
Entrepreneurial Competencies in Emerging Economy Context

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Abstract

The purpose of this exploratory study is to examine entrepreneurial competencies reported by female entrepreneurs in the Ukraine. A multiple-case study methodology was used. Primary data was gathered from semi-structured personal interviews with female owners and managers. Case study evidence suggests that the female entrepreneurs were successful when they have acquired and developed general and specific to the Ukrainian context competencies. Successful entrepreneurs were associated with opportunity, commitment, organizing, relationship, and conceptual competencies. The strategic competencies are, however, underdeveloped among the case entrepreneurs. Furthermore, successful entrepreneurs in the studied context seek to develop a competency in establishing relationships with politicians and acquire competency in legal issues. Presented findings have implications for practitioners, especially for owners and managers of female firms, policy makers, government officers who support entrepreneurs, banks, and non-government educators facilitating the competency development of female entrepreneurs.

Key words: entrepreneurial competencies; female entrepreneurs; Ukraine; case study

1. Introduction

There is a growing awareness of a need for a greater understanding of entrepreneurs in emerging market context (Bruton *et al*, 2008). Moreover, there is a call for research to test whether theories developed in advanced economies contexts are applicable in the emerging economy contexts (Shenkar and von Glinow, 1994). Entrepreneurs functioning in emerging markets are often rather unique. First, they operate in the special formal and informal institutional environment (Tonoyan *et al*, 2010) attributed with formal institutions voids and overdeveloped informal institutions, like *blat* and trust (Puffer *et al*, 2010). This environment is rather hostile towards entrepreneurship. Second, entrepreneurs in transition economies have a high level of human capital and low supplies of financial capital (Manev and Manolova, 2010). Thus, competencies which entrepreneurs in emerging economies should possess in order to lead their businesses to survival and growth are likely to be different from those in the developed economies.

Entrepreneurial competencies associated with the firm's performance and competitiveness (Man *et al*, 2002), business growth and success (Colombo and Grilli, 2005). Acquiring and leveraging entrepreneurial competencies is of key importance for entrepreneurs willing to achievement oriented entrepreneurs. Despite a body of studies relating to entrepreneurial competencies (Man *et al*, 2002; Mitchelmore and Rowley, 2010), there are still gaps in the knowledge base. Issues relating to the competencies development process relating to the female entrepreneurs have generally been neglected. Further, numerous scholars in entrepreneurship have assessed the entrepreneurial competencies in *developed* economies (e.g., Brinckmann *et al*, 2011; Man and Lau, 2000; Lerner and Almor, 2002). However, there is a gap in the knowledge base relating to the specific entrepreneurial competencies of entrepreneurs in *emerging* economies. Yet, Capaldo *et al* (2004) suggested that the context shapes entrepreneurial competencies. The purpose of this exploratory study is to examine entrepreneurial competencies reported by female entrepreneurs in the Ukraine. The aim of the study is to analyze how a competitive advantage of the female-owned firms can be enhanced by the possessing entrepreneurial competencies with reference to resource constrained and hostile environments in emerging economies. Guided by the insights from the emerging dynamic entrepreneurial competencies perspective (Man *et al*, 2002), this study provides fresh insights into what competencies entrepreneur acquire with reference to the dysfunctional institutional legacies in the emerging economy context. Moreover, guided by insights from the institutional perspective and the resource-based view (RBV), this qualitative study explores the following research questions: (1) What entrepreneurial competencies are employed by female entrepreneurs during the venture birth, survival and/or growth (in emerging market context)? (2) How resource constrained and hostile environment shape specific entrepreneurial competencies limited to emerging economy context?

A novel conceptual contribution is the exploration of links between entrepreneurial competencies and formal and informal institutional factors relating to entrepreneurship. Information from eight cases is used to build theory relating to the entrepreneurial competencies in an emerging market. This study also adds to debates relating to the female entrepreneurship in emerging economies (Bruton *et al*, 2008; Kiss *et al*, 2011). Several important competencies specific to female entrepreneurs are highlighted, which are linked to the industry profiles and specific institutional environment of Ukrainian firms, as well as the domestic environmental contexts. The study also covers a methodological gap in research on entrepreneurial competencies related to the lack of qualitative studies in the field (Man *et al*, 2002).

Insights from the cases will enable scholars to develop survey-based research to explore entrepreneurial competencies of a wider sample of the Ukrainian and other transition countries' entrepreneurs and facilitate policy-makers to provide support for entrepreneurs with more appropriate courses aimed to competency development. The general and specific entrepreneurial competencies highlighted in the cases may be a useful base for entrepreneurs in emerging markets to make an audit of their own entrepreneurial competencies and, if necessary, consider the ways to enrol to enterprise education programs in order to master some of them.

This paper is structured as follows. First, conceptual insights from prior studies that have focused on entrepreneurial competencies are discussed. Then insights related to the Ukrainian context are highlighted. The next section outlines the data and research methodology. Then, the nature of entrepreneurial competencies in the Ukrainian context is discussed, and findings are compared with prior studies. Finally, the implications of the study for further research and practitioners are discussed, and concluding comments are presented.

Conceptual insights from prior studies

Competence-based view of entrepreneurship

Competencies play an important role in successful entrepreneurship. Surprisingly, the research on the entrepreneurial competencies is rather limited (Mitchelmore and Rowley, 2010). Several definitions of entrepreneurial competencies are proposed in the literature (Hoffmann, 1999). Entrepreneurial competency is defined as ‘the capability of entrepreneurs to face effectively a critical situation by making sense of environmental constraints and by activating relational and internal specific resources’ (Iandoli, 2007: 17). According to Bird (1995), entrepreneurial competencies are defined as individual’s traits, such as specific knowledge, motives, features, self-images, social roles and abilities which result in venture’s success. Some entrepreneurial competencies can be learned through formal education, other competencies are tacit and depend on individual’s characteristics and are built during the person’s life, experience, and career (Brownell, 2006).

Entrepreneurship scholars suggest that entrepreneurial competencies are vital to business growth and success. Different competencies needed at different stages of the venture development (Churchill and Lewis, 1983). Man *et al* (2002) suggest that entrepreneurial competencies are more important during the start-up phase, while managerial competencies are more significant at the growth stage. External stimuli (e.g., uncertainty (Autio *et al*, 2011); business environment (Man and Lau, 2005); social environment (Mitchelmore and Rowley, 2010), and situation (Capaldo *et al*, 2006)) and internal stimuli (e.g., the nature of education (Colombo and Grilli, 2005); family background in business (Basu and Goswami, 1999), and individual’s characteristics (Brownell, 2006)) influence on emergence and development of entrepreneurial competencies.

The empirical evidence witness that performance and growth indicators of firms owned and managed by females is lower than that of male-owned firms (Neeley and van Auken, 2010). A number of reasons for such a disparity has been analysed in the entrepreneurship research, i.e., access to capital (Marlow and Patton, 2005), child care responsibilities (Brush *et al*, 2009); and general lower level of previous top managerial experience (Alsos *et al*, 2006). However, the competency facet of this problem has got limited attention of entrepreneurship scholars. For example, studies on entrepreneurial competencies (Chandler and Hanks 1994; Man *et al*, 2002; Mitchelmore and Rowley, 2010) have not controlled the dependent variables for the gender of the entrepreneurs.

It has been suggested that there are still negative stereotypes which depict females as second-rate entrepreneurs compared to males both in developed economies (Marlow and Patton, 2005) and emerging economies (Aidis *et al*, 2007). Thus, to

overcome such stereotypes, women should demonstrate high levels of entrepreneurial competencies. Since female owned enterprises operate mainly in service and retail industries (Pickle and Abrahamson, 1990), intangible resources (including competencies) are more important than tangible resources in explaining performance of ventures owned by women. Lerner and Almor (2002) asserted that there are four main factors explaining performance of women enterprises in Israel, i.e., industrial competency, management competency, strategic planning competency, and organizational resources. Lack of these competencies at female entrepreneurs represents a more serious barrier to venture performance than external obstacles that women meet as entrepreneurs, such as child care responsibilities, difficulties to gain financial resources, lack of support (Brush *et al*, 2009; Moore and Buttner, 1997). Therefore, understanding what entrepreneurial competencies are necessary for female entrepreneurs in emerging market context and how do female entrepreneurs acquire and develop entrepreneurial competencies adds another facet to the knowledge about entrepreneurial firms' performance in the emerging economies. However, the research on entrepreneurial competencies of female entrepreneurs is limited.

In a meta-analysis of entrepreneurial competencies, Man *et al*, (2002) identified six areas of competencies associated with the firm's performance, i.e., opportunity competencies, relationships competencies, conceptual competencies, organizing competencies, strategic competencies, and commitment competencies. These competencies were derived from the studies carried out in developed economies. However, as has been noted above, the entrepreneurial competencies vary in different contexts (Capaldo *et al*, 2004). Another recent research on entrepreneurial competencies which summarized the previous studies on this subject does not take into account context features either and provides a framework consisting from entrepreneurial competencies, business and management competencies, human relations competencies, conceptual and relationship competencies (Mitchelmore and Rowley, 2010). Consequently, typologies of competencies presented in these studies are general and they do not take into account emerging market specifics.

This research aims to cover this and other gaps in the entrepreneurship literature and takes into account reflections from the institutional perspective to test the idea and check whether resource constrained and hostile environment shapes specific entrepreneurial competencies specific for emerging economy context.

The context for women's entrepreneurship in the Ukraine

It has been suggested that the number of start-ups and survival of existing businesses is context dependent (Shane, 1996). Business conditions which facilitate or hinder entrepreneurship include cultures, sub-cultures, tax system, venture capital issues, market situations and other background factors (Hisrich, 1990). Institutional context (Welter and Smallbone, 2003) can shape laws and regulations that can either promote or retard an individual's path in entrepreneurship. Formal institutions in the Ukraine are underdeveloped. In contrast to western societies, where formal institutions are rather supportive towards entrepreneurship, in the Ukraine, formal institutions do not

support entrepreneurship. It has been also suggested that the role of informal institutions (e.g., trust within networks and *blat*) in some post-Soviet countries, including the Ukraine, is crucial in shaping entrepreneurship (Puffer *et al*, 2010). *Blat* refers to “an exchange of favours of access in conditions of shortages and a state system of privileges ... that provided access to public resources through personal channels” (Ledeneva, 1998: 37). *Blat* is a special term which has appeared long time ago during the Soviet times (Rehn and Taalas, 2004).

Research design and method

Research method

This exploratory study was positioned within an interpretive research paradigm. Research questions relating to the entrepreneurial competencies were explored with reference to eight firms owned by female entrepreneurs located in the Ukraine. Evidence from the in-depth cases is applied to build theory (Eisenhardt, 1989) relating to the entrepreneurial competencies of female entrepreneurs in the Ukraine. A multiple-case study method is used to explore the entrepreneurial competencies of successful entrepreneurs and the lack of certain competencies in the cases of business failures. A qualitative case study method is appropriate because the aim of this study is to generate fresh and deeper insights into the process of developing and acquiring entrepreneurial competencies relating to an emerging economy.

Case selection

A sample of female owned and managed firms in the Ukraine was identified. Information was then collected from eight firms based in the Ukraine. The external validity of presented findings needs to be considered. To ensure the anonymity of reported responses, each entrepreneurial firm was allocated a case code descriptor. The demographic profiles of the firms surveyed in the Ukraine are summarized in Table 1. Cases C, E and F relate to firms having more than 15 years of entrepreneurial experience, Case D, G and H are established between 5 and 15 years ago, other case firms are younger than 5 years. All firms have from 3 to 12 employees. A theoretical sampling was applied, since microenterprises constitute the majority of female owned firms in the country. The share of female owners of small, medium, and large enterprises in the Ukraine is significantly lower than the share of male owners.

Please insert Table 1 here

Data collection

The following stages were followed with regard to the identification of interviewees with knowledge relating to the entrepreneurial competencies. Ukrainian female owned firms were contacted and the focus of the study was discussed. The information regarding female owned and managed firms and their contact details was received from the officer of the State Committee of the Ukraine for Regulatory Policy and State Support of Entrepreneurship, which is responsible for creating a favourable business climate, and local banks. Additionally, the snowball method was used to generate additional respondents from the cases. Over summer 2011, semi-structured face-to-

face interviews were conducted with the owners and managers in firms located in the Ukraine. In December 2011 additional interviews with the same entrepreneurs were made to get additional data. A total of 17 interviews were conducted in firms' premises and each interview lasted from 45 and 120 minutes. Interviews were recorded and transcribed by the author next day after the interview.

Each respondent was assured that their names and the firms' names would not be disclosed in public sources. Thus, the real names of entrepreneurs were changed. Most interviewees described the history of their firms' creation with the minimum interruption by the interviewer. To collect more detailed information regarding organizing, opportunity, strategic and other competencies necessary for venture management, existing and previous perceived barriers, and future plans, open-ended questions were used. In order to triangulate information collected from face-to-face interviews, additional data sources were used (e.g., information from the Internet, reports, newspapers, and magazines). By combining several modes of data collection, in-depth description of entrepreneurial competencies was obtained.

Data analysis

Narrative accounts relating to the development of entrepreneurial competencies were analyzed. A previous study concludes that 'research has shown significant correlations between the founder's self-assessed entrepreneurial and managerial competencies and the performance of start-ups firms' (Chandler and Hanks, 1994: 79). Thus, self-reported entrepreneurial competencies can be used as valid data source to explore the research questions of this study. Comments of interviewees were consistently coded, and most frequently reported competencies were identified. An iterative analysis relating to within-case analysis and then cross-case analysis was conducted (Eisenhardt, 1989). Data were compared with existing theory and the data was allowed to talk.

Analysis and discussion

As stated elsewhere (Pickle and Abrahamson, 1990), the ventures owned by female entrepreneurs are concentrated mainly in service and retail industries. In this sample, there were four firms from retail industry, three firms provided services, and one firm was active in both retail and services. Thus, the industrial preferences of ventures owned by females in developed countries (Pickle and Abrahamson, 1990) and in this sample from the emerging market were identical. Presented case evidence suggests that female entrepreneurs report both common entrepreneurial competencies and specific competencies necessary to conduct smoothly business in the transition economy context of the Ukraine.

Common entrepreneurial competencies

The analysis revealed evidence for existence of several common entrepreneurial competencies. Some of these competencies are general to entrepreneurs in different countries and some competencies are specific to the Ukrainian context.

Opportunity competencies. All entrepreneurs, whom I interviewed, started their businesses because they were able to see opportunities in the business environment which they have developed. This is in line with the previous research (Chandler and Hanks, 1994; Mitton 1989; Murray, 1996) which suggests opportunity competency as one of the basic leading firms to competitive advantage. The owner of the women's clothes shop (Case E) suggested:

'In the beginning, I was a push entrepreneur. I worked in a bank in 1990s. There were only three banks in the city then. My bank went bankrupt, so I lost the job. My former customers proposed me another job. I tried but I did not like that job. I have got an idea to sell these clothes occasionally. I was visiting my relatives and friends in Belarus, saw the clothes of the manufacturer with whom I cooperate now and decided to try to sell this production in the Ukraine. The success of the business inspired me. Now I feel that I can. I would not work for somebody else. There are no possibilities for self-realization in the employed career path'.

Relationship competencies. Relationship competencies include competencies related to building networks and trust with suppliers and customers (Man *et al*, 2002; Mitton, 1989). Cases A, B, C, F, and G reported that they were able to leverage their relations with suppliers and customers to get competitive advantage. Case F asserted that she has built so good and trustful relations with one of her main suppliers that the supplier suggested and assisted to open the second shop selling his brand clothes in a neighbour city. The supplier assisted with the goods credit. Further, Case C suggested:

'You are successful as an entrepreneur, if you work with the successful partner!'

Orator and communication skills help during the negotiations and contract establishment. Case C asserted:

'I have heard an opinion about myself that I am a very good communicator. I am very communicable. Attractiveness is very important for business as well'.

One important aspect in communication competency is the gender aspect. As have been suggested business in the Ukraine is somewhat special, i.e., some sorts of stereotypes related to the role of women in entrepreneurship are still alive in the society (Welter *et al*, 2007). Case B suggested:

'It helps to communicate with customers to be female. It is easier to communicate with male counterparts. You should look attractive, however, you should be highly competent in your business and issues which you discuss. You have to be hard when you are communicating with men. When you speak to males in business softly, you are not seriously accepted'.

Conceptual competencies. Prior research suggests that risk-taking, innovativeness, decision making skills are among the conceptual competencies of entrepreneurs (Man *et al*, 2002). Entrepreneurs suggested that they realize the importance of idea development and decision making for their ventures. Some entrepreneurs have taken courses to develop these skills (A, B, and H). Contrary to some previous studies suggesting that women entrepreneurs are risk-averse (Brush, 2006), several entrepreneurs (Cases A, C, E, H) interviewed in this study reported risk-taking preferences and meant that ability to take risks is one of the key success factors of their firms performance. Case C reported:

'I have earned my capital due to my entrepreneurial mind, diligence, persistence, as well as ability to take risks and not afraid risks. My husband is not so risky. He always stopped me'.

Further, Case E suggested that she is used to calculate her risks:

‘You can risk, but not invest all your money; the family should not suffer. If the person wants to get success, she should risk. From my experience, I started to import clothes from Belarus first in the city. Later some competitors appeared. I knew I should be better; I should be in front of these competitors. So I took risk and bought much wider assortment of clothes than competitors. This is risk to invest more money into wider assortment. When a customer comes to the shop and sees twenty different models of dresses, there are higher chances that she will like and buy at least one than if there are only four-five models’.

Commitment competencies. Commitment competencies, i.e., competencies to drive business and achieve the goals are, among the key competencies named by the interviewees. This finding is in line with previous studies that studied female entrepreneurs’ competencies in developed economies (Lerner *et al*, 1997; Mitton, 1989). The owner of the advertising agency (Case H) remarked that it is much more important for the business to have a desire to achieve success than, for example, to have vast financial resources:

‘If you want something very much, you will get success’.

Similarly, another entrepreneur explained that it was much more important for the success of the business to be committed to the business:

‘The main thing is to have a will’.

Organizing competencies. Case evidence confirms the perceived importance of organizing competencies. These findings are in line with the previous research on entrepreneurial competencies that has identified a range of organizing competencies associated with the firm’s performance, such as managerial competence (Chandler and Hanks, 1994; Murray, 1996), human resource management competence (Brownell, 2006), financial management competence (Brinckmann *et al*, 2011). Cases A, C, E, and F stressed on the importance of planning competency for the development of their businesses. It is worth noting that these entrepreneurs had enterprise education. Case B asserted:

‘Business planning and marketing planning competencies are vital. Leadership courses and skills are necessary to entrepreneurs. People get knowledge and this increases self-efficacy of entrepreneurs’.

Similarly, Case A suggested:

‘Business, actually, is the planning. If you are not planning it is impossible to get success. In the same time, if the spontaneous idea comes to the mind, you have to be open to it’.

Entrepreneurs that were interviewed did not use bank loans as a source of external finance. Though, all entrepreneurs in this study suggested that access to bank credit is not a problem at all. In some cases, family financial support was used to finance the business (Cases B, C and D). In some other cases, the ventures were started with the minimal investment of own savings and income from operations was used for developing businesses (Cases E, F, G, and H). This finding is partially in line with the results of studies carried out in developed economies (Marlow and Patton 2005), arguing that female entrepreneurs are careful with traditional bank finance due to the high costs and difficulties with the access to bank credits. In this emerging economy context, at least, access to credit is not a problem, though high costs of the loans (an

interest rate for loans in USD starts from 12.5% (PUMB 2011)) and hidden costs are the main hurdles. Case H remarked:

‘I had a bad experience with the loan for the car and decided not to take loans for anything else later. It is better to wait with the project or purchase than to be dependent from a bank’.

Thus, among the four financial management competencies vital for venture performance (Brinckmann *et al.*, 2011), i.e. strategic financial management competency, competency through operations and through non-operations, and competency in financial controlling, the case evidence shows that competency in financing through operations is the most important for female entrepreneurs in this sample from the emerging economy.

Cases C, F and H stressed on the importance of competency in human resource management. Some entrepreneurs (Cases F and H) experienced problems to motivate personnel to work effectively. A number of entrepreneurs noticed that some people are not used to work for private entrepreneurs and they try to work in the same style as they worked earlier at state-owned enterprises, though the salary they have got is at least as twice as higher than that at the state-owned enterprises. Entrepreneurs were not afraid to fire the employees who could not work properly. As suggests one entrepreneur:

‘When I decided to start my own venture in 1995, I talked to my friend and former colleague. She started her business among the first in the city. So, I asked her about the major problems which can occur in the business. The first thing which she came with was: “You will have problems with the personnel! First month they will be very glad and satisfied. Then, they will start to count your earnings and estimate how much does your jewelry cost”. So, I was prepared to the issues related to human resource management and this problem really occurred. I was not afraid to fire shop assistants who did not suit this job’.

Strategic competencies. Contrary to the findings in prior studies (Man *et al.* 2002), these types of competencies have not demonstrated by the case evidence. Case B explained:

‘We had a plan to open a branch in Odessa. But because of the crisis [in 2008], we postponed this plan. We do not know how the business would look like in 3-4 years. The final goal of the business activity is to improve own wealth and to help other people’.

Entrepreneurs were rather uncertain in the future of their businesses and noticed that environment in which they operate is so ambiguous that they do not develop long-term strategies for their businesses. In line with other research (Manolova and Yan, 2002), entrepreneurs suggested that they rather try to keep businesses afloat and keep their eyes open for new opportunities. It seems that only Case A has a clear strategic vision of her business development. As she asserted:

‘I see a perspective for my business. I want to have an office of 10-12 floors full of accountants and lawyers who make outsourced accounting for other firms’.

Another possible reason for the lack of strategic competencies cited by the entrepreneurs is the small scale of the businesses. Strategic competencies could be considered as an attribute of professional management which is more typical for medium-sized and large firms.

Specific entrepreneurial competencies in the Ukraine

Competencies in establishing political links. As noted elsewhere (Welter et al. 2011), institutional context in the Ukraine is specific. Private property rights are not secured by formal institutions (Puffer et al, 2010). Thus, the important competency in Ukraine, as in some other post/Soviet countries, is to acquire acquaintances and connections, i.e. so called *blat* (see Rehn and Taalas (2004) for a detailed review) among politicians, local governments and police. In some cases, entrepreneurs use informal methods to secure their property rights. In Case B, where partner of the interviewed entrepreneur transferred firm's assets to a third firm, applying to the court was useless. As one entrepreneur explained:

'It was not difficult to start a new venture in the Ukraine. But competition is strong. If one has a shop, owners shall pay bribes to police, sanitary inspections, fire inspections, tax authorities, etc. It is often used also as a method of unfair competition to organize inspections from the different authorities. The penalties for possible faults are very high, by the way. So the owners should have so called "roof" among politicians and police'.

Competency in negotiations with state officials and building political capital may be an important source of competitive advantage in the context of transition economies with underdeveloped formal institutions. In line with this expectation, female entrepreneurs conducting business in the Ukraine acquire important resource stocks and contracts for their firms due to skills and competencies in building political relations. One of the case entrepreneurs asserted that she has established friendly relationships with a number of ministers in the Ukrainian governments and they helped her to get resources, contracts, and to develop further her network:

'I have bought cheaply these premises in the high street with the help of my friend. He was a high-ranking official then and helped me with the purchase of this high-valuable building'.

Further, another Case remarked:

'It is necessary to know what to say, it is necessary to know how to say, it is necessary to understand your own place in this society, and understand people who come to you [inspectors]. I know the value for myself. ... I have a good network which I have built during many years. I use my links to get certain resources for my business'.

Competence related to legal issues. The legal competency is necessary to acquire in order to communicate both with the Government authorities and partners. This competency is especially important in such a turbulent context of the emerging Ukrainian market where business ethics is low. Cases A, F, G, and H stressed the necessity to develop and acquire the legal competency in order to deal, on the one hand, with unfair partners and suppliers. Case A asserted: 'There is a big problem in the Ukraine with trustful and honest relations'.

Case F remarked:

'It is necessary to have a certain level of self-development. Maybe my age and experience helps me, I do not know. When I opened the shop in Odessa, a lot of inspectors from different organizations came to me with all kinds of inspections. But I knew laws and asked them "Have

you read this law?” What is written here? The law says that new start-ups were exempted from inspections during two years from the start’.

General and specific entrepreneurial competencies are supplementary to each other. Without common entrepreneurial competencies, reported by the entrepreneurs worldwide, even the best resources acquired through networks and friendships cannot be kept and developed in a long-run period. In the same time, doing business without taking into account ‘rules of play’ in the given context might have negative consequences for the business performance.

Conclusions and implications

Previous research postulates that entrepreneurship is both the art and the science (Westhead *et al*, 2011). Development of entrepreneurial type of personality depends on two sources that are constantly influencing each other (Holland, 1985). The first source is a set of characteristics with which a person is born, varying from the gender to major personality traits. The second source is a contextual input. This paper is intended to enhance understanding of entrepreneurial competencies of women enterprises operating in emerging Ukrainian market. This study has sought to reply to several recent calls in the entrepreneurship literature. First, this study is a contribution to the scarce entrepreneurship literature on firm-level in emerging economies (Kiss *et al*, 2011; Manev and Manolova, 2010). Second, this study addresses issues in the important, but still an underresearched area of entrepreneurial competencies (Mitchellmore and Rowley, 2010). Special attention is called to the necessity to explore influence of personal variables, such as gender, on the competency of entrepreneurs.

Further, this study has attempted to address some of the methodological gaps of previous research. First, this study is a response to a call for more qualitative studies on entrepreneurial competencies (Man *et al*, 2002). Second, it was pointed out that the case based evidence is grounded mainly on positive cases. I address this gap and refer to both positive and negative cases related to competencies of female entrepreneurs in the Ukraine. The negative cases demonstrate how the lack of competencies related to legal issues, organizing competencies and opportunity competencies led to withdrawal entrepreneurs from the business activities. Additionally, positive case evidence reflects the need of development and acquiring various competencies to conduct successfully business in a specific Ukrainian context.

The study has confirmed applicability of western theories related to entrepreneurial competencies. However, some country specific features should be taken into account. Empirical evidence of this study suggests that entrepreneurs with relationship, organizing, opportunity, conceptual and commitment competencies are more likely to have better performing and stable businesses. Most notably, the case study evidence drawing upon a sample of eight female owned and managed firms located in two different cities in the Ukraine suggest that strategic competencies were not important in this sample of small female-owned firms in the Ukraine. Moreover, several key specific to the Ukrainian context competencies and, probably, other

markets with the similar dysfunctional institutional conditions are identified. They are competency in establishing political links and legal competency.

There are several limitations in this study. Firms in this sample consisted of microenterprises. They are the most common type of female owned businesses in Ukraine. Further research might focus on female owners of small enterprises and medium-sized enterprises. Further research in this and other national contexts that focus on entrepreneurial competencies are still needed. Future research should consider applying survey-based method to test propositions derived in this article. Additionally, this study focused mainly on individual level of entrepreneurial competencies, with two cases related to the team level competencies. Future research might consider team's entrepreneurial competencies in the Ukrainian context. Team entrepreneurship and team's entrepreneurial competencies have not been studies in the Ukraine yet.

Results from this paper will provide policy-makers and entrepreneurs with additional insights into the key competencies associated with the performance of female owned and managed businesses. Policy makers who want more new female enterprises to be started and what is, probably, more important functioning effectively may target courses to population of novice, serial and portfolio female entrepreneurs who are willing to improve effectiveness of their businesses.

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Table I. Profile of entrepreneurs

<i>Case</i>	<i>Age</i>	<i>Year of establishment</i>	<i>Number of employees</i>	<i>Type of business</i>	<i>Brief description of the business</i>	<i>Comments/ The level of owners' education</i>
A. Nina	48	2010	10	Accounting services, audit, and tax consulting	Owner has a vast experience as a Head Accountant in large firms. Customers are large auto dealers, food manufacturers, and private entrepreneurs.	One owner Higher technical and financial education + extra courses
B. Inna	36	2008	9	Retail of designer furniture in Kiev	Two partners started to sell Belgian brand furniture. The business failed when the owner having a 51%-stake in business transferred all assets to her another firm.	Two owners Higher enterprise education + artist education
C. Vera	55	1991	10	Retail of female clothes Rent out shops in the high-street	She owns a firm which first was engaged in the tourist business, later she started a retail business. Now the main income comes from the renting premises at high-street in a large city.	One owner Higher enterprise education
D. Irina and Anna	45 44	2002	3	Trade of textiles	Owners temporary closed the shop for 2012. Business failed due to lack of general entrepreneurial competencies of owners.	Two owners (50/50) Higher education in engineering
E. Olga	45	1996	3	Retail of female clothes	The present location in the downtown is opened three years ago. Customers are from 15 years old and up to 90 years old.	One owner Higher enterprise education
F. Ludmila	65	1992	10	Retail of men's, female and children clothes in Nikolaev and Odessa	The firm sells production of the best manufacturers in the country with the long history. The firm has long term relations with knitted garment manufacturer, over twenty years.	One owner Higher enterprise education

					Men's clothes are produced by the famous Ukrainian designer who sells his suits in 16 countries.	
G. Irina	36	1997	6	Ship chandler Accounting services (side business)	The firm supplies foreign ships with food and other necessary things, small repair of ships. The owner has got the business after her father's death.	One owner, Ltd Higher enterprise education + additional courses
H. Kristina	28	2006	2 + contracts with sole entrepreneurs	Advertising agency	The firm produces billboards and other advertising products. The firm has difficulties related to drop of customers advertising budgets after crisis of 2008.	One owner Higher education (legal studies)