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**THE EFFECT OF ENTREPRENEURIAL COMPETENCE AND
ENTREPRENEURIAL ORIENTATION ON WOMEN
ENTREPRENEURS' BUSINESS SUCCESS MODERATED
BY CULTURE IN KIGALI CITY, RWANDA**

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Abstract

This study investigates the influence of entrepreneurial competencies and individual entrepreneurial orientation on the business success of women entrepreneurs in Kigali City, Rwanda, with culture examined as a moderating factor. Although previous studies highlight that women entrepreneurs often encounter cultural and resource-related barriers, limited empirical evidence explains how cultural dynamics shape the effectiveness of their entrepreneurial capabilities. Drawing on the micro-foundations of the Resource-Based View and Contingency Theory, this research adopts a quantitative method using regression analysis on data from 100



women entrepreneurs. The findings demonstrate that entrepreneurial competencies significantly enhance business success. However, individual entrepreneurial orientation does not exhibit a statistically significant relationship with business success. Furthermore, culture is found to weaken the positive effect of entrepreneurial competencies, indicating that even competent women entrepreneurs may experience reduced outcomes when facing restrictive cultural norms. Conversely, the moderating role of culture in the relationship between individual entrepreneurial orientation and business success is not supported. Overall, the study emphasises the essential role of entrepreneurial competencies in women-led business success in Kigali, while underscoring that cultural barriers may diminish their impact. These insights suggest the importance of culturally responsive entrepreneurship interventions to strengthen women's capabilities and enhance their performance outcomes.

Keywords: Entrepreneurial competencies, entrepreneurial orientation, culture, women entrepreneurs, business success

INTRODUCTION

Entrepreneurship is frequently associated with the ownership and management of small businesses (Shane, 2008). As a result of its emergence as a vital element of economic development theory (Feldman, 2014), it is now the largest business sector in most of the world's economies. While there is no generic definition of entrepreneurship in the literature (Sommer & Huang et al., 2011), it has essentially been conceived as an opportunistic determination of entrepreneurial tendencies, which involve the acts of taking risks, innovating, and creating value (Huang & Yu, 2011). Nevertheless, entrepreneurship has provided support for the emergence and growth of small and medium businesses (ESCAP (2007), which have grown to become the world's largest business sector, Culkun & Smith (2000). Small and medium businesses are a veritable engine of economic growth and development (Ilorun, 2014), as they help economies attain national objectives, most especially in the areas of generating revenue, creating employment, and alleviating poverty (Agwu & Emeti, 2014).

According to Aremu & Adeyemi (2011), most small and micro businesses in Rwanda fail within the first five years of operation, with a smaller percentage going out of business between the sixth and tenth years. Only a small percentage of these businesses survive and grow to maturity. However, in recent years, failure rates have been reported to have grown to almost 80% due to a lack of finances (Akinfe, 2014), with the performance of business owners falling below expectations.

Women entrepreneurs have a higher failure rate than men due to environmental restrictions that limit their ability to capitalise on business opportunities (Mayoux, 2001). Substantiating the above assertion, argued that women entrepreneurs in Rwanda face several socio-cultural challenges, which lead to their failure. Some of the difficulties identified included governmental regulations, limited access to finance, poor access to information technology, family dependence, lack of access to control property, and managerial incompetency, as well as restrictions on family businesses with minimal leadership roles (Agwu & Emeti, 2014). Women's entrepreneurial development has been hampered by several issues, leading to failure. Rwandan administrations recognise women's economic and strategic roles in driving change and development and have implemented policies and programs to support women's entrepreneurship (Inyang & Enuoh, 2009).

In this study, the phenomenon of women entrepreneurs is addressed with a consistent conceptual and analytical focus. Throughout the research, the term "women entrepreneurs" refers specifically to women who create, own, manage, and grow businesses, regardless of sector or size, within the context of Kigali City, Rwanda. This consistency ensures that the study maintains a clear target population and aligns the analysis with the core objectives of the research.

The phenomenon of women entrepreneurs is examined not only from the perspective of their economic contributions but also in terms of the unique challenges and opportunities they face, such as limited access to capital, societal expectations, and balancing family responsibilities with business roles. By maintaining a consistent definition and understanding of this phenomenon, the study can explore how entrepreneurial competencies and entrepreneurial orientation influence their business success, while also considering the moderating role of culture.

Women entrepreneurs make up the fastest-growing segment of entrepreneurs globally, and Rwanda is no exception. According to the National Institute of Statistics of Rwanda (NISR, 2014), women lead about 52 per cent of micro, small, and medium businesses (MSMES) in Rwanda (or about 420,000 businesses). Through these businesses, women entrepreneurs are key contributors to GDP growth and create jobs critical to people's lives in their communities and the country at large. In Rwanda, women have traditionally been expected to focus on roles such as child care, housework, farm labour, and external employment.

Cultural stereotypes and gender biases create significant barriers that restrict women's access to equal opportunities in areas such as education, income, and property. This lack of equal opportunities in income-generating activities has contributed to the persistence of poverty among women. (Reduction & Paper, 2004) Small and Medium Enterprises (SMES) and

cooperatives play a crucial role in driving employment and economic growth. The 1994 genocide severely disrupted the production sector, leading to widespread engagement in agriculture, with 70% of the population currently working in this sector. Other economic sectors, including SMES, were also profoundly affected during this period.

Women-owned SMES in Rwanda are progressively contributing to the economy in almost every region of the country. As knowledge of women's roles and economic standing in society grows, the latent potential of entrepreneurs becomes increasingly apparent. Women in Rwanda were traditionally viewed as supporting men in financial, leadership, and social positions in an autocratic regime. However, this has changed, and women are increasingly launching enterprises in a variety of industries. The Rwandan government plays an important role in encouraging women to become entrepreneurs by recognising their potential for business success. Rwanda is a global leader in promoting gender equality.

This research in Kigali City is really important. We can see that Kigali is Rwanda's economic heart. Women's business start-ups have increased dramatically in recent years. They are involved in the city's development. Even though the government has implemented measures to promote gender equality and entrepreneurship, women continue to face challenges. Cultural and institutional constraints make success difficult for them. The city has a unique blend.

The purpose of this study is to research The Effect of Entrepreneurial Competencies and Entrepreneurial Orientation on Women entrepreneurs ' business Success, moderated by Culture in Kigali City, Rwanda. It would provide policymakers and support groups with relevant insights.

LITERATURE REVIEW

Entrepreneurs 'Business Success concept of women Entrepreneurs' Business Success

The term "business success" connotes different interpretations, just as entrepreneurial perceptions of the term vary among entrepreneurs and genders. Succinctly, success can be defined as the 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, the terms performance, success and growth were used alternatively in measuring firm performance, while critically analysing and modelling the performance of small businesses, by confirming growth as being synonymous with success. (Komppula, 2004) Describes performance firms from the angle of how successful a firm is and uses the terms success and performance interchangeably.

Business success in this context is also determined by the ecosystem or external factors, especially in the era of advances in information and communication technology, so both small and large enterprises require good governance (Muftiadi, 2024)

Factors Influencing Women Entrepreneurs 'Business Success

The emergence of women in recent literature on entrepreneurship has become one of the driving forces in the economic growth and development of developing countries (Terjesen & Amorós, 2010). Hence, understanding the factors that influence the success of women entrepreneurs is important in every social and economic setting. Although we have alluded to the variance in the perception of the term success between men and women entrepreneurs, to the differences in their socioeconomic behaviour, certain individual (or internal) and environmental (or external) factors have been identified to exert great influence on the success of women-owned enterprises.

The external (environmental) level factors that influence an entrepreneur's success are grouped into the micro, meso, and macro environmental levels (Cabrera & Mauricio, 2017). These environment-level factors are sometimes referred to as the pull factors, which often attract women into entrepreneurship (Dawson & Henley, 2012). The contacts networking factor involves developing close and long-lasting ties with one's customers, suppliers, and other collaborators, who are involved in the successful running of the business and who may also form part of the business contacts 'networking. However, the family support factor refers to the emotional backing received by women entrepreneurs from members of their families when venturing into entrepreneurship.

Lastly, at the macro environment level, the focus is on favourable government policies and cultural features that greatly impact women's ventures, which increase their level of aspirations and make them more productive. However, the absence of these lofty policies, on the other hand, makes women entrepreneurs continue in their small, subsistence, and self-employed status (Cabrera & Mauricio, 2017).

Entrepreneurial Competencies Concept Entrepreneurial Competencies

The term competency or competencies has become one of the challenging issues in the field of entrepreneurship literature. This is, however, due to the existence of variant definitions of the concept (Hoffman, 2014). More to this challenge is the way some terms, such as skills, acumen, expertise and competency, are interchangeably used as having the same meaning in literature (Smith & Morse, 2005).

Entrepreneurial Competencies and Entrepreneurs 'Business Success

The desire to provide an alternative predictor of business success by looking beyond the individual personality and demographic characteristics gives rise to the concept of competencies in the field of entrepreneurship. To this end, several studies have been conducted to establish a relationship between entrepreneurial competencies and business success or performance, and the findings from such empirical studies on this relationship have been documented in the current literature. (Barazandeh et al., 2015) In their study, they investigate the relationships between entrepreneurial competencies, social norms and business success.

Entrepreneurial Orientation Concept of Entrepreneurial Orientation

Conceptually, the term entrepreneurial orientation (EO) is operationalised as a firm-level strategic posture (Covin & Slevin, 1989), covering the firm's entire competitive orientation. Consistently, it can be referred to as the process by which individuals in an established venture pursue entrepreneurial opportunities that lead to innovation, irrespective of the nature or level of the firm's current resources(Lumpkin, 2011). (Rauch et al., 2000) Conceive EO as the strategy-making processes that provide organisations with entrepreneurial decisions and actions.

Entrepreneurial Orientation and Entrepreneurs 'Business Success

Several searches have been conducted to establish relationships between entrepreneurial orientation (EO) and the business success of micro, small and medium enterprises. In several of these studies, some report the existence of a significant relationship between the two constructs, while some established a negative relationship with some, even reporting mixed findings between either of the entrepreneurial orientation dimensions and business success. However, here are some of the various findings on the link between these two constructs, as found in existing literature. Adolph) In 2016, a study was conducted to examine the relationship between business environment, entrepreneurial orientation and business success.

Culture and Entrepreneurs 'Success

In a bid to clearly understand the effect of cultural diversity on business success, (Kochan et al., 2003) report on a study conducted by some industry's chief executives and professional human resource experts, under the auspices of a non-profit making organisation known as Business Opportunities for Leadership Diversity (BOLD) Initiative. The studies aim at helping American firms on ways of leveraging diversity in culture to achieve a competitive advantage. The study reports that the more culturally diverse the firm's workforce is, the more

effective the organisation will be. The research further calls for more women and minority participation in business.

Culture as a Moderator

Drawing on the existing literature of management and entrepreneurship, the concept of culture has been featured in several capacities. For example, culture has been used either as an independent (predicting) variable, a dependent (criterion) variable or as a moderating (contingent) variable.

The Moderating Effect of Culture on Women Entrepreneurs' Business Success

The Moderating Effects of Culture on the Business Success of Women Entrepreneurs Culture has been increasingly recognised in entrepreneurial research as a key contextual element that influences entrepreneurial behaviour, decision-making, and outcomes. Culture is examined as a moderating factor that affects the strength or direction of the relationship between entrepreneurial competencies and orientation and business success in the context of this study, "The Effect of Entrepreneurial Competencies and Entrepreneurial Orientation on Women Entrepreneurs' Business Success Moderated by Culture in Kigali City, Rwanda.

A moderating effect occurs when the relationship between two variables (in this case, entrepreneurial competencies/orientation and business success) changes depending on the level or presence of a third variable (culture). Thus, culture does not directly determine business success but rather influences how effectively women entrepreneurs can apply their competencies and orientations to achieve success.

Consistency in the Woman Entrepreneur Phenomenon

In this study, the phenomenon of women entrepreneurs is addressed with a consistent conceptual and analytical focus. Throughout the research, the term "women entrepreneurs" refers specifically to women who create, own, manage, and grow businesses, regardless of sector or size, within the context of Kigali City, Rwanda. This consistency ensures that the study maintains a clear target population and aligns the analysis with the core objectives of the research. (Brancu et al., 2015).

Entrepreneurship In Rwanda

Rwanda did not have a strong entrepreneurial culture, being primarily agricultural⁶ but micro, small and medium enterprises (MSMEs), both formal and informal, now make up 98 per cent of Rwandan firms and employ 41 per cent of the workforce in the private sector women

account for just over half of the population in Rwanda, s remain underrepresented in the formal MSME sector and account for just 32.7 per cent of registered enterprises, of which 62.2 per cent are either micro or small. In the informal sector, which accounts for 30% of GDP, women are overrepresented and are responsible for 58 per cent of enterprises.

Women Entrepreneurs in Rwanda

Women entrepreneurs represent the fastest-growing segment of entrepreneurs globally, and Rwanda is no exception. According to the 2020 FinScope Gender Report, women lead about 52% of micro, small, and medium enterprises (MSMEs) in Rwanda (or about 420,000 businesses). Through these businesses, women entrepreneurs are significant contributors to GDP growth and create jobs critical to people's livelihoods in their communities and the country at large.

According to the National Institute of Statistics of Rwanda (NISR, 2014), the total number of employees in the business sector in Rwanda is 616,737, and among them, the women present are about 38 %(N=234,360). Simultaneously, women represented 37.9 %(N=83,977) of the total workers in Kigali. In overall public and private institutions, women are represented by less than a third, 32.4% (N=61,567). It should be noted that women owned almost a third, 32.5% (N=60,786), of overall businesses in Rwanda.

Micro and Small Enterprises in Rwanda

According to the SME Development Policy 2010, SMEs must meet two of three indicators: net capital investments, yearly turnover, and number of employees. Rwanda's macroeconomic status is the focus of investment and innovation efforts. RDB leads policy implementation and supports SMES through activities such as training, networking, and asset registration. They also aim to enhance the business environment in Rwanda (*SMES Toolkit to Grow*, 2020).

Table 1. Definition of SME

Size of the Enterprise	Net capital investments (Million RWF)	Annual Turnover (Million RWF)	Number of Employees
Micro Enterprises	Less than 0.5	Less than 0.3	1 to 3
Small Enterprises	0.5 to 15	0.3 to 12	4 to 30
Medium Enterprises	15 to 75	12 to 50	31 to 100
Large Enterprises	More than 75	More than 50	More than 100

Source: *SME Development Policy 2020*

The table 1 outlines how enterprises in Rwanda are grouped into micro, small, medium, and large categories. The classification is determined by the level of net capital investment,

annual turnover, and workforce size, providing a clear framework for understanding business scale within the national context.

A Micro Enterprise is defined as an enterprise with a maximum of three employees, an annual sales/revenue turnover of 0.3 million, and a net capital investment of 0.5 million.

A Small Enterprise is defined as a business with 4 to 30 employees, an annual sales/revenue turnover of 0.3 to 12 million, and a net capital investment of 0.5 to 15 million.

A Medium Enterprise is defined as a business with 31 to 100 employees, an annual sales/revenue turnover of 12 to 50 million, and a net capital investment of 15 to 75 million. The Rwanda Development Board (RDB) created this Small and Medium Enterprises (SME) Business Guide to help small and medium-sized businesses grow and flourish in Rwanda.

Women MSES in Rwanda

Women entrepreneurs make up the fastest-growing segment of entrepreneurs globally, and Rwanda is no exception. According to the NATIONAL INSTITUTE OF STATISTICS OF RWANDA (NISR, 2014), Report, women lead about 52 per cent of micro, small, and medium businesses (MSMES) in Rwanda (or about 420,000 businesses). Through these businesses, women entrepreneurs are key contributors to GDP growth and create jobs critical to people's lives in their communities and the country at large.

Women entrepreneurs in the SME city of Kigali

As observed, the country's development impacts of women-owned enterprises' activities are economic in the form of job creation, improved income from taxes, and decreased aid dependency, as well as well-being and country stability.

Table 2. The number of registered businesses and women-owned businesses in Kigali city, Rwanda

Size	Total number of registered businesses	Number of registered women-owned businesses	Size: total number of registered businesses, number of registered women-owned businesses, percentage (%) of the total of women-owned businesses
Micro	209,708	79,351	37,83
Small	14,296	4,179	29,23
Medium	1,953	403	20,63
Large	402	44	10,94
Total	226,359	83,977	37,09

Source: NISR Establishment Census Report, 2014

The table 2 shows a significant increase in entrepreneurs in Kigali city, and there is hope that this number will continue to rise due to the government's measures to promote entrepreneurship among women.

Cultural Influence on Entrepreneurial Competencies

Culture shapes values, norms, and acceptable behaviours in society, which can either enable or constrain the development and application of entrepreneurial competencies. In some cultural settings, women may have limited access to education, networks, or decision-making roles due to traditional gender roles. This may hinder their ability to fully utilise their competencies, such as opportunity recognition, negotiation, or leadership, thereby weakening the impact of competencies on business performance.

Cultural Impact on Entrepreneurial Orientation

Similarly, cultural values influence how women express key dimensions of entrepreneurial orientation—such as risk-taking, innovativeness, and proactiveness. In collectivist or conservative societies, risk-taking may be discouraged for women, leading to cautious behaviour even when they possess entrepreneurial intent. This moderates the expression of entrepreneurial orientation, potentially reducing its effectiveness in driving business outcomes. In contrast, in cultures that support individual initiative, innovation, and autonomy, women are more likely to act boldly and strategically, thereby strengthening the positive impact of EO on business success.

Cultural Moderation in the Rwandan Context

In Kigali City and Rwanda more broadly, traditional norms often coexist with modern gender empowerment policies. While government initiatives have improved women's participation in business, cultural expectations regarding domestic roles and male dominance in decision-making persist. These cultural dynamics can moderate how women engage in business and utilise their entrepreneurial capabilities.

This literature review attempts a critical examination of the past theoretical and empirical literature on all four study constructs. It attempts an exposition of the concept of business success as measured by several indicators, both at the firm (i.e., financial) and individual (i.e., non-financial) levels, and goes further to provide justifications for the choice of non-financial indicators of business success, which form the focus of the study.

Conceptual Framework

Conceptual Framework illustrating the relationship between entrepreneurial competencies, entrepreneurial orientation, culture, and women entrepreneurs' success. The framework shows how entrepreneurial competencies and entrepreneurial orientation directly influence business success, while culture moderates these relationships.

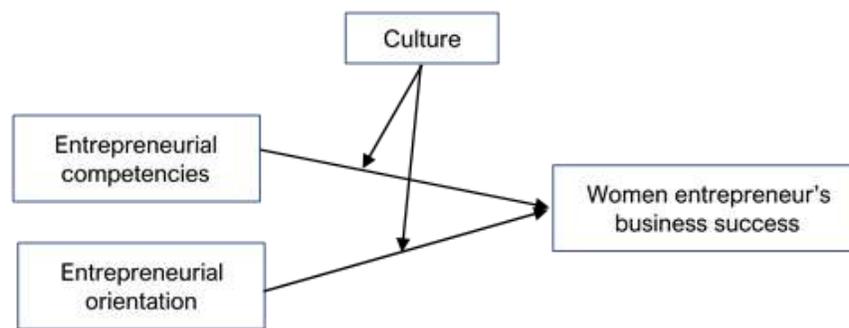


Figure 1. Conceptual Framework

Hypotheses of the Research

- H₁: There is a significant positive relationship between *entrepreneurial competencies* and *women entrepreneurs 'Business success* in Kigali City.
- H₂: There is a significant positive relationship between *entrepreneurial orientation* and *women entrepreneurs 'Business success* in Kigali City.
- H₃: Culture significantly moderates the relationship between *entrepreneurial competencies* and *women entrepreneurs 'Business success* in Kigali City.
- H₄: Culture significantly moderates the relationship between *entrepreneurial orientation* and *women entrepreneurs 'Business success* in Kigali City.

RESEARCH METHOD

This study employed a quantitative research design using a structured questionnaire to examine how entrepreneurial competencies and entrepreneurial orientation influence the business success of women entrepreneurs in Kigali City, with culture considered as a moderating variable. The methodological process includes the research design, population, sample size, sampling procedure, operationalisation of variables, data collection instrument, data collection procedures, and analytical techniques.

Population and Sample Size

The target population consisted of 83,977 registered women entrepreneurs in Kigali City. Using Slovin's formula at a 10% margin of error, a sample size of 100 respondents was determined. A simple random sampling technique was applied, as the population was considered homogeneous in terms of the characteristics under investigation. In simple random sampling, the formulation that can be used is Slovin, which is explained as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample

N = population (83.977)

e = level of accuracy (10%)

Based on Slovin's formulation and the above explanation, the calculation for the sample size can be obtained as follows:

$$n = \frac{83.977}{1 + 83.977 (0,1)^2}$$

$$n = \frac{83.977}{1 + 83.977 (0,01)}$$

$$n = \frac{83.977}{1 + 839,77}$$

$$n = \frac{83.977}{840,77}$$

$$n = 99,88 \approx 100 \text{ sample}$$

The calculation for determining an appropriate sample size using Slovin's formula yields 100 respondents.

Data Collection Instrument

Data were collected using a structured, self-administered questionnaire developed specifically for this study. The instrument was divided into five sections:

Demographic Profile: Collected information on age, education level, business age, business sector, and ownership structure.

Entrepreneurial Competencies (EC): Measured using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Items were adapted from previous studies (e.g., Sánchez, 2012) to capture opportunity recognition, problem solving, strategic planning, and networking skills.

Entrepreneurial Orientation (EO): Assessed using a 5-point Likert scale adapted from the scales developed by Lumpkin & Dess (1996). The items captured innovativeness, proactiveness, and risk-taking.

Culture (SC): Measured as a moderating variable using items reflecting social norms, family influence, gender expectations, and cultural support for women's entrepreneurship.

Business Success (BS): Measured using non-financial indicators such as customer satisfaction, business growth perception, competitive position, and personal satisfaction.

Validity and Reliability

Content validity was established through expert review by three academic specialists in entrepreneurship. Reliability was assessed using Cronbach's Alpha, with all constructs showing acceptable internal consistency ($\alpha \geq 0.70$).

Data Analysis Technique

Data were analysed using descriptive statistics and inferential statistics. Two regression models were tested:

Model 1: Direct effects of EC and EO on business success.

Model 2: Moderating effect of culture on the relationships between EC/EO and business success.

(Equation 1) – without a moderating variable

$$WE = b_0 + b_1.EC + b_2.EO + e \quad (1)$$

(Equation 2) – with culture as a moderating variable

$$WE = b_0 + b_1.EC + b_2.EO + b_3.EC.C + b_4.EO.C + e \quad (2)$$

Where:

WE = women entrepreneurs' business success

EC = entrepreneurial competencies

EO = entrepreneurial orientation

C = culture

ANALYSIS AND FINDINGS

This section presents the results of the empirical analysis conducted to examine the effects of entrepreneurial competencies, entrepreneurial orientation, and culture on the business success of women entrepreneurs in Kigali City. The analysis includes two regression models:

One assesses the direct effects of the independent variables on business success, and another tests the moderating role of culture. Both models were estimated using Microsoft Excel.

Inferential Statistics and Hypothesis Testing

Two regression models were analysed to test the study hypotheses.

Model 1: Direct Effects (Without Moderation)

The first model tested the direct impact of Entrepreneurial Competencies (EC) and (EO) on Business Success (BS). First Regression Model (Direct Effects without Moderation)

$$\text{Equation: } BS = \beta_0 + \beta_1.EC + \beta_2. EO + e$$

$$BS = 2.79 + 0.032EC + 0.376EO + e$$

$$(0.000) ** \quad (0.723) \quad (0.0001)**$$

$$F_{\text{test}} = 0.000**$$

$$R^2 = 0.138$$

Findings for Model 1:

- H_1 : Entrepreneurial Competencies (EC) do not statistically significantly affect Business Success. It was indicated by the p-value 0.723.
- H_2 : Entrepreneurial Orientation (EO) demonstrated a highly significant effect on business success by P-value of $p = 0.00036$.

Entrepreneurial Competencies and Entrepreneurial Orientation simultaneously affect business success, as indicated by the P-value of 0.000. Entrepreneurial Competencies and Entrepreneurial Orientation contributed to the business success by around 13.8% as indicated by the value R^2 .

There is a significant positive effect of entrepreneurial competencies on women entrepreneurs' business success. The contribution of Entrepreneurial Competencies and Entrepreneurial Orientation to business success is around 13.8%, and 86.2% of business success is affected by other factors.

Conclusion for Model 1:

EO is a key driver of business success among women entrepreneurs in Kigali, whereas competencies alone do not predict performance in this sample.

Second Regression Model (With Moderation)

The second model introduced Entrepreneurial Orientation (EO) and tested the moderating effect of Social Culture (SC) on the relationship between EO and BS. The model also included the direct effect of SC.

Equation: $BS = \beta_0 + \beta_1.EC.SC + \beta_2. EO.SC + e$

$BS = 4.31 - 0.0073EC.SC + 0.025EO.SC + e$

(0,000) ** (0.706) (0.214)

$F_{test} = 0.000^{**}$

$R^2 = 0.128$

Findings for Model 2:

- H_1 : Entrepreneurial Competencies moderated by social culture do not significantly affect Business Success. It was indicated by the p-value of 0.706.
- H_2 : Entrepreneurial Orientation moderated by social culture (EO.SC) does not have a significant effect on business success, as indicated by the p-value 0.214,

Although Entrepreneurial Competencies and Entrepreneurial Orientation, moderated by social-cultural, are not partially significant but simultaneously do affect business success, as indicated by the P-value of 0.0001. Entrepreneurial Competencies and Entrepreneurial Orientation, moderated by social-cultural factors, contributed to the business success by around 12.8% as indicated by the value R^2 .

The moderated model explained 12.8% of the variation in business success. Although the interaction effects were not significant, the model as a whole remained statistically significant.

Conclusion for Model 2:

Culture does not function as a moderating variable within these relationships; however, cultural factors still play an important independent role in shaping the entrepreneurial environment.

DISCUSSION

The findings of this study provide nuanced insights into the drivers of business success for women entrepreneurs in Kigali City, offering both confirmations and surprises against the backdrop of existing entrepreneurial literature.

First, the finding that Entrepreneurial Competencies (EC) did not have a significant direct effect on business success (H_1 not supported) was unexpected, particularly given the respondents' high self-ratings on their skills. This suggests that while the women in the sample perceive themselves as highly skilled, these self-assessed competencies alone are not the primary drivers of their business outcomes in this specific context.

This finding contrasts with studies by scholars like Sánchez (2012), who found a positive link between competencies and performance.

Second, the strong, significant relationship between Entrepreneurial Orientation (EO) and business success (H_2 supported) aligns robustly with established literature. This confirms the foundational work of Lumpkin & Dess (1996) and Rauch et al. (2009), which posits that a proactive, innovative, and risk-taking mindset is a powerful predictor of venture success. For women entrepreneurs in Kigali, being able to identify new opportunities, take calculated risks, and outpace competitors is directly linked to improved business performance, growth, and satisfaction. This result underscores how entrepreneurs think and strategically behave (their orientation) can be more directly impactful than their self-assessment of *what* they can do (their competencies).

The most powerful finding of this study is the consistent and strong direct influence of Social Culture (SC) on business success. In both regression models, culture emerged as the strongest predictor. This finding powerfully resonates with the assertion that culture is the "collective programming of the mind," shaping economic behaviour. It underscores that a supportive environment—comprising family encouragement, community acceptance, and positive societal norms towards women in business—is absolutely crucial for entrepreneurial success in Kigali.

Finally, the results indicate that culture does not act as a significant moderator (H_3 and H_4 not supported) for the relationships between EC/EO and business success. This means that while both EO and SC are independently important, the strength of the link between an entrepreneur's proactive orientation or her competencies and her success is not significantly enhanced or diminished by the level of cultural support she receives. In other words, a strong entrepreneurial mindset is beneficial, and a supportive culture is beneficial, but they operate in parallel rather than interact to produce a compounded effect.

This finding contrasts with some studies, such as Kreiser et al. (2013), who found cultural dimensions to moderate EO-performance relationships, suggesting that the nature of cultural influence may be more direct than interactive in this specific urban Rwandan context.

The relatively low R^2 values (13.8% and 12.9%) suggest that while EC, EO, and SC are important, a substantial portion of what influences business success is explained by other factors not included in this model. This is consistent with the complex nature of entrepreneurship, where success is multi-faceted. Future research should investigate variables such as access to finance (Fatoki & Oni, 2014), digital technology adoption, specific government policy support (Bayisenge et al., 2020), and market conditions to build a more comprehensive model of entrepreneurial success in Rwanda.

RECOMMENDATIONS

Based on the findings of this study, several recommendations are proposed to strengthen the business success of women entrepreneurs in Kigali City. The results highlight the central role of entrepreneurial orientation and cultural support, while also revealing gaps in the utilisation of competencies. These recommendations target policymakers, support institutions, entrepreneurial development programs, and women entrepreneurs themselves.

Strengthen Programs that Enhance Entrepreneurial Orientation (EO)

Since entrepreneurial orientation was identified as the strongest predictor of business success, initiatives should focus on enhancing women's ability to be more innovative, proactive, and willing to take calculated risks. Recommended actions include:

- Establishing city-wide innovation hubs specifically designed for women-led enterprises to encourage experimentation and creativity.
- Providing training on opportunity recognition, competitive strategy, and market scanning, enabling women to adopt a more proactive business approach.
- Offering mentorship from successful entrepreneurs to guide women in taking strategic risks and making forward-looking decisions.

These initiatives can help women entrepreneurs apply EO more effectively and translate innovative ideas into business growth.

Address Structural Barriers Limiting the Use of Competencies

Although women reported high competency levels, these did not translate into significant business success, indicating the presence of external constraints. To overcome these barriers:

- Improve access to affordable finance through women-focused loan schemes, flexible collateral requirements, and microfinance programs.
- Expand access to digital tools and market information, especially for women in retail, services, and micro-enterprises.
- Provide business development services (BDS) such as coaching, legal support, marketing assistance, and financial management training. By alleviating structural obstacles, women can more effectively apply their competencies to manage and grow their businesses.

Enhance Cultural Support Systems for Women Entrepreneurs

The study revealed that culture has a strong direct effect on business success. Therefore:

- Community sensitisation programs should be developed to promote positive cultural attitudes toward women in business.
- Strengthen family and community involvement by encouraging initiatives that recognise and celebrate successful women entrepreneurs.
- Partner with local leaders, religious institutions, and grassroots organisations to promote gender-equitable norms that support women's economic participation. Improving cultural acceptance can create an enabling environment where women feel supported and empowered to pursue entrepreneurial activities.

Expand Government and Institutional Support for Women's Entrepreneurship

Given Kigali's growing entrepreneurial ecosystem, the government, through the Rwanda Development Board (RDB), can:

- Introduce entrepreneurship incubators specifically for women, particularly targeting high-potential sectors such as technology, agribusiness, and manufacturing.
- Integrate entrepreneurship modules into community-level adult education programs, focusing on women in informal or micro-enterprises.
- Enhance enforcement of gender-inclusive policies, ensuring women receive equal access to market opportunities, business registration processes, and public procurement.

These measures can systematically strengthen the entrepreneurial ecosystem in Kigali.

Promote Networking and Peer-Learning Platforms

Networking is essential for sharing knowledge, accessing markets, and building confidence. The study showed that cultural and structural contexts influence performance; therefore:

- Establish women's business associations and peer-mentoring groups, enabling entrepreneurs to learn from each other and exchange market insights.
- Support annual entrepreneurship forums for women, connecting them with investors, financial institutions, and policymakers.
- Encourage digital networking platforms to enhance visibility and collaboration. Such networks enhance social capital and create shared learning environments that support enterprise development.

Recommendations for Future Research

Given the relatively low explanatory power of the models, future studies should include other factors that may influence business success, such as:

- Access to finance
- Digital skills and technology adoption
- Government regulatory support
- Industry-specific challenges
- Work–life balance and household responsibilities

Exploring these aspects would provide a more comprehensive understanding of the factors influencing women’s entrepreneurial performance in Kigali. Further, a longitudinal approach would also help uncover how these relationships evolve. Conduct similar research in other regions of Rwanda or other East African countries to compare findings and develop a more comprehensive regional understanding of the drivers of women's entrepreneurial success.

CONCLUSION

This study examined how entrepreneurial competencies and entrepreneurial orientation influence the business success of women entrepreneurs in Kigali City, and whether culture moderates these relationships. Using a structured questionnaire administered to 100 women entrepreneurs, data were collected across five key areas: demographic characteristics, entrepreneurial competencies, entrepreneurial orientation, cultural influences, and non-financial indicators of business success. The questionnaire used a 5-point Likert scale and was designed to capture respondents’ perceptions of their capabilities, entrepreneurial behaviour, cultural environment, and business outcomes. The instrument underwent expert validation, and reliability tests confirmed that all constructs met acceptable internal consistency levels.

The findings provide important insights into the drivers of entrepreneurial success in Kigali. First, the study revealed that entrepreneurial orientation, characterised by innovativeness, proactiveness, and risk-taking, has a significant positive influence on business success. This suggests that women who actively pursue new opportunities, take calculated risks, and adopt forward-looking strategies tend to achieve better business outcomes.

In contrast, entrepreneurial competencies did not show a significant direct effect on business success, despite respondents reporting high levels of self-assessed skills. This implies that competencies alone may not guarantee improved business performance in the cultural and market context of Kigali. External conditions such as access to markets, financial resources, and institutional support may play a stronger role in determining how effectively these competencies translate into success.

Another key finding is the prominent role of culture. While culture did not significantly moderate the relationship between competencies or orientation and business success, it remained a strong independent predictor. This demonstrates that social norms, community expectations, and family support continue to shape women's entrepreneurial experiences in Kigali. A supportive cultural environment directly enhances business success, whereas restrictive cultural expectations may limit women's ability to fully utilise their entrepreneurial potential.

Overall, the results show that women's entrepreneurial success in Kigali is influenced more by their strategic behaviour (EO) and the cultural environment, rather than by competencies alone. This highlights the need for interventions that go beyond skill-building and address the broader socio-cultural conditions that affect women's ability to grow sustainable businesses.

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