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# **Development of Entrepreneurial Competency Framework for Women Founders – A case from Ghana, Africa**

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## **Introduction**

This paper presents the first phase of the development process of a conceptual framework for competency development of women entrepreneurs in the manufacturing sector in Ghana. The paper is organised in five sections. The first section is the background to the study; it describes the context and establishes the gap in literature that informed the PhD study. The second section provides a brief literature review of women entrepreneurship and entrepreneurship competency to provide the theoretical base for the preliminary conceptual framework. The third section captures the research aim, intended contributions of the study and design for developing the conceptual framework. The fourth section explains the use of the preliminary conceptual framework, and the final section concludes with further work on the conceptual framework.

### **1. Need for Entrepreneurship Competency Development**

Successive governments in Ghana have since 1993 sought to promote private sector and entrepreneurship-led economic development with emphasis on industrialisation and women empowerment. The reason is that increasingly political leaders and governments seem to appreciate the view that industrialisation and entrepreneurship together can create jobs, growth, wealth (Spencer, Kirchhoff and White, 2008) and thereby promote the well-being of their citizens. For instance, the Ghana government in 2011 and 2015 launched the Ghana Industrial Policy and National Gender Policy respectively with specific goals of empowering women by building their entrepreneurial capabilities and providing special credit to female entrepreneurs especially in manufacturing to enhance their resources in their pursuit of economic opportunities (MoTI, 2011; MOGCSP, 2015).

Researchers have established that individuals can develop new competencies, enhance and transform existing ones (Bird, 1995; Morris et al., 2013; Schneider, 2017; Campos et al., 2017). However, it has been observed that initiatives that are aimed at helping entrepreneurs to develop relevant knowledge, skills and traits to pursue business opportunities need to be informed by insights into the experience and perspectives of entrepreneurs (Bird, 1995; Schneider, 2017). Unfortunately, the knowledge about the experiences of entrepreneurs, especially women regarding competency development is rather limited. Indeed, Greene, et al., (2003), and Mitchelmore, Rowley and Shiu (2014) have identified the limited knowledge in the literature of how competencies are developed to pursue entrepreneurial opportunities due to over-emphasis on quantitative design and the inertia to adopt ways of assessing competencies to broaden knowledge and guide educators (Bird, 1995). This study seeks to bridge that gap in knowledge and provide theoretical and empirical foundations and insights to inform and guide educators and policymakers to effectively address the needs of women entrepreneurs.

## **2. Literature Review**

### ***2.1 Women Entrepreneurship as a concept***

Women entrepreneurship focuses on the initiatives women take to identify opportunities, establish and operate their own businesses (Jennings and Brush, 2013). Women entrepreneurs tend to be necessity entrepreneurs and operate more in the retailing and service sectors rather than in manufacturing and construction (Jennings and Brush, 2013). For instance, high percentage of female entrepreneurs in Ghana is engaged in trading and retailing rather than manufacturing and construction (Dzisi, 2008) as only 15% of the small businesses owned by women entrepreneurs is classified as manufacturing as against 79% essentially providing services in a World Bank study on gender and economic growth in Ghana in 2007 (Agboli, 2007). This is because the role of women in Ghana regardless of their qualification and profession is clearly defined; women are responsible for taking care of children, managing the home and ensuring the sustenance of the family (Dzisi, 2008).

### ***2.2 Entrepreneurial competency as a concept***

From an entrepreneurial perspectives, competencies have been defined by Bird as (1995, p. 51) “underlying characteristics such as specific knowledge, motives, traits, self-images, social roles and skills which result in venture birth, survival and/or growth.” Entrepreneurial competencies can be categorised into personal characteristics or traits, (also referred to as entrepreneurial motivations) skills, and knowledge of the entrepreneur or founders (Bird, 1995; Shane, Locke and Collins, 2003; Mitchelmore and Rowley, 2010).

Bird’s (1995) definition of entrepreneurial competency will be the central and operating definition for this study. First, it recognises the role of competencies at every stage of the entrepreneurship process from venture creation to growth (Frese and Gielnik, 2014). Secondly and more importantly Bird’s (1995) definition like that of other scholars such as Man, Lau and Chan (2002) and Hayton and Kelley (2006) perceive entrepreneurial competencies as being an integration of knowledge, skills and traits or personal characteristics as well as behavioural in nature. The scholars also reckon that competencies are required collectively to execute a task and accomplish a goal. For instance, Hayton and Kelley articulated the integrative nature of competencies and its focus on specific goal or task succinctly this way (2006, p. 410) “...competencies involve the knowledge required to achieve a given outcome, the skills to implement that knowledge, and the personality characteristics required to motivate the implementation of the knowledge and skills to achieving a desired outcome.” In fact, Baum, Locke and Smith (2001) in their study on the determinants of venture growth in the architectural woodworking industry in the US noted that knowledge and skills of entrepreneurs are direct determinants of venture growth whereas traits of entrepreneurs had an important but indirect effect on growth through knowledge and skills of the entrepreneurs. The latter part of Baum, Locke and Smith’s (2001) assertion is corroborated somewhat by Campos et al., (2017) whose study in Togo, in West Africa established the fact that entrepreneurs’ personal characteristics which they term personal initiative, that consists of the attitudes of being self-driven, being proactive and being tenacious, accounts for business success.

### ***2.3 Entrepreneurial competency framework and the associated research issues in pursuit of entrepreneurial opportunities***

The first entrepreneurship competency development model was developed by Bird in 1995. Bird's generic framework requires an upgrade for several reasons. First, it is over two decades since Bird's model was developed and many more avenues have been identified as sources through which entrepreneurs develop competencies. For instance Rasmussen, Mosey and Wright (2011) have shown that entrepreneurs learn from lead users when they are designing and developing their products/services.

Secondly, literature and insights from empirical studies on corporate entrepreneurship and university spin-offs has been included to expand the framework. This was not the case before. For instance, Rasmussen, Mosey and Wright (2011) stated that university professors have brought business experts to join them as co-founders when launching university spin-offs so they can develop relevant skills of marshalling resources and establishing an entrepreneurial organization which professors lack. Ravasi et al. (2004) also observed that some founders of technology firms in pursuing entrepreneurial opportunities through innovation have engaged consultants or experts to assist them in developing new products or processes. The founders together with their employees have gained technical knowledge by working with the experts to enact the innovation and asking the experts to translate their tacit knowledge into product specifications.

Thirdly, an upgrade of Bird's framework can benefit from entrepreneurial learning theories because of the central role learning plays in the entrepreneurship endeavour (Rae and Carswell, 2001; Ettl and Welter, 2010; Borrás and Edquist, 2014). Entrepreneurial competencies which entrepreneurs deploy in pursuit of entrepreneurial opportunities are developed through entrepreneurial learning (Ettl and Welter, 2010). Diverse learning theories and approaches have been identified to explain how entrepreneurs develop their competencies because entrepreneurial competencies are multifaceted (Bird, 1995; Man, Lau and Chan, 2002; Hayton and Kelley, 2006) and are developed from multiple sources (Rae and Carswell, 2001; Bird, 1995; Man, Lau and Chan, 2002; Hayton and Kelley, 2006). For example, the growing role of incubators, accelerators technology transfer and entrepreneurship centres to develop relevant competencies and management skills of budding entrepreneurs has also been articulated by scholars such as Jansen et al. (2015) and Miles et al. (2017).

Fourthly, the pursuit of entrepreneurial opportunities is addressed holistically from literature from three broad activities, namely opportunity recognition/creation and evaluation, venture creation, and venture growth (Gartner, 1985; Bird, 1995; Shane, Locke and Collins, 2003; Morris, Lewis and Sexton, 1994). It has been established that the pursuit of opportunities right from opportunity recognition to venture growth requires entrepreneurial competencies (Gartner, 1985; Ardichvili, Cardozo and Ray, 2003; Shane and Venkataraman, 2000; Shane, Locke and Collins, 2003; Eckhardt and Shane, 2010). All the major stages and the activities involved in pursuing opportunities from opportunity recognition to venture creation and growth (Bird, 1995) as well as the perceived sequence in which entrepreneurs pursue opportunity need to be depicted. This makes it possible to research the specific competencies required for each key stage and the competencies required to transition from venture creation to venture growth.

### **3. Research aim, contributions and research design**

The aim of the study is to explore the competency development process of women entrepreneurs in their pursuit of entrepreneurial opportunities in the manufacturing sector in Ghana. The study seeks to contribute in the following ways; to:

- **Theoretical Contribution:** To contribute to theoretical knowledge by refining the competency development framework based on the experience and practice of entrepreneurship by women entrepreneurs from a developing country such as Ghana.
- **Theoretical Contribution:** To broaden the horizon of knowledge in entrepreneurial competencies by providing insight into the nature of competency deployment by women entrepreneurs.
- **Methodological Contribution:** Apply shadowing technique to assess how women entrepreneurs deploy entrepreneurial competencies to run their businesses and pursue opportunities.
- **Policy Contribution:** To provide theoretical and empirical foundations to inform and guide educators and policymakers to effectively address the needs of women entrepreneurs.

The goal of constructing a contextualised competency development framework of women entrepreneurs in the manufacturing sector in Ghana will be preceded by the development of a preliminary competency development framework based on extant literature. The preliminary conceptual framework is not specific to any gender or industry or geography. The process for producing the preliminary conceptual framework is described below.

#### ***3.1 Phase 1: Forming the preliminary structure and content of the Competency Development Framework (CDF)***

The purpose of this initial stage was to develop a preliminary framework based on extant literature and current frameworks where possible. The process began by identifying the gap in the women entrepreneurship literature. A broad research question was then derived from the gap in the literature. The choice of literature was based on the researcher's interest. The interest was borne out of curiosity and growing rhetoric of policymakers in Ghana and efforts of governmental and non-governmental agencies to support women entrepreneurs through capabilities building programmes. The research question generated from the preliminary literature review was '*How do women entrepreneurs in Ghana develop competencies to pursue opportunities in the manufacturing sector in Ghana?*'

The preliminary literature review was followed by a rigorous literature review of both conceptual and empirical works on topics such as competencies, entrepreneurial opportunities and the entrepreneurship process. The researcher came across a very simple and generic competency development model by Bird (1995) to depict how owners of successful start-ups derived relevant competencies to run their ventures. Bird's (1995) work together with others informed the development of the preliminary conceptual framework. The literature chosen for the preliminary conceptual framework included conceptual papers, relevant theories, empirical papers based on specific industries and an extant generic competency development framework.

The table 1 below shows the mapping of relevant themes and key authors whose works informed the development of the preliminary conceptual framework

Framework Themes			
	<b>Entrepreneurial Learning/Competency Development Approaches</b>	<b>Entrepreneurial Competencies</b>	<b>Pursuit of Entrepreneurial Opportunity/ Entrepreneurship Process</b>
<b>Authors/papers informing competency development framework</b>	(Scherer, Adams and Wiebe, 1989), (Gibb, 1997), (Rae and Carswell, 2001; Ettl and Welter, 2010; Borrás and Edquist, 2014), (Mitchell et al., 2002), (Ravasi et al., 2004), (Kolb and Kolb, 2009), (Martin, McNally and Kay, 2013), (Jansen et al., 2015), (Miles et al., 2017)	(Bird, 1995), (Man, Lau and Chan, 2002), (Shane, Locke and Collins, 2003), (Hayton and Kelley, 2006), (Mitchelmore and Rowley, 2010), (Rasmussen, Mosey and Wright, 2011), (Morris et al., 2013), (Campos et al., 2017)	(Ardichvili, Cardozo and Ray, 2003; Eckhardt and Shane, 2010) (Gartner, 1985; Morris, Lewis and Sexton, 1994)
<b>Common words, phrases/themes</b>	Social learning theory, Experiential Learning theory, Cognitive theory, Network Theory Entrepreneurship Ecosystem	Personal Characteristics Traits, Attitudes, Mindsets Motivation, Skills Knowledge	Opportunity recognition/creation, evaluation, Venture Creation Venture Growth
<b>Preliminary framework</b>	Stage One	Stage Two	Stage Three
	Learning	Acquisition	Pursuit

Table 1: Framework Themes for Entrepreneurial Competency Development Process

The content for the framework was developed from the common words/phrases identified and shown in table 1 above. The phrases/words captured the essence of the ideas and theories reviewed in the literature. The output of this conceptual framework was the three-stage preliminary competency development framework:

1. Learning
2. Acquisition
3. Pursuit

The framework was then constructed into a process flow diagram as shown in Figure 1 based on the interrelationships between entrepreneurial learning, competency development and the pursuit of opportunities by entrepreneurs as established in extant literature.

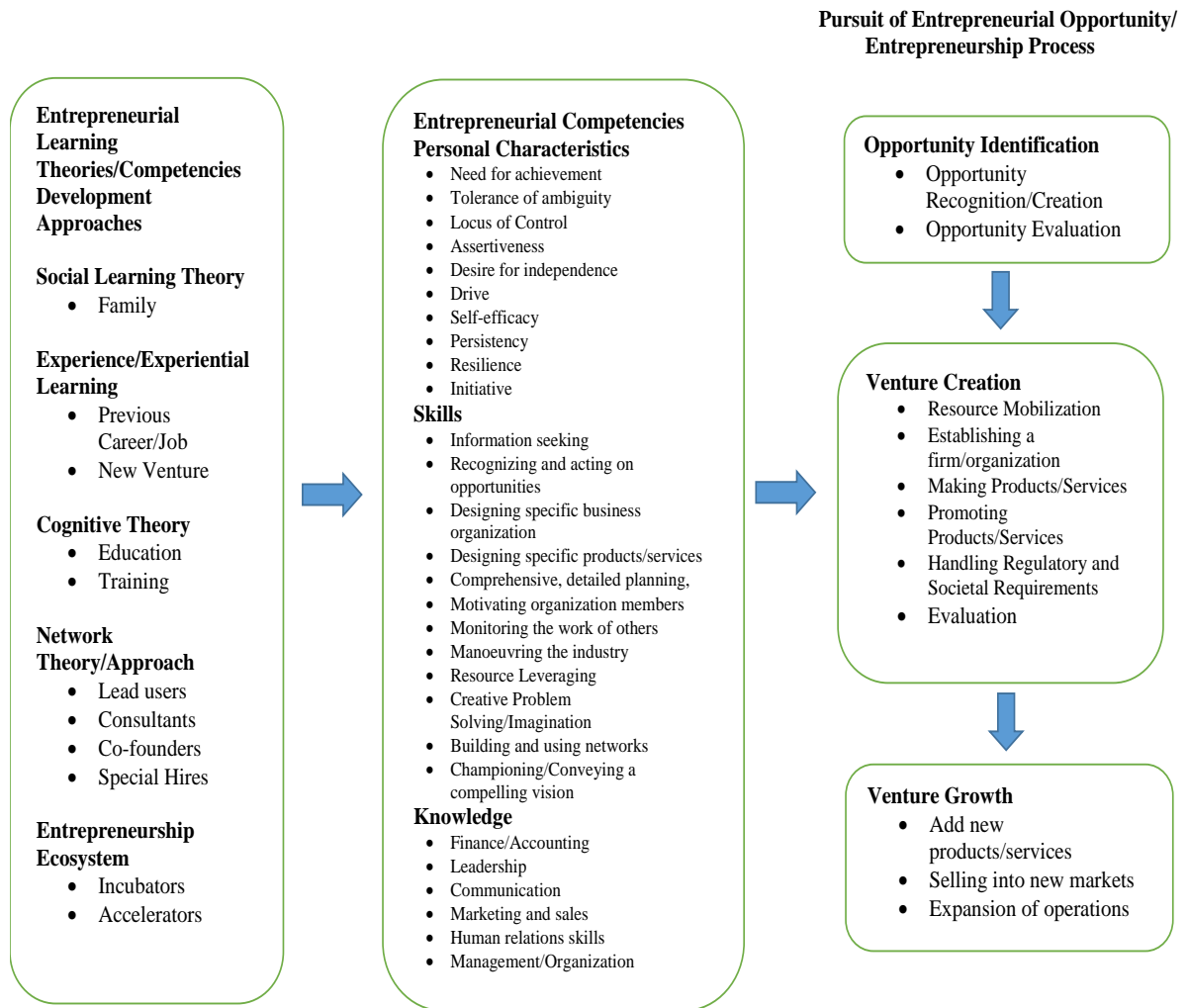


Figure 1: Framework for Competency Development in Pursuit of Entrepreneurial Opportunities  
Sources: Adopted from Gartner (1985), Morris, Lewis and Sexton (1994), Bird (1995), Shane, Locke and Collin (2003), Frese and Gielnik (2014), (Morris et al., 2013), (Jansen et al., 2015), (Miles et al., 2017)

#### 4. Initial use and confirmation of the preliminary conceptual framework

The researcher seeks to use the preliminary conceptual framework to guide the research design as well as encapsulate the research findings (Green, 2014). The preliminary conceptual framework served as a good summary of the relevant literature of the study and what extant literature says about competencies, how they are developed and how they relate to the entrepreneurship process. It also guided the creation of the interview guide and research protocol (Smyth, 2004; Green, 2014) for the semi-structured interviews, shadowing and document analysis techniques used for the study.

The relevant findings from the initial validation exercise show that the preliminary competency development framework is not comprehensive enough (Milles, Huberman and Saldana, 2014). The preliminary framework was lacking in three key areas. First, it does not show the relative importance of the competencies at the various stages of the entrepreneurship process. The study

will address the weakness by finding out from participants through the in-depth interviews the competencies they find important at different stages and why they think so. This is necessary because scholars such as Rasmussen, Mosey and Wright, (2011) have emphasise that different competencies are required at different phases of the entrepreneurship process.

Secondly, it does not show how entrepreneurs deploy relevant competencies in their pursuit of entrepreneurial opportunities. Morris et al., (2013) have noted that competencies can be observed and assessed. The study will, therefore, seek to trail and observe how women entrepreneurs deploy competencies to pursue business opportunities by applying shadowing as one of the research techniques.

Thirdly, the preliminary framework is rather generic; it is not contextualised because it is based on extant literature which is dominated by studies from the West that are rather male-centric (Ahl, 2006; Henry, Foss and Ahl, 2016). The study is contextualised and case based because it focuses on the perspectives and experiences of women entrepreneurs in the manufacturing sector in Ghana.

## **5. What Next?**

The researcher will continue to iterate the preliminary conceptual framework based on the initial findings to inform the next fieldwork. The final product will address issues such as how entrepreneurs deploy competencies in pursuit of entrepreneurial opportunities, the relative importance of the different competencies at the various stages of the entrepreneurship process and nuances of the context that will emanate from the final research findings. It is expected that the final contextualised framework will serve as a summary of the research findings of the researcher's PhD (Smyth, 2004; Green, 2014), and provide a novel competency development framework to guide policymakers who seek to support women entrepreneurs.



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