the promotion and development of this sector in Nigeria, is yet to update its collaborative report on micro, small and medium enterprises of 2013. Therefore, the report of collaborative survey conducted by Small and Medium Enterprises Development Agency of Nigeria and National Bureau of Statistics (2013) reference material available.

Women entrepreneurs have contributed to Nigeria's economy and this is proven by a collaborative survey conducted by Small and Medium Enterprises Development Agency of Nigeria and National Bureau of Statistics (2013) which revealed that women entrepreneurs generated 22,591,229 employments across Nigeria. However, the government and the relevant stakeholders in Nigeria failed to focus their attention on promoting the activities of women entrepreneurs, due to religious and traditional factors. Therefore, little is known about women entrepreneurs in Nigeria. This has hampered the effort to increase their participation in the economic growth and development (Cohoon et al., 2010).

Evidently, previous studies conducted on women entrepreneurs and entrepreneurial competencies focused on entrepreneurs in developed countries (Ahmad, 2007; Brinckmann, Salomo, & Gemuenden, 2011; Lerner & Almor, 2002; Lerner et al., 1997; Man & Lau, 2000; Man et al., 2008; Mitchelmore & Rowley, 2010, 2013). According to Adesua-Lincoln (2012) very little information is available concerning entrepreneurial competencies of women entrepreneurs in developing countries for like Nigeria. This is a serious setback for women entrepreneurship development, considering their roles in the socioeconomic development of their respective countries (Akor, 2015). Therefore, further research in this area is much needed (Man et al., 2002).

Similarly, it is quite noticeable that studies directed towards the strategic aspect of business owned by women (Lerner & Almor, 2002), their competencies, its impact on competitive advantage and performance are limited. The critical issue is whether these competencies are adequate and how it affects firm's performance rather than focusing on external obstacles, for instance in Nigerian traditional norms and culture such as child care responsibility, weak financial base, lack of collateral, and lack of support from spouse/family (Adesua-Lincoln, 2011; Muhammad & Abdulkarim, 2015; Nwosu & Orji, 2016).

Furthermore, Mayoux, (2001) and United Nations (2006) noted that poor financial management, liquidity problems, inexperience in management and incompetence, lack of or poor books and records keeping, problems of sales and marketing strategies, inability to engage the right and quality staff, difficulties with unions, inability to seek advice from technocrats, lack of business and social networks, poor demand in the local economy, problems associated with business premises, difficulties in accessing finance, poor work experience and skill and inadequate role models were the reasons responsible for failure of women-owned businesses, in which women entrepreneurs in Nigeria are not the exception. These problems may also arise as a result of poor competitive strategy which is affecting their performance negatively vis-à-vis customer base, growth in sales, profitability and revenue (Uchegbulam & Akinyele, 2015).

Despite the fact that entrepreneurial competencies are very important, but its discussion in entrepreneurial literature is still at tender stage (Brinckmann, 2007). Likewise, most businesses owned by women depend largely on their skills. Their business is mostly centred on service and retail sector and they are managed and owned by the owner (Lerner et al., 1997). SMEs in Nigeria faces many challenges to

reach advance growth (Eniola & Ektebang, 2015) as a result of that, they are not performing credibly well and some of its immediate cause can be linked to either entrepreneurship or leadership (Abubakar & Zainol, 2015). There is a need for empirical studies to further investigate competency area of women entrepreneur (Man et al., 2002).

Previous studies by Akinbami and Aransiola (2016); Ukonu and Tafamel (2011); Adesua-Lincoln (2012); Mordi, Simpson, Singh, and Okafor (2010) and Okafor and Mordi (2010) in Nigeria focused on problems, challenges and prospects of female entrepreneurs in Nigeria. Similarly, studies by Ademokun and Ajayi (2012); Adesua-Lincoln (2012) and Okafor and Mordi (2010) focused on women entrepreneurship development in Nigeria. Furthermore, studies by Woldie and Adersua (2004); Babalola (2009) and Iyiola and Azuh (2014) focused on women entrepreneurs and economic development in Nigeria. While, study by Adesua-Lincoln (2011) focused on Nigerian female entrepreneurs' access to finance. In view of this, Mitchelmore et al. (2014) suggested that further studies should be extended to women entrepreneurial competencies and its relationship to their business success.

However, it is important to note from the discussion so far that it is quite predictable and appropriate to explore further the relationship between competencies in women-led business and business competitive advantage. As the comprehensive research of the competencies of women-led businesses are relatively scant, although there are many bodies of studies into entrepreneurial competencies in general (Mitchelmore et al., 2014). There is also, however, a further point to be considered that in Nigeria research on women entrepreneurial competencies and its impact on competitive advantage (Eniola & Ektebang, 2014; Oyeku, Oduyoye, Elemo, Akindoju, & Karimu, 2014; Solesvik, 2012) and firm performance is severely

limited. Therefore, this study intends to focus specifically on competencies of women entrepreneurs in Nigeria and its impacts on competitive advantage and firm performance.

Furthermore, women entrepreneurship activities in developing country like Nigeria are unique and far different from those operating in developed countries of the world for at least two reasons. Firstly, their day to day business activities is carried out in both formal and informal institutional environments (Tonoyan, Strohmeyer, Habib, & Perlitz, 2010) that were ravaged with corrupt practices. Secondly, they operate in an environment with an abundant supply of human capital, but financial capital is in inadequately supply (Adesua-Lincoln, 2011). An environment like this is hostile and therefore not favourable for entrepreneurship to strive and develop (Solesvik, 2012). To further deteriorate the situation, infrastructural facilities needed for smooth running of day to day activities of their business in Nigeria are inadequate and those available are in poor condition (Adekoya, 2016).

It is a general belief that business is an important aspect of life. People do business to survive. For entrepreneur, the business could be a source of joy, frustration, sometimes worthless feelings and the business become monotonous to the owner. To overcome these psychological issues, competency is desired for strategic planning, conceptualization of numerous ideas that keeps flowing in, determination of profitable business opportunities and operational organization of their firms (Brinckmann, 2007).

Other practical challenges women entrepreneurs in Nigeria are facing is related to the purchasing decision of the buyers. Mostly customers in Nigeria are not loyal to a product or vendor, but price of goods and services determine what the

consumers will buy and from who he/she will buy the item(s) (Gorondutse & Aliyu, 2015). Furthermore, the signing of bilateral/multilateral agreement with different countries and the effects of globalization brought inflow of goods and services to Nigeria. These results in women entrepreneurs in Nigeria having to compete with products from advanced countries of the world. For them to remain in the business and achieve competitive advantage, they need to vigorously embark on business strategy such as cost leadership strategy. In this type of situation, their goods and services cannot be sold without an effective strategy (Imhonopi, Urim, Kasumu, & Onwumah, 2016; Mohammed & Ajiboye, 2010).

Women in Nigeria tend to concentrate on certain type of business and neglecting other business sectors (Adesua-Lincoln, 2011). This scenario automatically created stiff competition and resultant pressure on business owners (Mohammed, 2016). For instance, there are fewer women in manufacturing and mining, but they are more into trade and service related businesses (SMEDAN & National Bureau of Statistics, 2013). The reason for this is they did not possess the prerequisite competency and strategy for such types of business. As such this poses challenge to women entrepreneurs to establish and run the business beyond the start-up stage (Garba, 2011).

Women entrepreneurs in Nigeria have negative image of their worth in the society. The tradition in Nigeria regarded them as subordinate to their male counterpart, creating a sense of inferiority, relegating them to fulfil their roles as mothers and home maker (Adesua-Lincoln, 2011). This jeopardise their endeavour as entrepreneurs. Thus, combining family and business domain have spill over effects on their business performance (Garba, 2011; Imhonopi et al., 2016).

Currently the government of Nigeria, the developing partners and non-governmental organization have initiated capacity building for women entrepreneurs. They implemented policies and programmes that are capable of stimulating women entrepreneurship. However, businesses in Nigeria are still male-dominated and women owned businesses perform poorly and fail to grow (Motilewa, Onakoya, & Oke, 2015). This could be linked to the fact that they probably lack the necessary business strategy capable of igniting better performance of their firm.

Lack of education among women entrepreneurs in Nigeria affect their emancipatory power of competitive strategy vis-à-vis performance of their firms. Their low level of education limits their competency and access to market information (Imhonopi et al., 2016). These have adverse effects on the type of business they can establish and run effectively. Their businesses are often small, thereby engaging unskilled relatives which eventually make their business less successful (Nwanesi, 2006; Ogunlesi, 2016).

Therefore, entrepreneurial competencies required by women entrepreneurs in Nigeria that will eventually lead their firms to growth, survival and attain a competitive position may likely differ from those that should be possessed by women entrepreneurs in advanced countries (Solesvik, 2012). Furthermore, the link between entrepreneurial competencies, business competitive advantage and firm performance of women entrepreneurs in Nigeria has not attracted the attention it deserved. Noting the compelling nature of the evidence provided so far and as suggested by previous studies, these scenarios call for an empirical research on women entrepreneurial competencies in Nigeria and its relationship with business competitive advantage and firm performance.

1.3 Research Objectives

The objectives are structured based on Preacher and Hayes (2008), as the study is using PLS-SEM. The main objective of this research work is to determine the relationship between women entrepreneurial competencies, business competitive advantage and firm performance. Other specific objectives are:

- i- To investigate the relationship between entrepreneurial competencies (strategic, opportunity, organizing, personal, learning, conceptual, commitment and relationship competency) and cost leadership strategy.
- ii- To investigate the relationship between cost leadership strategy and firm performance.
- iii- To analyse the mediating effect of cost leadership strategy between entrepreneurial competencies and firm performance.

1.4 Research Questions

As a result of the above objectives, this study will address the following questions:

- i- Does entrepreneurial competencies (strategic, opportunity, organizing, personal, learning, conceptual, commitment and relationship competency) affect cost leadership strategy?
- ii- Does cost leadership strategy affect firm performance?
- iii- Does cost leadership strategy mediate the relationship between entrepreneurial competencies and firm performance?

1.5 Significance of the Study

The significance of this study can be viewed from two perspectives which are theoretical and practical perspectives. These are elucidated below.

Theoretical Significance

From theoretical point of view, this study will provide discussion of two separate types of literature such as entrepreneurial competencies and business competitive advantage in evaluating their direct relationship to firm performance. The integration will facilitate the evaluation of the direct and indirect relationship of entrepreneurial competencies and business competitive advantage on firm performance. Additionally, this study is expected to confirm results from previous studies such as: Ahmad (2007); Ahmad, Abdul Halim, and Mohamed (2010); Man et al. (2008); Mitchelmore and Rowley (2010); Mitchelmore and Rowley (2013) and (Mitchelmore et al., 2014) of both positive and negative effects of entrepreneurial competencies on firm performance.

At the same time, this study is also an attempt to do justice to the available literatures on entrepreneurial competencies, currently as shown by number of studies is heavily focused on Asia, Europe, America and other developed continents of the world (Ahmad, 2007; Ahmad et al., 2010; Man et al., 2008; Mitchelmore & Rowley, 2010, 2013; Mitchelmore et al., 2014). As opposed to Africa in general and Nigeria in particular, where, little is known about women entrepreneurial competencies in this part of the world.

An equally significant aspect of this study is the use of Resource Base View (RBV) as underlining theory, as an attempt to come up with theoretical research framework that will make an important contribution to the understanding of women entrepreneurial competencies, business competitive advantage and firm performance.

Consequently, this study will enrich the literature of entrepreneurial competencies by presenting a new framework that postulates women entrepreneurial competencies as having an impact on or driving business competitive advantage and firm performance.

Whilst the discussion in the preceding paragraphs, the importance of this study is also highlighted when looked at increasing focus of business organizations in satisfying customer's values in this dynamic competitive market situation. As providing goods and services that meet the needs and wants of consumers will leads to customer loyalty and retention. These among others are the stiff challenges faced by business owners which competencies have the capacity to address.

In short, this study will consolidate the existing body of knowledge by making available some empirically tested insight in the context of entrepreneurial competencies, while adding to the growing studies on women entrepreneurship in Nigeria.

Practical Significance

From the practical point of view, this study will be expected to unveil whether women entrepreneurial competencies and business competitive advantage would be significant determinants of firm performance. There are few women entrepreneurs that realize that they must engage their competencies in their day to day running of their business. Despite the importance of these competencies, they are still ignorant of the important impact that these variable has on their business competitiveness and success. It is hoped that findings obtained from this research will contribute to a better understanding of women entrepreneurial competencies and business competitive advantage in the context of Nigeria, in which using them appropriately will enhance business performance.

This research is timely and necessary in filling previous studies gap while providing additional information about women entrepreneurs in Nigeria. It is also hoped that this research work will ascertain whether and what extent did women entrepreneurs in Nigeria possess and apply entrepreneurial competencies towards achieving business survival and success.

This study is expected to have numerous significant and practical implications for scholars. Specifically, in strategic management, entrepreneurship and policy makers in Nigeria were not excluded. It will reveal relationship of women entrepreneurial competencies and business competitive advantage to firm performance. The insight gained from this study will benefit business organization.

For the government who are the policy makers, this research will assist them further in redefining appropriate intervention, awareness and assistance programme packages that focus towards furthering women entrepreneurial activities. The result from this study will make the policy makers in Nigeria to be well informed of the nature of competencies of women entrepreneurs in Nigeria and benefits to be derived from possession of these competencies. Therefore, government can implement strategies and prioritise their plans and actions that will aim at improving women entrepreneurial competencies. Authorities may organise series of training and development programmes specifically on competency and strategy development of women entrepreneurs in Nigeria.

Conclusively, this study will attempt to evaluate firm performance business units owned and managed by women entrepreneurs in Nigeria. It will enable them to identify their weaknesses and deficiencies, thus, encouraging and motivating them to constantly seek for knowledge that will continuously improve their innovative level and competitiveness.

1.6 Scope of the Study

The scope of this study is on women entrepreneurial competencies and their relationship to business competitive advantage and firm performance. Although, there is increasing interest and attention on these variables but research that links the result of women entrepreneurial competencies to business competitive advantage and firm performance is lacking. The focus of this study is on women entrepreneurs in Nigeria and the impact of their competencies on business competitive advantage to firm performance. The respondents to the questionnaire are the women entrepreneurs who are the owners of diverse types of business enterprises which include; manufacturing, services, trading and agriculture.

1.7 Definition of Key Terms

Entrepreneur: Is an innovator or developer who recognizes and seizes opportunities; convert these opportunities into workable/marketable ideas; add value through time, effort, money or skills; assume the risks of competitive marketplace to implement these ideas and realizes the rewards from these efforts (Aruwa, 2006).

Entrepreneurship: Is the willingness and ability of an individual or group of persons to search for investment opportunities, establish and run a business unit successfully (UNESCO-Nigeria TVE, 2010).

Women entrepreneurs: Women entrepreneurs are simply women that take part in all entrepreneurial activities, who take the risks of involving in combination of resources in a unique way so as to take advantage of the opportunity identified in their immediate environment through production of goods and services that will satisfy the needs and wants of the people (Okafor & Mordi, 2010).

Competency: Kaur and Bains (2013) defined competency as the sum of experiences, knowledge, skills and attitude which we acquire during our lifetime for the effective performance of a task or job.

Entrepreneurial Competencies: These are the underlying characteristics possessed by an individual which assist him to execute the tasks in a manner that is most befitting (Lazar & Paul, 2015).

Competitive Advantage: According to Barney (1991), a firm is said to have a competitive advantage when it is applying a value creating strategy not simultaneously being carried out by any of its current or potential competitors.

Firm Performance: According to Oo (2013), firm performance could mean the success level of the firm in the market within which it operates. It is also viewed as the ability of a firm to create outcome and actions that is acceptable to the stakeholders (Gharakhani & Mousakhani, 2012).

Cost Leadership Strategy: Cost leadership strategy is defined as a cohesive set of actions taken to provide goods or services with distinctive features that are sold to customers at the lowest price compared to rival firms or at reduced cost to achieve superior profitability (Teeratansirikool, Siengthai, Badir, & Charoenngam, 2013).

1.8 Organization of the Thesis

This thesis is divided into five chapters as follows:

Chapter 1 provides the background of the study, problem statement, research objectives, research questions, significance of the study, the scope of the study, definition of terms and organization of the thesis.

Chapter 2 presents the literature review, which mainly focused on women entrepreneurs, their competencies, business competitive advantage, firm performance and other relevant literature pertaining to the study. The literature review also highlights underlying theory and research framework. Formulation of the hypothesis of the study is given at the end of this chapter.

Chapter 3 outlines the methodology used in the study. This includes the research design, sampling procedures, research instrument, and data analysis techniques.

Chapter 4 presents the results of the statistical data analysis and discusses the findings of this research.

Chapter 5 provides a discussion about the summary of the study, contributions, limitations and suggestions for future research. Summary and conclusion of this study were also presented in this section.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Essential to this study is the idea that the relationships of entrepreneurial competencies, business competitive advantage and firm performance will most likely lead women entrepreneurs to be more committed to their business activities if they possess these competencies. The basis is that a relationship exists between entrepreneurial competencies, business competitive advantage and firm performance relies on valid assumptions obtained from the findings of previous studies and supported by theory and concepts. The chapter also discusses the theoretical framework and the development of hypotheses for the present study.

2.2 An Overview of Women Entrepreneurs in Nigeria

Globally, businesses owned by women entrepreneurs are on the increase, in underdeveloped, developing and developed countries of the world. As a result of that, the scale and growth of women entrepreneurship have attracted great interest from academics, practitioners and policymakers' world over (Henry, Treanor, Iakovleva, Solesvik, & Trifilova, 2013). As far back as the late 1980s, Berger and Byvinie (1989) discovered that female entrepreneurs are higher in the informal sector compared to male entrepreneurs in Nigeria. A report from a survey conducted by National Bureau of Statistics (NBS) in collaboration with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) showed that as at 2010 women-owned business accounted for 13.57% of small and medium enterprises in Nigeria, which later increased to 22.75% in the year 2013 respectively. Similarly, female entrepreneurs accounted for 43.32% in the ownership structure of micro

enterprises in Nigeria (SMEDAN & National Bureau of Statistics, 2013). In a survey by Global Entrepreneurship Monitor (GEM) cited in (Adetoyinbo, 2015) also shows that women are actively participating in establishing businesses in Nigeria. According to the survey, 41 % of new firms are being operated by female as compared to 39% of males. Furthermore, GEM's survey indicated that these women are very creative and innovative and are more motivated in establishing new business enterprises than their male counterpart. The high success rate of these businesses shows that women are more determined and resourceful than their male counterparts.

Table 2.1: Distribution of ownership by gender and economic sector

BUSINESS SECTOR	MALE		FEMALE		Total
	Number	Percent	Number	Percent	Number
MANUFACTURING	8,089	92.16	688	7.84	8,777
MINING & QUARRYING	174	85.20	30	14.80	204
ACCOMMODATION & FOOD SERVICES	4,075	78.62	1,108	21.38	5,183
AGRICULTURE	1,165	93.02	87	6.98	1,253
WHOLESALE/RETAIL TRADE	9,664	88.46	1,261	11.54	10,925
CONSTRUCTION	209	100.00	0	0.00	209
TRANSPORT & STORAGE	460	100.00	0	0.00	460
INFORMATION AND COMMUNICATION	280	89.07	34	10.93	314
EDUCATION	12,409	61.37	7,811	38.63	20,220
ADMINISTRATIVE AND SUPPORT ACTIVITIES	2,049	82.32	440	17.68	2,489
ARTS, ENTERTAINMENT AND RECREATION	200	89.72	23	10.28	223
OTHERS SERVICES ACTIVITIES	2,204	78.82	592	21.18	2,796
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACT	21	95.24	1	4.76	22
Total	40,998	77.25	12,076	22.75	53,074

Source: SMEDAN and National Bureau of Statistics (2013)

Women entrepreneurial activities have empowered them economically, and this has also enabled them to contribute immensely to the overall development of

their community and country at large. United Nations Industrial Development Organization (UNIDO) (2001) stated that it doesn't matter whether they are engaged in small or medium scale production activities, or in the informal or formal sectors, what matter is their contribution to output and value addition in the manufacturing sector is great. In addition to this, UNIDO (2001) stated further that women entrepreneurial activity is not only an avenue for economic survival, but also have positive social consequences for the women themselves and their social environment.

Dated back to the pre-colonial and post-colonial era, women dominated ownership of both wholesale and retail businesses in Nigeria (Aderemi, Ilori, Siyanbola, & Adegbite, 2008). Women entrepreneurs in Nigeria are major contributors to economic growth without any doubt, they have generated employment to a teeming population (Iyiola & Azuh, 2014). Evidence can be found in the report of the survey conducted by SMEDAN and National Bureau of Statistics (2013), which shows that women-owned business were able to generate 22,591,229 employments across Nigeria. Wholesale/retail businesses gaining the highest figure of over 14 million, which represent 62.66% of the total jobs generated by women entrepreneurs. Mining and quarrying produced the lowest rate of employment generation, where they generated barely 15 thousand jobs. Their contributions are of great significance in Africa, especially in food production for the nation at large.