

Introduction

Rural businesses are essential for regional development and employment in Latvia, but attracting investors remains difficult because these businesses are often considered riskier. Management competence, leadership quality, and continuous professional development strongly shape corporate reputation and investor confidence, but their importance is often underestimated in rural contexts. This study investigates how targeted professional upskilling of rural business leaders focused on managerial skills, ethics, and transparent communication can strengthen reputation, increase investor trust, and improve competitiveness and investment-readiness.

Methods

A mixed-method approach was applied combining qualitative and quantitative data. Semi-structured interviews with rural business managers (n = 10) explored perceptions of leadership and reputation in attracting investors. A survey of 100 respondents, investors and business experts assessed how management competence and reputation influence investment decisions.

Results

The results show a strong positive relationship between management competence and investor confidence in rural businesses. Leadership, empathy, and strategic decision-making enhance corporate reputation, which builds investor trust. Correlation analysis confirmed strong links between management competence and reputation ($r = 0.69$), moderate links between reputation and investor confidence ($r = 0.43$), and an indirect moderate relationship between management competence and investor confidence ($r = 0.56$). Figure 1 illustrates these interactions, and Table 1 summarizes the key correlations.

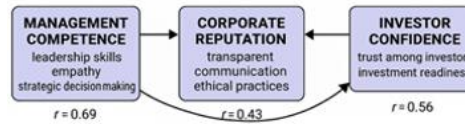


Fig. 1. Interaction between management competence, corporate reputation, and investor confidence.

Indicator	Correlation (r)	Interpretation
Management competence →	0.69	Strong positive
Reputation → Investor confidence	0.43	Moderate positive
Management competence → Investor confidence	0.56	Moderate positive

Table 1. Key relationships between management competence, corporate reputation, and investor confidence.
Source: Author's own work, 2025

Conclusions and recommendations

Investor confidence in rural businesses is strongly influenced by management quality and corporate reputation. Competent leadership and transparent communication build trust and investment attractiveness. Rural enterprises should prioritise developing management competencies and ethical standards. Training programs and communication strategies are recommended to strengthen leadership credibility and long-term investor trust.