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**Impact of human resource development on entrepreneurial self-reliance: A study of small business owners in Abuja, Federal Capital Territory, Nigeria**

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**Abstract**

*This study interrogates the impact of Human Resource Development (HRD) and entrepreneurial self-reliance among small business owners in Bwari Area Council, Abuja, Federal Capital Territory, Nigeria. By employing a survey research design, the study collected data from small business owners to explore how HRD initiatives impact their entrepreneurial success and independence. The major findings of this study indicate that lack of adequately trained human, financial resources and government supports made it cumbersome for entrepreneurial self-reliance to succeed autonomously. The study concludes that human resource development plays a crucial role in fostering entrepreneurial self-reliance. It highlights the importance of equipping small business owners with the necessary skills and knowledge to navigate the challenges they face. Based on these findings, the study concludes by making the following major recommendations. First, small business owners should prioritize human capital development to improve their future prospects for success. Second, the government should take deliberate steps to create an enabling environment that supports small businesses, ensuring they have access to resources and infrastructure that facilitate growth. Lastly, commercial banks are encouraged to offer loan facilities with reasonable interest rates to small business owners, enabling them to invest in their businesses and repay loans without defaulting. These measures can collectively strengthen the entrepreneurial ecosystem in the Bwari Area Council, Abuja, ultimately leading to greater self-reliance among small business owners.*

**Keywords:** Entrepreneurial Self-Reliance, Human Resource Development, Small Business Owners

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**1. Introduction**

In the current dynamic yet challenging business landscape in Nigeria, small businesses, which serve as the backbone of economic growth and development, face significant human resource development (HRD) issues. Many small business owners struggle to sustain their ventures due to limited opportunities for HRD. Entrepreneurial self-reliance is crucial for small business success, enabling owners to adapt, innovate, and make informed decisions. Although HRD is essential for enhancing entrepreneurial self-reliance, its impact on small business owners in Nigeria

remains understudied (Nwokolo & Olayiwola, 2023).

An important objective of this research study is to investigate the impact of human resource development on relationship between HRD and entrepreneurial self-reliance among small business owners in the Bwari Area Council of Abuja, Nigeria. By exploring this relationship, the study aims to address to the existing body of knowledge on HRD and Entrepreneurial Self-Reliance (ESR). The findings are intended to provide valuable insights for small business owners, policymakers, and business support organizations, thereby



fostering sustainable business growth and economic development.

In Nigeria, small businesses play a pivotal role in economic development, contributing significantly to job creation and innovation. However, these enterprises face numerous challenges that hinder their growth and sustainability, particularly in the realm of Human Resource Development (HRD). Despite the recognition that effective HRD can enhance entrepreneurial self-reliance, there is a notable gap in empirical research exploring this relationship within the Nigerian context, specifically among small business owners in Abuja, Federal Capital Territory.

Many small business owners in Abuja struggle with limited access to training and development opportunities, which are critical for enhancing their skills and competencies (Adeleke & Olorunleke, 2022). This lack of HRD not only affects their ability to innovate and adapt to changing market conditions but also diminishes their overall business performance. Consequently, the entrepreneurial self-reliance that is essential for long-term success remains underdeveloped, leaving many small businesses vulnerable to economic fluctuations and competition.

Previous studies have highlighted the need for comprehensive HRD initiatives tailored to the specific needs of small businesses (Ojo & Afolabi, 2023). However, existing literature often overlooks the nuanced impact of HRD on entrepreneurial self-reliance, particularly in Nigeria's unique socio-economic environment. This research aims to fill this gap by investigating the impact of HRD on the entrepreneurial self-reliance of small business owners in Abuja, providing insights that could inform policy and practice. By addressing this critical issue, the study seeks to contribute to a deeper understanding of how HRD can empower small businesses in Nigeria, ultimately

fostering sustainable economic development in the region.

## **2. Literature Review**

### **2.1 Conceptualization**

#### **Human Resource Development**

Human Resource Development (HRD) is a process of improving the skills, knowledge, and abilities of individuals within an organization to achieve its goals and objectives. It involves a range of activities including training, development, and learning, to enhance the performance and productivity of personnel or employees.

The main focuses of Human Resource Development include, the identification training needs and gaps in skills and knowledge, designing and delivering training programmes to address these needs, evaluating the effectiveness of training programmes, encouraging continuous learning and development, and fostering a culture of innovation, creativity, and knowledge sharing.

In the same vein, human resource development is aimed to; improve job performance and productivity, enhance employee engagement and motivation, develop leadership and management capabilities, build a competitive advantage through a skilled and knowledgeable workforce, and to support organizational change and transformation.

Effectively, human resource development leads to; improve employee performance and productivity, enhanced job satisfaction and engagement, increased retention and reduced turnover, better leadership and management capabilities, and improved organizational competitiveness and innovation.

By investing in human resource development small businesses can develop a skilled, motivated, and adaptable workforce, leading to sustainable growth and success.



### **Entrepreneurial Self-Reliance**

Entrepreneurial Self-Reliance (ESR) refers to the ability of individuals or organizations to take responsibility for their own economic well-being by creating and managing their own businesses or income-generating activities. It involves developing the skills, knowledge, and mindset necessary to innovate, adapt, and thrive in rapidly changing environment.

The key components of entrepreneurial self-reliance include: Autonomy - taking control of one's economic destiny; Innovation: embracing creative and new ideas; Risk taking: embracing uncertainty and calculated risk; Resilience: Adapting to challenges and setbacks; Resourcefulness: Leveraging available resources effectively; Self-motivating: Driving oneself to achieve goals, and Continuous learning: embracing lifelong learning and skill-building.

Entrepreneurial self-reliance is very important because of its benefits to small business owners. These benefits include, economic empowerment, job creation, innovation and competitiveness, personal fulfilment and purpose, and community development and impact.

To cultivate Entrepreneurial Self-Reliance, small sized business individuals can develop entrepreneurial skills through training and education, build strong support network and mentorship, embrace a growth mindset and continuous learning, take calculated risks and experiment with new ideas, and focus on solving real-world problems and creating value.

Small sized business or organization can support entrepreneurial self-reliance by, encouraging intrapreneurship and innovation, providing resources and support for entrepreneurial ventures, fostering a culture of autonomy and accountability, offering training and development programmes, and celebrating and rewarding entrepreneurial achievements.

Entrepreneurial self-reliance is a powerful concept that enables small sized business or individuals and organizations to take control of their economic destiny, drive innovation, and create value, by cultivating Entrepreneurial self-reliance, we can unlock human potential, foster economic growth, and build resilient communities of small businesses.

### **Small- sized business**

Generally, in determining what should be a small sized business, many different criterial have been used; such as the number of employees, assets value, sales volume, financial capacity, locations spread, relative size and so on. Small size business means different thing to different people and economies. That is why it is cumbersome to give a universal accepted definition of small scale or size business.

Asaolu (2001) recalled that small sized business is a business with a labor size of 11-100 workers, or total cost of not more than 50 million naira, including working capital but excluding cost of land. Kayanula and Quartey (1999) stated that a firm is regarded as small sized if it meets the following three main criteria: If it independent in the sense of not forming part of a large enterprise; If owners or part owners manage it in a personalized manner or way and not through the medium of a formulized management structure; and If it has a relatively small share of their Marked place.

In the vain, Norton, (1998) sees small sized business as business with fixed assets (excluding land) less than and \$250,000 Dollars in value. In some countries like Ghana and Malawi, they see small sized businesses as any business that can employ between (5) to twenty (20) workers. The list goes on as every economy has its own definition of small sized business

In Nigeria, the following definitions are used at different times and circumstances by various institutions: From the perspective of small-scale industries credit



scheme (SSICS), the Federal Ministry of Industries viewed small-scale enterprises to be any manufacturing, processing or service industry with capital investment not exceeding ₦150,000 in machinery and equipment alone. The Centre for Management Development (CMD) has however, recommended to the Federal Government that the official definition of small size business is a manufacturing, processing or service industry, employing up to 50 fulltime workers, of which investment in plant and machinery, but excluding land buildings, shall not exceed ₦500,000. But power plant and machinery are utilized in its operations.

### **The Ten Small Business Owners in Bwari Area Council, Abuja**

#### **1. Gothob Multi-purpose Nigeria Ltd**

Gothob multi-purpose Nigeria Ltd is a computer sales, installation and repairs in Bwari, Abuja responsible for the sales of computers, installation and repairs.

Almost everyone has a computer, whether a desktop, laptop or tablet, and computers and phones which breakdown and damages sometimes. This is a small business that is very good with computer repairs, that serves the community in computers sales repairs and installation businesses.

#### **2. Blossom events- Event planning**

Blossom events planner is a small business situated in Bwari, Abuja rendering services of interior decoration which is also one of the trending business in Bwari, Abuja. Hotels, residential buildings, offices, and activities and restaurants in Abuja hire interior decorators to design their event activities, buildings for them and make it look classy.

#### **3. Havilah Homes-Real Estate**

Havilah Homes is a real estate situated in Bwari, Abuja. With the growing population of Abuja, you cannot go wrong with real estate investment. A lot of people make money in Abuja by building houses in Bwari and offering them up for rent.

#### **4. Innovatech solutions- IT services**

Innovatech solutions is an information technology services which offers services on security installations. Security is one of the threats that residents of Abuja face. Apart from the need for the ordinary citizens to protect their lives and properties from armed robbers and intruders, politicians in Abuja also spend a lot of money on security services and installations.

#### **5. Favour's Fashion- Fashion design**

Favour's fashion design is a small business situated in the heart of Bwari, Abuja that offers all kinds of fashionable clothing's of women, men and children in a large commercial quantity that bought locally and internationally. Favour's fashion design can be comparatively compete with any fashion designer internationally. They use quality materials and well packaged for sales internationally and locally.

#### **6. Kyunni Car Tracking services**

Car theft is very common in Bwari, Abuja and the capital city is not left out of this ugly trend. Kyunni car tracking is a business that you can also make money from in Abuja especially if you are able to secure contracts with corporate clients or ministries and offer car tracking services for all their fleet of cars which that is what Kyunni car tracking services does in Bwari, Abuja, Nigeria.

#### **7. Rhi-wuotah Cleaning services**

Rhi-wuotah cleaning services is a small business that render services in commercial and residential houses in Bwari, Abuja, Nigeria. Rhi-wuotah is a professional cleaning small business with cleaning ideas in a commercial basis.it is a business with low start-up costs.

#### **8. Rhisi Ventures**

Rhisi ventures is a small business owner who deals with sales of building materials, sales and supplies. With the level of real estate development going on in Bwari, Abuja, Nigeria, selling building materials is also a very good business.





### **9. Gideon Car Hire Services**

Gideon car hire services is a small business set up by Gideon to render commercial car hire services to cater for people who visit Abuja for businesses and would prefer to have a car to themselves instead of taking a cab or public transport.

### **10. Kreative Kids-Education.**

Kreative kids is a small business established to offer educational services. As a private tutor, you can work either part-time or full-time. Your clients will be students or young pupils who want to get better at certain subjects in school. The table below consist ten (10) small business owners in Bwari Area Council, Abuja, Nigeria showing the name of the business owners, number of work force and locations.

#### **Key Impact of small Business Owners**

The key impact of small business owners plays a vital part in the economic and social spaces of any country, be it under-developed, developing and developed or advanced. Primarily, it is the crux which carries the small business owners thrust in an economy. According to Wolfensohn (2000), the then president of the World Bank, “the private sector, a powerful economic engine room, can be built from the bottom to the top, putting accent on small business scale business men”. The process will involve appreciating the challenges they face, recognizing the hinderances in their way and helping to provide them with tools they need to enhance the performance of their business.

The key impacts which the small business plays in the economic life of Nigeria has been appreciated very well and promoted not only because of their numbers and variety, but also because of their involvement in every aspect of the economy in term of contribution of large industries (1) flexibility in manufacturing fields, (2) response to market forces, (3) easy adaptation to new technologies, and

(4) success in mobilization of untapped resources of capital and skills.

Schauer and Hoy (2001), posited that small business enterprises are relevant in the enhancement of regional economic balance through industrial dispersal, moderation of rural-urban migration, promotion of effective domestic resources utilization, facilitation of managerial training for unskilled and semi-skilled labor as well as the production of intermediate products for use in large enterprise.

Finally, Ukoha (1989) opined that small business enterprises are more relevant because of their role in employment creation, technology transfer, entrepreneurial development, geographical dispersion of industries, impact on foreign exchange fund and possibility of subcontracting by larger firms.

#### **Issues in Small Business Owners**

The major concern of every entrepreneur is how to create and maintain sufficient capital to carry out business. Generally, we have two major sources. It can as well be classified into internal and external sources (Onuoha and Udensi, 1996).

According to them, Informal sources of funds are called informal because they fall outside the realm of well-known traditional sources of funds and are peculiar to socio-economic environment of the African, especially the Nigeria society. They are otherwise known as African traditional financial institutions. The internal source of financing business includes, personal saving, retained earnings account payables, sales of assists etc, while the external sources are loans from banks, bank overdraft, hire-purchase, trade credit, leasing and so on.

Oguntoye (1984) made classification that, the problems of small business enterprises into two major categories, as those inherent in small scale businesses which are under-capitalization, high rate of business failure, poor accounting standards and discipline. While those arising from non-harmonized



and weak institutional support includes; restricted access to institutional credit, inadequate and non-harmonized incentives, restricted market access, infrastructural inadequacies, and high import dependence.

Accordingly, Eigbe (1999) grouped the problem facing small business owners under three main categories; problems associated with banks which include high mortality rate, demand for collateral, and lack of adequately trained personnel and threats of loan recovery.

The second category is associated with small business owners which includes poor feasibility studies, lack of equity contribution, lack of collateral, loan diversion, loan defaults and poor recording-keeping. The third category is associated with the government included inadequacy of infrastructure, high rate of default, insufficient funding of government owned financial institutions and unstable exchange rate. But, Felix Robert, and Chinelo (2009) concluded in their research that financing is not all that a contributory face to the rapid growth of small business owners, hence the issue of macro-economic environment, which is both Internal and External.

Experience have shown of lending to small businesses owners, Ajekigbe (2003) considers the following as practical issues facing small business owners in Nigeria.

- i. Law level of entrepreneurial skills: the management style and processes of more small businesses are stunted by inadequate training in management skills.
- ii. Law equity participation: there is low equity participation from the promoters because of insufficient personal saving and funds as result of poverty level.
- iii. Law level of illiteracy: many small business owners are still largely run by illiterates and unorganized promoters who have inadequate rudimentary business knowledge.

iv. Exchange rate volatility: this adversely affects the ability of small business owners to import necessary materials for production, and renders projection meaningless overtime.

v. Societal and attitudinal issues: the case for imported goods possess sever burden on domestic goods which invariably hinders or hampers rapid growth of small businesses.

vi. Multiplicity of policies/Regulatory measures: small businesses bear a heavy burden of multiple taxes from the various arms of government due to inconsistent regulatory environment.

vii. Issues of integrity and transparency: the quest and in-patience of the promoters for quick returns often leads to corruption and indiscipline.

viii. Lack of succession plans, and so the death of their owners and founders invariably jeopardizes continuity.

ix. Law return of investment: Small businesses returns profiles are characteristically low due to the low level of resources at the disposal of the promoters.

In the view of Chris (2011) very recently pointed out that Diamond Bank Nigeria Plc now Access Bank Plc disbursed about ₦20bn as loans to small business owners as classified by the bank coordinates on micro, small and medium enterprise (MSME) propositions.

He also decried poor response of Nigerian small business owners to top from this credit line for expansion of their business, attributing it to lack of sufficient information on the availability of these credit lines.

## **2.2 Empirical Review**

Haque and Hossain (2020) carried out a study which investigates the impact of Human Resource Development on entrepreneurial self-reliance in Bangladesh. Survey research design was utilized using both primary and secondary sources of data collection.



The findings suggest that Human Resource Development has a positive effect on entrepreneurial self-reliance.

Olusegun and Afolabi (2020) also carried out a study investigate the impact of Human Resource Development on entrepreneurial self-reliance among small business owners in Nigeria. The made used of both survey and documentary research design in which both primary and secondary method of data collection were used to source for information. Th finding reveals a significant positive relationship between Human Resource Development and entrepreneurial self-reliance.

Afolabi (2020) examined the impact of Human Resource Development and entrepreneurial self-reliance among small business owners in Bangladesh. He made used of documentary research design. Secondary source of data collection was collected for the purpose of analysis. The findings of the results revealed that Human Resource Development enhances entrepreneurial self-reliance, which in tur increase entrepreneurial self-reliance.

Mokoena and Afolabi (2018) carried out a research on Human Resource Development and Entrepreneurial Performance among small business owners in South Africa. They used both documentary and survey research design which primary and secondary data of data

4. Result and Discussions

Small Business owners in Bwari, Abuja, Nigeria.

S/N	Name of Business owner	No of Staff	Location
1	Gothob multi-purpose Nig. Ltd	20	Bwari
2	Blossom Events-Event planning	6	Bwari
3	Havilah Homes-Real Estate	10	Bwari
4	Innovatech solutions- IT services	12	Bwari
5	Favour’s Fashion- Fashion Design	12	Bwari
6	Kyunni Car Tracking Services	6	Kubwa
7	Rhi-wuotah Cleaning service	10	Kubwa
8	Rhisi & Rhi-zhomi Ventures	9	Kubwa
9	Gideon car hire services	8	Dutse Alhaji
10	Kreative kids- Education	9	Dutse Alhaji
<b>Total number of staff</b>		<b>102</b>	

Sources: Generated by the Researchers, 2024.

gathering was sourced. The findings suggest that Human Resource Development enhances entrepreneurial performance, particularly in term of innovation and profitability.

The gap from the above reviewed literatures revealed that, none of the studies dwelled on the Impact of Human Resource Development on entrepreneurial self-reliance: A study of small business owners in Bwari Area Council, Abuja, and Federal Capital Territory (FCT)

3. Methodology

The population of the study consists of one hundred and two (102) staff across the small business owners in Bwari Area Council of Abuja, FCT. One hundred and two (102) employees from the ten (10) Small Business Owners were given questionnaires in relation to human resource development and self-reliance.

The main sources of data were the questionnaire and the review of relevant textbooks, journals and internet search. The questionnaire was structured to elicit information from the respondents. While the review of the documents aids the structuring of the questionnaires. The information obtained from the respondents will be analysed using descriptive techniques and simple percentages.



From the table above indicated that the total number of human resources in the ten (10) selected small business owners is one hundred and two (102). The analysis of the table shows that Godthob Multi-Purpose Nig. Ltd is domicile at the Bwari Area Council Headquarters with the total number of twenty (20) human resource representing 100%. Bossom Events-Event Planning also at the Bwari Area Council Headquarters with the total human capital strength of six (6). Havilah Homes-Real Estate is the number three on the table indicated that the small business owners are cited at the Area Council Headquarters with the human resource strength of ten (10). This represents 100% responded. In the same vein, Innovatech Solutions-IT Services has the total number of human resource capital as twelve (12) also located at Bwari Area Council Headquarters while Favour's Fashion-Fashion Design also has the human resource of twelve (12) within the central city of the Area Council in Bwari. These shows 100% respondents from each small business owners.

Kyunni Car Tracking Services is situated at Kubwa the suburb area of the Bwari Area Council with the total human resource of six (6) which represent 100% respondents. Likewise, Rhi-wuotah Cleaning Services is located at Kubwa one of the surbob area of the Area Council with the cumulated human resource of ten (10) which also 100% responses. Rhisi & Rhi-zhomi Ventures is also located at Kubwa with the human resource strength of nine (9) staff. The responses here also represent 100%.

Lastly, Gideon Car Hire Services and Kreative Kids-Education are the two Business Owners that have the human resource of eight (8) and nine (9). These small business owners are located at Dutse Alhaji one of the fastest growing town in the Bwari Area Council and also situated between Kubwa and Bwari the headquarters of the Area Council. The respondents from these SmLL Business Owners represent 100% each.

In totality, the ten (10) Small Business Owners Human Resource Development strength give us the grand total of one hundred and two (102 representing 100% which inform the basis for this study.

## **5. Conclusion and Recommendations**

From the data analyzed above, it has been revealed that human resource development on entrepreneurial self-reliance is key and has great relationship in affecting the level of Small Business Owners in Bwari Area Council, Abuja, FCT.

The study further indicated that Entrepreneurs need to mobilize their resources to develop human capital to achieve an increase in their sales. Once they identify that human resource development is key and relevant marketing tools and resources can be used towards trying to meet the needs of customers.

However, for human resource development to be effective and be utilized well certain element like: being able to measure human resource development with their production; it should be substantial in sales. Once the Small Business Owners substantiate enough to serve and make enough profit: the entrepreneurial self-reliance should be easy access and finally effective strategies should be put in place that suits the small business owners.

### **Recommendations**

The following recommendations have been made, that will assist the Small Business Owners to impact human resource development on entrepreneurial self-reliance in Bwari Area Council, Abuja, Federal Capital Territory (FCT).

1. Small Business Owners should prioritize human capital development to improve their future prospects for success. This includes actively seeking training programme and skills development opportunities to enhance their capabilities.
2. Government should take deliberate steps to create an enabling environment that supports Small Business Owners,





ensuring they have access to resources and infrastructure that facilitate growth.

3. Lastly, Commercial Institutions are encouraged to offer loan facilities with reasonable interest rates to Small Business Owners, enabling them to invest in their businesses and repay loans without defaulting. These measures can collectively strengthen the entrepreneurial ecosystem leading to greater self-reliance among Small Business Owners.

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