

Opportunity Recognition Competence of Women Entrepreneurs and Its Effect on Performance of Women Owned Enterprises in Uganda

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Abstract

In Uganda, women have found alternative forms of employment through entrepreneurship, though research indicates that males tend to dominate in the field of entrepreneurship. However, women can succeed in entrepreneurship if they have the right information, abilities, resources, and encouragement. This study sought to provide deeper insights on opportunity recognition as a competence that influences performance of female led/owned enterprises. It concentrates on women's ability to recognize entrepreneurial opportunities, and how this impact on the performance of women owned/led enterprises. This study presented a conceptual model predicting the performance of women entrepreneurs, building on the body of literature already available in the fields of women entrepreneurship, and opportunity recognition of women entrepreneurs. The article concluded with significant theoretical and practical research implications and offers avenues for future research.

Keywords: Women Entrepreneurship, Opportunity Recognition, Entrepreneurial Competences, SME performance.

1. INTRODUCTION

Entrepreneurship opportunities are defined as "situations in which new goods, services, and raw materials can be introduced and sold at greater than their cost of production Brendzel-Skowera (2021). Opportunities begin as simple concepts and transform into business plans as a result of the efforts of entrepreneurs Nair et al., (2022). Opportunity recognition entails identifying the market's needs, assessing how those needs align with available resources, and determining whether or not new needs and available resources align (Aldila Krisnaresanti et al., 2020). According to Eakin & Gladstone (2020) the process involves perception, creativity, and discovery in addition to recognition.

Opportunity recognition is one of the most crucial competences required for business (Ibrahim Gumel, 2018a). It is the ability to recognize and choose the ideal opportunity for a new business Agostini et al., (2020). Identifying and selecting the right opportunities for new businesses are among the most important abilities of a successful entrepreneur, (Boldureanu et al., 2020). Consequently, one of an entrepreneur's most important research needs is to find opportunities (Hameed & Irfan, 2019a). Finding entrepreneurial opportunities is essential to provide value to a new venture's stakeholders. Opportunities are created rather than discovered, but their components may be identified. The factors that will lead to opportunity development and may or may not result in the formation of a new venture include entrepreneurial investigation, sensitivity to market needs, and the ability to identify the deployment of resources gradually (Murnieks et al., 2020). The capacity of entrepreneurs to identify and seize business opportunities is impacted by a number of important factors. According to Clausen (2020) seeing an opportunity is not

enough to start the entrepreneurship process; an entrepreneur must seize the opportunity in order to launch a new business. Consequently, the processes involved in actualizing a new enterprise come after the principles of identifying and seizing entrepreneurial opportunities. This article will examine the key elements influencing entrepreneurs' capacity to spot and seize business opportunities. It aims at providing academics and entrepreneurs with an understanding of the most important concerns of opportunity recognition as a vital competence that influences performance of female led/owned enterprises in Kabale district. This article will assist female entrepreneurs in identifying, recognizing and taking advantage of business opportunities.

1.1 SPECIFIC OBJECTIVE

Establish the effect opportunity recognition competence of women entrepreneurs on performance of women owned/led SMEs.

2. REVIEW OF RELATED LITERATURE

2.1 Overview of Entrepreneurial Opportunity

An opportunity can be defined as the probability of creatively integrating resources to meet a market, interest, or need and provide higher value to customers Hassan et al. (2020) . According to Foss & Klein (2020) researchers further defined entrepreneurial opportunity recognition as "situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production. Also Ibrahim Gumel (2018b) asserts that, opportunity can also be an unformed phenomenon that over time transformed into a formed phenomenon and grew into a new business. Opportunities can be defined as new ideas or technologies that do not have a definite market (Kraus et al., 2019). Prospective customers may or may not be able to express their requirements, issues, and interests, but if a new product or service is offered, they are likely to see value in it, according. Consequently, the opportunity is determined by the value that customers receive from it when it was built, seen from their perspective. Capabilities of value creation are resources that are not used, underutilized resources, new or current technology, new knowledge, or new abilities that present opportunities(Bozic & Dimovski, 2019).

When the possible applications of resources are identified, the market's needs become more apparent, and the elements of opportunity evolve to become a business concept that takes the form of a new endeavour. Other concepts, such as those related to products or services, markets, marketing, supply chains, and operations, evolved from the process of turning an idea into a business endeavour. According to Kryvinska & Bickel (2020) when an enterprise is established, additional complicated problems arise, such as what the enterprise will sell to clients, who the clients will be, and how the goods will be delivered to them. The process of developing an opportunity into a full-fledged business plan involves identifying resource requirements, scheduling activities, and cash flows, all made possible by the potential's detailed development (Priyono et al., 2020). As a result, an entrepreneur's ingenuity is crucial to opportunity development, leading to a preference for opportunity development over opportunity recognition.

Even though resources may be identified, a business venture may not be launched unless an opportunity is created. According to Watling & Ginsburg (2019) an opportunity is developed successfully when it is recognized, assessed, and developed in and of itself. This results in the Ardichvili et al. (2023) creation of a successful new business. The process of developing opportunities is cyclical, and it's critical to consider the likelihood of finding new opportunities or changing the first opportunity that was recognized Ardichvili et al. (2023). According to Maine et al. (2022) an entrepreneur's capacity to identify and nurture an opportunity that may result in the formation of a new business is influenced by the following factors:

- 1) information asymmetry and prior knowledge,
- 2) an entrepreneur's networks,
- 3) an entrepreneur's alertness about an opportunity,
- 4) characteristics of an entrepreneur that include inventiveness and originality, and
- 5) the kind of opportunity.

The process of developing opportunities begins when an entrepreneur's degree of alertness reaches a point where elements like creativity, experience, knowledge, and social networks all happen to be at the highest

possible level (Kraus et al., 2019). The actions of the development process are impacted by understanding the needs of the market and the resources needed to seize an opportunity.

2.2 Opportunity recognition competence of women entrepreneurs.

According to Gray et al. (2019) opportunity recognition competence may be regarded as the ability to identify, recognize, and take advantage of business possibilities that are present in the marketplace and environment. Entrepreneurs can spot business prospects because they can observe, try things out, and network. Entrepreneurs who see business prospects are motivated to behave entrepreneurially and take chances in order to turn these opportunities into profitable ventures (Wang et al. 2021). The identification of opportunities is the key to a successful entrepreneurial strategy. It is assumed that individuals who view themselves as entrepreneurially competent are aware of potential opportunities, open to them, and capable of seizing particular opportunities that result in business success. In a study conducted by (Imtiaz (2020), the capacity to recognize opportunities is a crucial and distinguishing talent for successful business performance.

According to Farhan et al., (2020), opportunity recognition is the capacity to recognize altered environmental conditions or opportunities that represent a profit possibility or a return on an investment. It can also be interpreted as the capacity to identify prospects in the marketplace, swiftly analyse and evaluate marketing-related information, and employ professional and commercial marketing and financial abilities before others (Viswanathan et al., 2021). However, (Schoemaker et al., 2018) argue that while it's critical to recognize opportunities, it's even more crucial to take advantage of them. Also Akter et al. (2019) posits that opportunity recognition competency allows female entrepreneurs to investigate substantial market prospects, which ultimately lead to the creation of thriving, expanding firms. The ability to seize opportunities helps entrepreneurs identify consumer wants and prospective opportunities to meet those requests and unanticipated requirements. This competency aids in the investigation of opportunities when the conditions allow for the successful satisfaction of customer demands and wants. One of the key responsibilities of entrepreneurs is to be able to spot and take advantage of business possibilities that can boost business performance. The entrepreneurial behaviors of actively seeking, recognizing and creating opportunities make up opportunity competence (Böhm et al., 2020).

According to Mulyani et al. (2020) one of the crucial factors for a business' success is its employees' perception of the many opportunities that are available in the market. It implies that female business owners who want their companies to flourish quickly should seriously consider acquiring this kind of skill, if not her business will not experience growth as expected. Similarly, opportunity recognition competence serves as a launch area for entrepreneurial endeavours and concentrates on examining data and spotting connections between occurrences that appear to be unrelated in order to generate fresh ideas (Chavoushi et al., 2021).

Female business owners who are confident in their ability to recognize market opportunities are more motivated to start new ventures Akter et al. (2019). Opportunity recognition is a cognitive process that identifies market trends and market niches within an area or industry. Market opportunities are based on information asymmetry, which enables individuals with access to essential market intelligence and the ability to synthesize disparate bits of information to uncover lucrative start-up business prospects (Lahti et al., 2018). Notwithstanding the negative institutional climate for female entrepreneurship, opportunity recognition may improve the motivation of potential female entrepreneurs to start a new enterprise Mulyani et al. (2020). In order to succeed, entrepreneurs must act swiftly to seize opportunities presented by innovation ecologies. Using survival techniques like chance recognition, ingenuity, and high risk-taking, SMEs may grow.

Moreover, Snihur et al. (2021), observes that opportunity recognition competence is the ability of an entrepreneur to identify a variety of market opportunities using various tools, processes, and procedures. Opportunity recognition competence is the capacity to pinpoint the goods and services that customers are looking for, to acknowledge their unmet requirements, to seize genuine possibilities, and to give customers the most for their money. Successful businesspeople have the capacity to perceive opportunities where

others don't, which sets them apart from the competition. This is consistent with Loan et al. (2021) who posits that, the capacity of an entrepreneur to identify, develop, and evaluate genuine market opportunities is known as opportunity recognition competence.

This was further bolstered by Kristiawan et al., (2019) who acknowledged that the ability to recognize market opportunities using a variety of strategies is known as opportunity competence, which is one of the most crucial and distinguishing traits of successful entrepreneurs. This competence demonstrates the entrepreneurs' capacity to look for, identify, develop, and assess every potential opportunity present in a given market (Kelly & Mohr, 2021). Entrepreneurs can avoid potential dangers and turn those possibilities into advantageous and better results by spotting effective opportunities (Ghezzi, 2019). Recognizing and seizing the chance to succeed in business is the most important skill for entrepreneurs. The ability of entrepreneurs to seize opportunities helps them to be aware of customer demands and the availability of potential opportunities to satisfy customers' unforeseen demands. Entrepreneurs must choose wisely to take advantage of opportunities and chances for their businesses' growth (Ratminingsih et al., 2018).

This competence enables business owners to spot lucrative prospects in the early phases of their ventures market (Kelly & Mohr, 2021). This is a result of entrepreneurs' ability to see opportunities that other non-entrepreneurs may not be able to see in their own business contexts. Additionally, for female entrepreneurs, opportunity recognition competence empowers them to take calculated risks and deal with ambiguous market conditions by identifying and seizing the right opportunities, and this connects SME performance and opportunity recognition competence Akter et al. (2019).

3. MATERIALS AND METHODS

3.1 Research Design

The study used a cross-sectional design based on a questionnaire survey to collect information on women-owned businesses in the selected sub-counties of Kabale district. The study concentrated on goods, services, production, and manufacturing. The survey approach provides more detail about a phenomenon and its underlying causes (Zikmund et al., 2012, Agaba, M., *et al* (2023)). The study employed both simple random sampling and purposive sampling. Each sample of the enterprise has an equal probability of being chosen using a simple random sampling technique (Ohlsson, 2011, Mpirirwe & Agaba 2024, & Kesiime *et al*, (2024)). The study concentrated on enterprises run by women. The study used a sample of 160 respondents in order to mitigate the study duration and costs and make it easier to access and find respondents. Opportunity recognition competence was evaluated in terms of market knowledge, creativity, risk-taking propensity, network, experience, learning agility, opportunity identification, action orientation: The entrepreneurial ability to take action and pursue opportunities is a key aspect of opportunity recognition, components of financial literacy, competitiveness, inventiveness, marketing expertise, and network building and profitability (Hassan, 2020, Byamukama & Agaba, 2024). Demographic Characteristics, importance of opportunity recognition of women entrepreneurs, female entrepreneurship, factors influencing development of opportunity recognition competence and potential for opportunity recognition comprised the four components of the questionnaire. The reliability of the questionnaire was examined. The study employed descriptive data to describe the availability of funding for the growth of female entrepreneurs. The association between the women competence of opportunity recognition and drivers for women entrepreneurial success was established using correlation and linear regression.

3.2 Population of the study

According to Baltes & Ralph (2022) a study population is the universe of units from which the sample is to be picked. At Kabale District Registry and the Kabale District Commercial office, there is/was no categorised register for women enterprises; the available register is generalised together with men, and it was not possible for the researcher to pick out only information relating to women. Therefore, this study population was drawn from the available women register available at the District Commercial office. The information provided had 5921 women entrepreneurs in Kabale District that came together to form groups at constituency level (202 groups in total), from the three counties of Kabale District (Kabale municipality,

Ndorwa East Constituency and Ndorwa West constituency (Kabale District Local Government, 2022); as follows;

Table 1: Showing population of the study

Source	Number of groups	Total No. of members within these groups
Kabale Municipality Women Entrepreneurs Register	51	1302
Ndorwa East Women Entrepreneurs Register	98	2615
Ndorwa West Women Entrepreneurs Register	53	2004
Total		5,921

Source: (Kabale District Local Government – Commercial Office, 2022).

3.3 Sample size determination

A sample is the list of all the sampling units in the survey population or the sampling range (Li et al., 2018). It is the totality of things/items from which a sample is drawn. Samples are specifically selected subgroups or subsets that are representative of the population being studied. Yamane (1967) is cited by (Riley et al., 2020) as the source for a simplified formula to calculate sample sizes. When the population is big, the sample sizes are determined using this formula. It presupposes a particular level of significance, typically between 0.01 and 0.1, while 0.05 is the most typical value.

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

Where n is the sample size, N is the population size (5921), and e is the level of significance (0.05). On application of the formula, the required sample was,

$$n = \frac{5921}{1 + 5921(0.05)^2} \cong 375$$

The sample size of the study was therefore 375. This is as shown in Table 4 where the respective sample sizes were 82 for Kabale Municipality Women Entrepreneurs register, 166 for Ndorwa East Women Entrepreneurs register and 127 for Ndorwa West Women Entrepreneurs register.

Table 2: Showing Sampling Table

Category			Population	Proportionate sampling $n_i = \frac{N_k}{N} \cdot n$	Sampling technique
Kabale Municipality Women Entrepreneurs			1302	82	Stratified, and simple random sampling
Ndorwa East Women Entrepreneurs			2615	166	Stratified, and simple random sampling
Ndorwa West Women Entrepreneurs			2004	127	Stratified, and simple random sampling
Total population			5921	375	

Source: Kabale District Commercial Office

Where; k is number of strata; i is the sample required from the k-th stratum

3.4 Research Instruments

The instruments used for data collection included, documentary reviews, an observation checklist and questionnaire. Obtaining and analyzing data on chosen variables in a planned, methodical manner is known as data collection. This approach enables one to later answer to appropriate questions and evaluate results. The aim of data collection is to gather high-quality evidence, which can then be used to conduct extensive data analysis and create a solid case for answering a given question. Using a questionnaire to lay out the questions meant to elicit the desired information, and it included a list of structured questions, on a 5 - Likert scale pertinent to the area of inquiry, along with sections for choice-making and justifications. The questionnaire was chosen because it is efficient, inexpensive, and easy to use (Gillespie, B. J. et. al. 2021)

3.5 Validity of instruments

When quantitative research uses a validation measurement technique to address the three validity challenges of instrument, internal, and statistical conclusion validity, it is considered trustworthy (Mellinger & Hanson, 2020). Instrument validity, in this definition, is when a validated tool measures what is anticipated of it, whereas internal validity requires the validated tool to evaluate every possible variation and alternative hypothesis. When study results are achieved utilizing appropriate statistical procedures and methodologies, this is referred to as statistical conclusion validity (Mertler et al., 2021).

Content validity

Since this was a cross-sectional study using a questionnaire, it was crucial to systematically develop and evaluate the questionnaire items to cover all relevant aspects of the construct being measured (Zapata-Cáceres et al., 2020). The researcher conducted a thorough literature review by identifying key dimensions and elements of the construct. The study made use of experts who were the supervisors of the research to assess the relevance and comprehensiveness of the items. Their feedback was used to refine and expand the questionnaire to ensure all important facets are included. Statistical methods such as factor analysis were used to confirm that the questionnaire items were grouped together logically and reflected the underlying constructs accurately. This rigorous approach helped to establish that the questionnaire comprehensively and accurately measured the intended construct, thereby ensuring content validity (Gillmann et al., 2023).

Face validity

In this study, it was important to focus on the apparent appropriateness and relevance of the questionnaire items from the perspective of respondents. The researcher drafted the questionnaire items based on the constructs of interest, ensuring they were clear, concise, and understandable. Then, she involved a small group of individuals from the target population to review the questionnaire (Zapata-Cáceres et al., 2020). She asked them to provide feedback on whether the items seemed to measure what they were intended to measure, and whether they found any items confusing or irrelevant. Their feedback was incorporated to refine the questionnaire, making adjustments to wording, format, and content as necessary to enhance clarity and perceived relevance. This process helped ensure that the questionnaire appeared valid, making it likely that respondents would engage with it and provide accurate responses (Obilor & Miwari, 2022).

Construct validity

In terms of operational definitions and measures of empirical phenomena, construct validity is defined as "whether theoretical concepts are adequately reflected." Generally, hypothesis formulation is the result of quantitative research (Lund, 2022). Construct validity is often examined in a hypothesis testing study utilizing complex statistical methods (Sürücü & Maslakci, 2020). Since structural equation modelling (SEM) presupposes a relationship between exogenous and endogenous variables generated from theoretical underpinnings and practical research findings, it was used for evaluating hypotheses. Convergent and discriminant validity were investigated in order to demonstrate concept validity in SEM (Rönkkö & Cho, 2022).

Convergent validity

Convergent validity is defined as the extent to which the observed variables of a given construct exhibit a high degree of variance in common (Rönkkö & Cho, 2022). To assess each concept's convergent validity, three tests were used: construct factor loadings, average variance extracted (AVE), and construct reliability (CR) estimates. (Cheung et al., 2023) advise requiring AVE estimation to be larger than 0.5, reliability estimates for tolerable convergent validity to be greater than 0.7, and best-standardized loading approximations to be equal to or higher than 0.7. The degree to which a latent construct differs from other latent constructs is defined by discriminant validity (Rönkkö & Cho, 2022). The equivalent squared inter-construct correlations (SIC) are correlated with each variable's AVE to confirm discriminant validity. The existence of discriminant validity for the construct is indicated if the AVE approximation is consistently greater than the SIC approximations (Hair Jr, et. al. 2021).

Internal consistency risks associated with this research were reduced by assessing all alternative explanations of the degree of relationships between the constructs (Hair Jr, et. al. 2021). To find all likely and theoretically plausible relationships between the study's variables, many competing SEM models were used. Finally, the covariance-based SEM approaches of Jeffery's Amazing Statistical Software (JASP) were used to assess the gathered data in order to mitigate the dangers to the statistical conclusion validity of quantitative data. According to Kline (2023), SEM methods are well recognized as methods for determining the statistical validity of study conclusions.

The internal consistency and the loading of a set of items on each construct were investigated in order to assess the measuring scales' reliability. The degree of internal consistency of latent construct indicators in their measures is ascertained using the reliability test (Hanafiah, 2020). This study employed the Cronbach's Alpha (1951) coefficient to assess internal consistency. Hair Jr et al. (2021) suggest a lower threshold of internal dependability of 0.70 coefficients. Nonetheless, Kennedy (2022) argue that internal reliability is acceptable at 0.60 coefficients. Since Cronbach's Alpha test is influenced by the number and length of scaled measures on the scale, the mean inter-item correlation for the items was also reported to lend credence to the reliability of the scales. For higher order concept measurements, the recommended range for inter-item correlation is between 0.2 and 0.5, or 0.015-0.15 (Nicolau Blanchet, 2023).

3.7 Quantitative Data Analysis

In order to ensure that there were no missing values or outliers in the quantitative data, it was first necessary to clean the data. After this, descriptive statistics were carried out using SPSS to explain the key characteristics of the data (Sadriiddinovich, 2023). Exploratory factor analysis (EFA) was carried out before employing structural equation modelling. To examine the structure of the relationships between a large number of different variables, EFA was used (Tavakol & Wetzal, 2020). Hair Jr, et. al. (2021) claim that carrying out EFA helps determine whether a given group of things represents a construct or not and verifies that items are cross-loaded across constructs. SEM was used to assess the measurement model, validate the model's fit, and determine the constructs' discriminant and convergent validity. The structural model, which was constructed using improved measurement models, was then examined (Hair Jr, et al. 2021).

3.8 Ethical considerations

It was the researcher's duty to seek approval from the relevant organs; Kabale University Directorate of Post graduate Training, Research and Ethics Committee (REC), Uganda National Council for Science and Technology (UNCST), and the Community Gate Keeper who is the Chief Administrative Officer, Kabale District, before commencement of the data collection process. No information was gathered from participants without their consent. The researcher sought clearance from the Kabale University Research and Ethics Committee (KAB REC) with an approved cover letter, questionnaire, and interview schedule for the study. After approving the suggested study protocol, the student proceeded to the field.

Participants were guaranteed freedom of speech and expression, and the researcher upheld respondents' anonymity as much as possible. As such, a written statement outlining the goal and scope of the research were provide to all participants.

effort was taken to handle all data collected in a private manner. The first sections of the survey questionnaire described the process for handling complaints during the research. It was made clear that if a participant in the study would have any questions or complaints regarding their involvement, they were to first talk to the researcher. All necessary contact information, such as addresses, phone numbers, and email addresses, were provided.

4. PRESENTATION OF FINDINGS

Table 3: Showing Opportunity Recognition Competence (ORC) Results for Exploratory Factor Analysis and Validity Analysis

Item	Factor Loading	Factor Formed	KMO and Bartlett's test		Cronbach's alpha	(AVE)
			KMO	Sig. Bartlett's		
ORC16OAL	.763	ORCAL	0.711	0.000	0.772	0.566
ORC20OAL	.704					
ORC19OAL	.589					
ORC14OAL	.535					
ORC15OAL	.515					
ORC28OEV	.729	ORCEV	0.636	0.000	0.640	0.682
ORC27OEV	.718					
ORC30OEV	.586					
ORC26OEV	.579					

Based on results from table 3 showing Opportunity recognition competence (ORC) results for EFA (Exploratory Factor Analysis) and validity analysis, the factor loadings for the items ranged from 0.515 to 0.763, indicating that the items were reasonably good indicators of their respective factors. Two factors were formed: ORCAL (opportunity recognition competence – alertness, and ORCEV (Opportunity recognition competence - evaluation). The items loaded onto their respective factors, suggesting the factors were well-defined and captured distinct dimensions of opportunity recognition competence. The KMO (Kaiser-Meyer-Olkin) values were 0.711 for ORCAL (opportunity recognition competence – alertness) and 0.636 for ORCEV (Opportunity recognition competence - evaluation), which were considered acceptable, indicating the data was suitable for factor analysis. The Bartlett's Test of Sphericity was significant ($p < 0.000$) for both factors, suggesting the variables were correlated and appropriate for factor analysis. The Cronbach's alpha values were 0.772 for ORCAL (opportunity recognition competence – alertness) and 0.640 for ORCEV (Opportunity recognition competence - evaluation), indicating acceptable internal consistency reliability for the factors. The average Variance Extracted (AVE) values were 0.566 for ORCAL (opportunity recognition competence – alertness) and 0.682 for ORCEV (Opportunity recognition competence - evaluation), which were close to or exceed the recommended threshold of 0.50, suggesting adequate convergent validity for the factors.

Table 4: Showing Rotated Component Matrix for Opportunity Recognition Competence (ORC)

Item	Component	
	1	2
ORC16OAL	.763	
ORC20OAL	.704	
ORC19OAL	.589	
ORC14OAL	.535	
ORC15OAL	.515	
ORC28OEV		.729
ORC27OEV		.718
ORC30OEV		.586
ORC26OEV		.579

Extraction Method: "Principal Component Analysis". Rotation Method: "Varimax with Kaiser Normalization". a. Rotation converged in 3 iterations.

Table 4 reported the items' principal factor loadings, internal reliability, and convergent validity analysis. Based on the Rotated Component Matrix for the Opportunity Recognition Competence (ORC) measure, the matrix showed a clear two-factor structure, with the items loading onto two distinct components. Component 1 was composed of items ORC16OAL, ORC20OAL, ORC19OAL, ORC14OAL, and ORC15OAL, which represented "Opportunity Alertness" dimension of opportunity recognition competence. Component 2 was composed of items ORC28OEV, ORC27OEV, ORC30OEV, and ORC26OEV, which represented "opportunity evaluation" dimension of opportunity recognition competence. The factor loadings ranged from 0.515 to 0.763, indicating that the items were reasonably good indicators of their respective factors. The higher factor loadings suggested that the items were strongly related to their corresponding factors, providing evidence of convergent validity. For Discriminant Validity, the items load onto their respective factors without any significant cross-loadings, suggesting that the factors were distinct and measured different dimensions of opportunity recognition competence, and this provided evidence of discriminant validity, indicating that the factors were measuring unique aspects of the construct.

Table 5: Showing Results for Exploratory Factor Analysis and Validity Analysis for Enterprise Performance

Item	Factor Loading	Factor Formed	KMO and Bartlett's test		Cronbach's alpha	Average Variance Extracted (AVE)
			KMO	Sig. Bartlett's		
EP92IBO	.781	EP_1	0.812	0.000	0.700	0.677
EP91IBO	.718					

EP94IBO	.681					
EP93IBO	.680					
EP89FP	.302					
EP86FP	.816	EP_2	0.809	0.000	0.712	0.669
EP85FP	.667					
EP87FP	.610					
EP101IL	.652	EP_3	0.763	0.000	0.744	0.831
EP100IL	.633					
EP102IL	.621					
EP103IL	.616					
EP104IL	.568					

Based on the data in table 5 for the Exploratory Factor Analysis (EFA) and validity analysis for enterprise performance, the factor loadings for the items ranged from 0.302 to 0.816, indicating that most items were reasonably good indicators of their respective factors, with a few items having lower loadings. The higher factor loadings (above 0.60) suggested strong relationships between the items and their corresponding factors. Three factors were formed: EP_1, EP_2, and EP_3. The items load onto their respective factors as expected, suggesting the factors are well-defined and capture distinct dimensions of the construct being measured. The KMO (Kaiser-Meyer-Olkin) values were 0.812, 0.809, and 0.763 for EP_1, EP_2, and EP_3, respectively, which were considered high, indicating the data was suitable for factor analysis. The Bartlett's Test of Sphericity was significant ($p < 0.000$) for all three factors, suggesting the variables were correlated and appropriate for factor analysis. The Cronbach's alpha values were 0.700 for EP_1, 0.712 for EP_2, and 0.744 for EP_3, indicating acceptable internal consistence reliability for the factors. The AVE values were 0.677 for EP_1, 0.669 for EP_2, and 0.831 for EP_3, which exceeded the recommended threshold of 0.50, suggesting adequate convergent validity for the factors. These results suggested that the EFA had produced three well-defined factors (EP_1, EP_2, and EP_3) that measured distinct dimensions of the construct being assessed. The factors demonstrate acceptable internal consistency reliability and adequate convergent validity, providing support for the construct validity of the measure. The measure could be used to assess the different dimensions of the construct with confidence, the factors were well-defined and reliable. The high AVE values indicate that the factors were capturing a significant portion of the variance in the items, suggesting good convergent validity. The factor structure and lack of cross-loadings provided evidence of discriminant validity, indicating that the factors were measuring unique aspects of the construct.

5. FINDINGS AND DISCUSSION

The outcomes of how opportunity recognition competence of women entrepreneurs affect performance of women led/owned enterprises were evidenced by the rotated component matrix, where two factors, out of the nine factors were extracted (Table 4), with a KMO of 0.711 and 0.060; AVE of 0.566 and 0.682 respectively, ($\beta = 0.472$, $z\text{-value} = 4.245$, $p < 0.001$).

Entrepreneurial opportunity recognition competence involves entrepreneurial activities of actively seeking out new chances, identifying opportunities, and developing the opportunities. Responding to customer requests is a key component of determining and entrepreneur's opportunity alertness. This is in agreement with Chavoushi et al., (2021) who posits that entrepreneurial alertness is a driving force of the market process and a key component of entrepreneurial behavior – both at the individual level and in public sector. These findings were also consistent with (Adomako, 2021) who argues that product innovativeness is a critical factor that helps firms achieve greater opportunities for expansion, differentiation, and competitive advantage. Opportunity recognition competence significantly enhances women entrepreneurs' financial

performance by equipping them with the ability to identify and exploit lucrative business opportunities effectively. This competence allows women entrepreneurs to anticipate market trends, understand consumer needs, and detect gaps in the business environment, enabling the creation of innovative products or services that address these demands. Seizing business opportunities, leads to achieving higher sales and profitability, fostering sustainable business growth. This competence helps women entrepreneurs to appreciate trends in business and informs them in minimizing risks and making informed investment decisions. Recognizing opportunities also attracts potential investors and partners, providing additional financial resources and support for growth.

It was also revealed that opportunity recognition involves women entrepreneurs being alert to see opportunities that others miss. The parameters (table 24) had estimated loadings ranging from 0.891 to 1.091. Each unit increase in the latent factor was associated with an increase in the observed variable, according to these estimates. All indicators had highly significant factor loadings ($p < .001$). This correlated with Lonappan & Aithal, (2023) who posits that entrepreneurs should know how to grab chances leading to entrepreneurial opportunities. Entrepreneurial alertness is when entrepreneurs remain highly aware of information so that they can recognise opportunities more easily than others (Chen et al., 2020) Chen emphasised that in the process of recognising opportunities, it is necessary for entrepreneurs to have their own interpretation structure to process external information. Lonappan & Aithal, (2023) This competence facilitates women entrepreneurs' operational costs reduction by enabling them to identify more efficient processes, cost-saving innovations, and appropriate suppliers. By recognizing and acting on opportunities for streamlining operations, such as optimizing supply chains, women entrepreneurs may lower production and distribution expenses. This competence also aids in spotting potential cost inefficiencies and waste, allowing for timely corrective actions that improve overall cost management. Similarly, being able to foresee market trends and consumer needs, therefore, the opportunity recognition competence enables women entrepreneurs to maintain lean operations, and enhance their overall business profitability.

The results of the study showed that opportunity recognition competence of women entrepreneurs was also measured by having intelligence networks (factor loading = 0.977, $p < .001$) to different sources to get relevant information. This had a significant relationship with performance of women led/owned SMEs. This finding supported the Model of “entrepreneurial networking under uncertainty”(Engel et al., 2017) this model posits that entrepreneurial networking is what entrepreneurs do in creating and shaping network ties and includes tie formation and maintenance behaviours as well as any assemblage of such behaviours into unique networking styles, strategies or processes. This also agrees with Galkina & Jack, (2022) who emphasises that entrepreneurial networking is the total number of stems from the focal person, where each of the many diverse contacts exist, plus the total number of those contacts that can be reached through their network.

However, the study findings revealed that opportunity recognition competence and networking among women entrepreneurs were also influenced by family dynamics. Supportive families can strengthen these competencies by providing encouragement, financial backing, and valuable business advice, promotion a conducive environment for entrepreneurial growth. Positive family influence nurtures self-confidence and resilience, empowering these women entrepreneurs to identify upcoming opportunities within their business setting. Moreover, familial networks often serve as a gateway to networks, offering access to potential clients, and mentors who can contribute to business success. On the other hand, familial constraints, such as traditional gender roles, or lack of support, can hinder women entrepreneurs' ability to recognize opportunities and expand their networks. Responsibilities associated with caregiving or household duties may also limit the time and resources available for entrepreneurial pursuits, impacting their capacity to engage in networking activities or pursue growth opportunities. Thus, the supportive or restrictive nature of family influence may shape women entrepreneurs' capability to develop opportunity recognition competences essential for business success.

A related study conducted by (Sindhwani & Dhawan, 2021) Solar Sisters in rural Uganda a social enterprise was started as a way to harness clean energy and provide electricity through solar energy in one village. It was started by an investment banker from America and an artist from India, this enterprise was built on the

shoulders of three African women leaders who provided essential services and training that enabled women entrepreneurs to build sustainable businesses in their own communities. Hence networking is a functional matter (Albourini et al., 2020), with its sphere being mainly confined to connections outside of the individual's business entity. Women entrepreneurs could be helped in improving the performance of their enterprises by widening their network of contacts beyond their own family, friends and business counterparts.

Responding to customers' requests (factor loading = 1.000, $p < .001$) was an opportunity recognition competence that affected performance of women led/owned enterprises. The responses indicated that answering customer requests is more than just taking care of urgent issues. It is a strategy that helps women entrepreneurs to grab opportunities for expansion, creativity, and long-term success. This aligns with Kristiana et al. (2024) assertion that businesses that thrive in being responsive to customer needs are better able to match customer expectations, adjust to shifting market conditions, and seize new possibilities. The findings of this study are similar with those of Rahimian et al., (2020) who postulates that enterprises compete to create a pleasant experience for their customers. Women entrepreneurs strive to produce goods and services, advertising, marketing activities, after-sales service, with an aim to create a great customer experience. From this point of view, understanding the customer experience, behaviours, needs and ensuring that all these are effectively managed at all points of customer interaction with the business are the key objectives for an organization that aims to lead the market. From the findings of the study, customer satisfaction is an emotional response to purchasing, and it is an important way for enterprises to establish a long-term relationship with consumers and only a few enterprises have succeeded without such a stable relationship. Further engagement with women entrepreneurs revealed that customer satisfaction depends on performance of the product on customer perception and expectations. If the performance does not meet expectations, and the customer is disappointed, and if its performance exceeds expectations, the customer can be very satisfied Honora et al. (2023) notes that long-term customers will be more forgiving for bad experiences that sometimes occur and will be offset by previous positive experiences, and satisfied customers will be less interested in competitors' offers.

However, Lina (2022) observes that there are many benefits for businesses that satisfy their customers because it can increase customer loyalty and prevent customer churns, reduce customer price sensitivity, reduce failed marketing costs, create new customers, reduce operating costs due to increased customer numbers, increase advertising effectiveness, and improve business reputation. Women are encouraged to look for business opportunities rather than being necessity-driven if they are to stay in the competitive market. This tallies with the findings of (Sindhwani & Dhawan, 2021) that opportunity driven women entrepreneurs struggle with upscaling their businesses since most of them operate as small and medium scale enterprises.

6. CONCLUSION

Opportunity recognition competence of women entrepreneurs was statistically significant in influencing the performance of female led/owned Micro and Small Enterprises in Kabale district, Uganda. This competence is therefore important for female entrepreneurs to actively seek out new chances, identifying opportunities, and developing the opportunities to help them to enhance performance of their enterprises (financial, internal operations, customer satisfaction and innovation and learning. Whereas some prior studies on opportunity recognition as a required competence for entrepreneurs, irrespective of their gender, this study was particularly hinged on the necessity for opportunity recognition competence for women entrepreneurs, is positively and statistically significant in influencing performances of their enterprises. Therefore, opportunity recognition was vital in terms of influencing women led/owned SMEs; though they need to be keen in evaluating how they come their way, because not every opportunity that comes their way would contribute to SME performance.

RECOMMENDATIONS

The study recommended initiation of development and funding training programs that focus on enhancing opportunity recognition skills among women entrepreneurs in form of workshops, seminars, and online courses. There may also be a deliberate establishment of mentorship programs that connect experienced

entrepreneurs with women running SMEs to provide guidance on identifying and evaluating business opportunities. The study further recommended to government for improvement of access to market information and trends through the creation of a centralized information hub. This can help women entrepreneurs stay informed about potential opportunities and industry developments. Government may as well establish mechanisms to monitor and evaluate the effectiveness of initiatives aimed at improving opportunity recognition among women entrepreneurs. The study encouraged female entrepreneurs to invest in continuous learning and development to improve skills in opportunity recognition, market analysis, and business management, and also join entrepreneur associations to share experiences, gain insights, and identify potential opportunities. For further research, researchers were encouraged to conduct more in-depth studies on the various factors that influence opportunity recognition among women entrepreneurs in different regions and sectors.

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