

## **ENTREPRENEURIAL MINDSET AND HUMAN CAPACITY BUILDING OF SMALL AND MEDIUM SCALE FIRMS IN PORT HARCOURT**

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### **ABSTRACT**

This study examined the relationship between entrepreneurial mind-set and human capacity building in small and medium scale business in Port Harcourt. The study adopted a cross sectional survey research design based on quasi-experimental research. A sample of size of 125 was determined from a population of 182 employees in fifteen (15) small and medium scale businesses in Port Harcourt. 125 copies of questionnaire were distributed to these firms and 122 copies of the questionnaire were found useful in data analysis. After an extensive test of linearity, homogeneity and normality on the population of data gathered for the study, the null hypotheses were tested using Spearman's Rank Order Correlation Coefficient statistic which was facilitated through statistical package for social sciences (SPSS) version 21.0 software. The findings revealed a positive and significant relationship between entrepreneurial mind-set and human capacity building in small and medium scale business in Port Harcourt. Based on the findings, the study concludes that entrepreneurial mind-set associated with human capacity building in small and medium scale business in Port Harcourt. Based on this, the study recommended that employees should develop good entrepreneurial mind-set in order to improve human capacity building which is lacking in small and medium scale business operations in Port Harcourt.

**Keywords:** Capacity, Creativity, Entrepreneurial mindset, Human capacity building, Interpersonal capacity, Political Environment, Technical capacity

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## INTRODUCTION

In this dynamic business world with challenges and competitive environment that surround the small and medium scale ventures, it has necessitated the need for human capacity building that will enable entrepreneurial success (Nwankwo & Okorie, 2015). To strengthen individuals with an entrepreneurial mindset, human capacity building which has to do with the process of developing and improving the abilities of individual, teams, or firms to find solutions to problems, or to set achievable goals and to attain objectives has become very important in individuals with entrepreneurial mindset (Eze & Nwali, 2012).

The small and medium scale business sector is recognized as an integral component of economic development and a crucial element in the effort to lift countries out of poverty (Wolfenson, 2001). Small and Medium scale businesses are driving forces for economic growth, job creation and poverty reduction in developing countries. They have been the means through which accelerated economic growth and rapid industrialization have been achieved (Harris et al., 2006; Sauser, 2005). Furthermore, small scale business has been recognized as a feeder service to large-scale industries (Fabayo, 2009).

Scholars have put in enormous efforts in research studies on entrepreneurial mindset, challenges and promotions and how they affect human capacity building in relation to small and medium scale business (Duru, 2011; Nench, 2012; Coomey, 2012; Neneh, & Vanzyi, 2012; Taylor, 2012; Musa & Adewale, 2015; Coorney, 2015).

Neneh (2012) carried out an exploratory research study on entrepreneurial mindset that focused on small and medium scale enterprise (SME). Although this study was conducted in south Africa, it made a remarkable impact on the study of entrepreneurship mindset as it found that success in small and medium scale business is not just a deviation of relevant skills, but also depends on individual who have developed entrepreneurial mindset for his, it could be deduced that success in business is attributed to those individual who have an entrepreneurial mindset.

Neneh (2012) further indicated that most of the critical factors as indicators of entrepreneurial mindset include creativity, risk taking propensity, growth mindset, and self-motivation. These could be seen as important drivers for effective human capacity building for business success. But it seems that most entrepreneurs in Port Harcourt do not possess the creative ability and to become self-motivated.

Creativity means that an entrepreneur needs to develop and think in a new dimension of improving business ideas. This has not in effect highly been pursued by small scale business operators in Port Harcourt (Ogechukwu, Oboreh, Urnukoro & Uche, 2013). Musa & Adewale (2015) examined the extent to which entrepreneurial education would lead to willingness to own a personal business, focusing on Nigerian university graduates. The study found that entrepreneurial education yield 6% in the variation found in willingness to own personal business, and recommended that entrepreneurial courses should be given greater attention, especially in practical mentoring and training perspectives.

Another notable study within the Nigerian context was conducted by Nwanko, Okorie and Nnenna (2015) on how human capacity building may contribute to a sustainable development in this 21st century. The findings indicated that good programs such as national directorate for employment (NDE) and other programs and policies may lead to improvement in human capacity building.

Ogunsiji and Kayode (2010) also conducted a theoretical study on entrepreneurial orientation as means for improving productivity in small and medium enterprises in Nigeria. The study provided what constitutes entrepreneurial mindset which includes pro-activeness, creativity, risk-taking prosperity, innovation and competitive aggressiveness as the main factors responsible for productivity improvement in small and medium enterprises in Nigeria. Other studies have shown what enabled the survival of small and medium scale enterprises (Bezzina, 2010; Duru, 2011; Amadi, 2012; Taylor, 2013; Ogechukwu, et al., 2013; Opafunso & Adepoju, 2014).

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However, despite these depth of research studies on entrepreneurial mindset, and human capacity building, it is obvious that no serious study has been conducted on how entrepreneurial mindset affect human capacity building focusing on small and medium, scale enterprises in Port Harcourt. Again, past studies could not actually explain the relationship that exists between creativity, self-motivation and human capacity building within the context of small and medium enterprises in Port Harcourt. Thus, this study aimed at determining the relationship between entrepreneurial mindset and human capacity building by considering creativity and self-motivation as they relate to technical capacity and interpersonal capacity in small and medium scale enterprises in Port Harcourt.

### **Statement of the problem**

Sanusi (2003) noted that lack of human capacity building looking at poor technical skills and lack of interpersonal capacity constituted to the major challenges in the performance of small and medium scale businesses which has resulted in slow business growth achievement (Sanusi, 2003).

Poor technical capacity according to Agwu, (2014) include, lack of effective business strategy, lack of proper book keeping practice, inability to acquire and use the right machinery and plants constitute the major problems that construe and encroach on entrepreneurial operations.

Okorie and Nnenna (2015) observed that lack of interpersonal capacity constitutes another major problem facing entrepreneurial performance (Okorie & Nnenna, 2015). Poor interpersonal aptitudes involves seeking self-interest, not establishing good business relationship are those patronizing the business for identifying with other individuals or customers put the entrepreneurial operations into difficult operating situation (Salas, Rosen, Burke, & Goodwin, 2009). Lack of interpersonal capacity has also negatively influenced the performance in the area of human relations which has caused customers' dissatisfaction.

The effects of these problems have been low production level, low productivity, poor quality output and low profitability. This has reduced the value of the firm's level of patronage by customers in small and medium scale businesses in Port Harcourt. Other problems stemmed

from harsh regulations on business operations from the political environment (Aguru, 2014). Other research studies showed that the political environment in the aspect of government affects the development of entrepreneurial mindset as a result of political instability, strict laws and political violence (e.g kidnapping and outright killing) within the Port Harcourt city has caused insecurity for existing individuals with an entrepreneurial mindset and existing entrepreneurs. Agency (2014) noted that unfavorable laws and regulations and multiple taxation (Aguru, 2014) on business firms also discourage individual to develop the entrepreneurial mindset towards the establishment of small and medium scaled businesses in Port Harcourt.

Looking at the extent to which these variables negatively influence the growth of small and medium scale business, has created the need for this research work to discuss these issues, challenges and prospects of Small Scale businesses in order to proffer solution to the problem of developing an entrepreneurial mindset which would effectively result in human capacity building in small and medium scale business practice in Port Harcourt.

### **Aim and Objectives of the Study**

The aim of the study was to examine the relationship between entrepreneurial mindset and human capital building in small and medium scale enterprises in Port Harcourt. Furthermore, the specific objectives of the study include the following:

- i. To examine the relationship between creativity and technical capacity in small and medium scale enterprises in Port Harcourt
- ii. To determine how creativity relates to interpersonal capacity in small and medium scale enterprises in Port Harcourt.
- iii. To examine the extent to which self-motivation affects technical capacity in small and medium scale enterprises in Port Harcourt.
- iv. To ascertain the relationship between self-motivation and interpersonal capacity in small and medium scale enterprises in Port Harcourt.
- v. To examine how the political environment influences the relationship between entrepreneurial mind-set and human capacity building in small and medium scale enterprises in Port Harcourt.

### **Research Hypotheses**

The following hypotheses were developed in their null form and were tested in this study, they are:

**H<sub>01</sub>:** There is no significant relationship between creativity and technical capacity in small and medium scale enterprises in Port Harcourt.

**H<sub>02</sub>:** There is no significant relationship between creativity and interpersonal capacity in small and medium scale enterprises in Port Harcourt.

**H<sub>03</sub>:** There is no significant relationship between self-motivation and technical capacity in small and medium scale enterprises in Port Harcourt.

**H<sub>04</sub>:** There is no significant relationship between self-motivation and interpersonal capacity in small and medium scale enterprises in Port Harcourt.

**H<sub>05</sub>:** Political environment does not influence the relationship between entrepreneurial mind-set and human capacity building in small and medium scale enterprises in Port Harcourt.

## **THEORETICAL FRAMEWORK**

The theoretical basis for this study is centered on Schumpeter (1942) theory of entrepreneurship abilities. As an attempt to explain how individuals can start up business or run a business with certain critical characteristics. Schumpeter (1942) defined entrepreneur as an individual who is able to reform or revolutionize the pattern of production by exploiting an invention or in a broader perspective, depicts the individuals who are embedded with creativity and innovation potential and employs technological possibility for production of new products and services in a new way.

Schumpeter was a well-known scholar on entrepreneurial activities and the ideas promoted on this concept is still applied today by many firms and by individuals who seek to possess entrepreneurial spirit. Hence, the ideas from Schumpeter's concept will assist individuals, and firms to develop more capabilities (e.g. Pro-activeness and risk-taking) in the pursuit of entrepreneurial development.

Entrepreneurial mindset serves as an important driver for entrepreneurial success. In recent times scholars have considered how individuals as well as firm's managers might develop entrepreneurial mindset to achieve their set goals (Dhlivayo & Vuuren, 2007; Neneh et al., 2011; Bezzina 2010; Neneh, 2012; Cowdrey, 2012; Kutzhanova, Lyons & Lichtenstein, 2009). Hence, the importance of entrepreneurial mindset to individuals and firms will not be under estimated. Thus, this study seeks to properly and extensively discuss the concept of entrepreneurial mindset to aid individuals or firms in building small and medium scale enterprises in Port Harcourt.

The human capacity building theory adopted in this work is based on Human capital theory as developed by Barney (1991). It is related with the resource based perspective of the organizations. This theory sees individuals in the organization as resources and emphasized that firms that build individuals in the organization will produce more returns on investment and increased productivity. Armstrong (2006) noted that this theory supports the theories of human capital management. This suggests that human capacity building enables firms to compete and to competitive advantage over the competitors. Schuller (2000) recommended that in general, firms should develop the ability to build competence, skills and knowledge in individuals as this will enable them to develop good mind-set to carry out entrepreneurial activities in order to improve productivity.

## Operational Framework

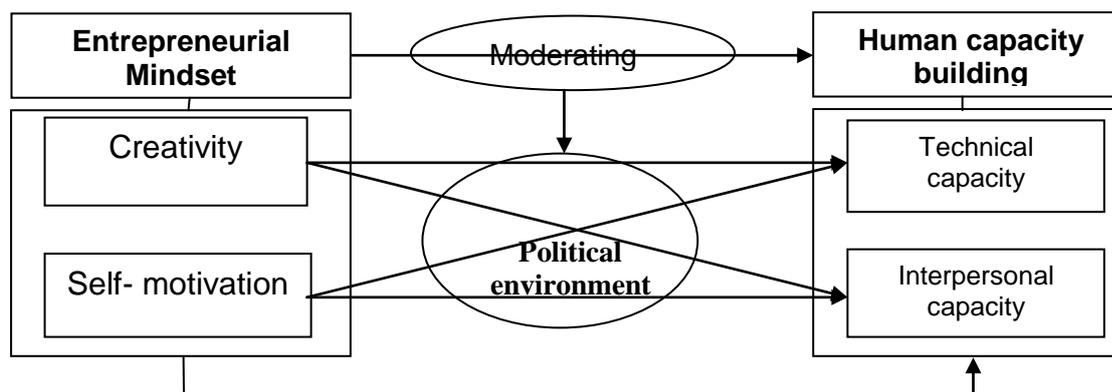


Fig.1: Constructed Operational framework by Researcher (2017) on entrepreneurial Mindset and human capital building.

## Concept of Entrepreneurial Mindset

To gain better understanding from the concept of entrepreneurial mindset, there is need to know who entrepreneurs are. Hitt, Ireland and Hoskisson (2005) argued that entrepreneurs are people who act on their own or could be part of an organization that venture into creating new ideas, technology and new methods of producing goods or services to the society or to other firms and assume the risks associated with the business outcome either for profit or lost.

These kinds of individuals could be found and serve in an organization at any level and the society actually needs these categories of knowledgeable employees who think entrepreneurially. In essence, top level managers, middle level and first level managers even knowledgeable staff personnel and those having the knowledge of producing goods and services could be referred to as entrepreneurs (Hitt et al., 2005).

It is vital to consider the dimensions of entrepreneurial mindset as it would pave way for better understanding of the concept of entrepreneurial mindset which this study seeks to examine. The dimensions of entrepreneurial mindset in this study include creativity and self-motivation. These variables were adapted from the work of Neneh (2012). Hence, this study embarks on examining these variables, one at a time in order to actually determine what they are, and the power they have to influence other variables in this study.

## Creativity

Creativity is a major aspect of entrepreneurial mindset. Griffin (2005) argued that creativity is when individual possesses the ability to generate new ideas or discover new direction based on the existing knowledge. Robbins and Coulter (2013) see it as the ability to combine ideas in a unique way or to create or distinguish uncommon relationship between ideas. While Koontz, Cannice and Weihrich (2011) view creativity as the ability and power to develop new ideas. In view of these meaning of creativity, the one offered by Griffin (2005) and that of Koontz et al. (2011) tends to be very close and strived to bring the point home.

Furthermore, in a study conducted by Trevisan, Grundling and DeJager (2002), it was found that creativity was one of main important aspect of entrepreneurial qualities which involves the ability of entrepreneurs to quickly learn new ways with open-mindedness and quick

development of new capabilities. Dess, Emerson and Economy (2002) further added that creative entrepreneurs are self-reliant and have a lot of confidence in themselves (Koontz et al., 2011).

### **Self-Motivation**

In this challenging and competitive business environment, self-motivation is very important to people with an entrepreneurial mindset because they are motivated by some interest forces in accomplishing their goal (Duru, 2011). As Neneh (2012) noted motivation showed the complete psychological force that drives an people with entrepreneurial mindset and direct their behaviour towards the achievement of objectives (Dumnete & Hough, 1990). Researchers have found that motivated employees are those quickly identify opportunities and seize it (Neneh, 2012; Schumpeter, 1942; Shane, 2000).

Self-motivation plays a major role in entrepreneurial activities. Collura and Applegate (2000) claimed that determination and commitment will assist individuals to overcome obstacles and weaknesses, thereby reward them enormously. Hence, self-motivation as remarked by Longenecker, Moore, and Petty (2006), is a behaviour of entrepreneurs that enables him to take a decisive action, and also create the willingness to make sacrifice in order to achieve the set goals. This implies that self-motivation is a driver for entrepreneurial success.

### **Measures of Human Capacity Building**

The measures of human capacity building were adapted from the work of Okorie and Nnenna (2015). The measures of human capacity building is vital to consider because in this dynamic and competitive business environment, only humans and their effort can turn things around that will enable entrepreneurial success. Considering the measures of human capacity building will enable better understanding of the concept in relation to this study. Hence, this study embarks on examining these variables, one at a time in order to actually determine what they are, the load they are carrying, and how they are under pressure from the influence of the dimensions of entrepreneurial mindset.

### **Technical Capacity Building**

Technical capacity basically signifies 'having uncommon and useful knowledge in business areas, for example, responsibility of office and mechanical maintenance, managing building upkeep, overseeing significant business properties, financial administration, and industrial equipment, and other general maintenance.

Griffin (2005) contends that high technical capacity employees or entrepreneurs invest high time in training themselves with the help of top level management and giving responses to many business related issues that lead them to fruitful operations. It is indispensable that business people ought to grow high state of technical skills since it will help them in terms of smooth operations and where the professionals are lacking particularly under an emergence circumstances. The capacity to put technical skill into practice may bring advantages to business as far as costs reduction.

### **Interpersonal Capacity Building**

Interpersonal capacity has been characterized as 'the capacity to work viably both exclusively and in groups, to exhibit a solid composed and verbal capacity with regards to communications and at last to be somebody that has the capacity and accomplishes the

impact and regard required to lead themselves as well as other people towards objective accomplishment. Interpersonal aptitudes are those required for identifying with other individuals (Salas, Rosen, Burke, & Goodwin, 2009). These sorts of aptitudes have for quite some time been perceived as imperative for accomplishment in school and the work environment said Stephen Fiore, educator at the University of Central Florida, who exhibited discoveries from a paper about these abilities and how they may be surveyed (Salas et al., 2011).

The examination on interpersonal aptitudes has secured these features, as analysts who endeavored to incorporate it have appeared. Fiore depicted the discoveries of a review (Klein, et al., 2006) that displayed a scientific classification of interpersonal abilities in light of a thorough survey of the writing. The creators found an assortment of methods for measuring and arranging such abilities and approaches to connection them both to results and to identity characteristics and different variables that influence them. They inferred that interpersonal adequacy requires different sorts of capability that get as a matter of fact, impulse and finding out about particular social settings (Klein, et al., 2006). They also set forward their own meaning of interpersonal aptitudes as "objective coordinated practices, including communication and relationship-building abilities, utilized in interpersonal association scenes portrayed by complex perceptual and intellectual procedures, dynamic verbal and nonverbal collaboration trades, differing parts, inspirations, and anticipations (Klein, et al., 2006). Thus, the concept of interpersonal capacity building is very important to entrepreneurial operations.

### **Dimensions of Entrepreneurial Mindset and Measures of Human Capacity Building**

The need for creativity has been on the increase over the years and entrepreneurial mindset as seen by many scholars, as an entrepreneur's capacity to be open-minded in their approach, and exhibit good qualities to adapt, tolerate, seek new capacities and approaches to problem solving and development of new products and services. Creative employees are self-reliant and as such it is quite reasonable for individuals or entrepreneurs to develop such quality. Creativity has been seen by Collura and Applegate (2000) as the ability of the individual or entrepreneur to adapt, and be willing to learn quickly by developing new capabilities and new approaches to ambiguity, issues or situations.

Dees et al. (2002) agreed with Collura and Applegate (2000) that creative individuals or entrepreneurs who have the ability to adapt command a lot confidence in them and survive. In a study conducted by Trevisan et al. (2002), it was found that among the strongest characteristics of entrepreneur, creativity was identified as the most important components of entrepreneurial mindset amongst business owners and non-business owners. Creative individuals or entrepreneurs can also lead to technical capacity building. The reason for this is that entrepreneurs seeks business practices, strategies and processes, generally accepted techniques and standards adopted by business as they strive and vigorously pursue their set goals and objectives (Neneh & Vanzyi, 2012).

Technical capacity demands high level of creativity or creative mindset. Haris, Delong and Dennellon (2001) argue that technical skills entail the specific knowledge and techniques required to perform a job or task proficiently. They added that this skill is highly needed by employees, managers and entrepreneurs alike. For success in business operations, they need creativity and technical skills. Robbins and Coulter (2013) claim that human skills are very important because they enable the employees to relate well with their co workers who make use of tools in production and service processes. In most cases, an employee who possesses

this skill is promoted to higher level of responsibility that is attached with huge compensation. Hence, this study proposed that there is a significant relationship between creativity and technical capacity of entrepreneurs.

### **Creativity and Interpersonal Capacity**

Interpersonal capacity building has to do with the extent to which there is development of a good human relation with respect to effective communication and the employment of the right kind of staff for the development of the right business (Nwankwo & Okorie, 2015). A creative employee will have or possess a good interpersonal capacity building which based its root on the development of human skills (Griffin, 2005).

The ability of to work with others, motivate and understand their feelings as well as their well-being stemmed from effective interpersonal capacity building (Robbins & Coulter, 2013). It is certain that all employees and even business owners must deal with people from different back grounds, culture and languages. So the extent to which they can effectively work with these people depends highly on the possession of human skills.

There is no doubt a clear relationship between creativity and interpersonal capacity from the argument and findings by the above authors. It is evidenced that active creative people possess the talent or skills in getting to the heart of problems. Grootman (1991) argues that these kind of creative individual are not confused by detail or by need to invoke standard approaches. Mullins (1999) claims that such individuals have a desire for originality, non-conformity and chance to experience and express new ideas. Thus, in view of the foregoing, this study proposed that there is a significant relationship between creativity and interpersonal capacity building.

### **Self-Motivation and Technical Capacity**

From the concept of motivation, individuals with an entrepreneurial mindset are good example of people who summed up courage to cause of the zeal to build their human capacity. Hitt et al. (2005) claim that motivation concerns the firm's incentive to take action or to make quick respond to competitor's attack either for profit or loss. These scholars view motivation from a competitive perspective which is also evidenced in their business operations.

McCheland (1961) in his theory of achievement stressed the need for achievement claimed that individual or entrepreneurs who have a dire need to achievement press forward to success than those with lower need. He further adds that these categories of individuals prefer setting high goals and seek to achieve them through their own effort. This implies that the individuals rely on self-motivation theory in achieving their goals.

Griffin (2005) argues that high technical capacity managers or entrepreneur spend high time in training their employees and providing answers to many work related problems. Because motivation is ever present in such an employee, the ability to learn new ways, procedures, skills and acquiring never becomes a problem to him. Therefore, self-motivation entrepreneurial mindset will actually enable technical capacity building which return will lead to entrepreneurial success.

### **Self-Motivation and Interpersonal Capacity**

In the previous paragraphs the study discussed self-motivation and also looked at interpersonal capacity building but has not expressed the relationship between them. As discussed earlier, interpersonal capacity focuses human relations in order to achieve the set goals. A good self-motivated employee sees motivation as a chief driver for success as motivation serves as a total psychological forces that direct a person's behaviour in the pursuit of business objectives (Dunnette & Hough, 1990).

It could be deduced that when an individual possesses an interpersonal capacity, it enables him to have knowledge of managing the resources (human, and material) and procedures in an attempt to increase his level of achievement in the business operations. Tracey, lack and Renard (1998) conducted a research on individual level of motivation in comparison with others and found that individual high level of self-motivation propels him to engage in entrepreneurial activities and develop on himself than those with low level of motivation.

Koontz et al. (2011) claim that high achieved individual are self-motivated although human motive are based on needs be it consciously or subconsciously. Self-motivated employees engaged in interpersonal behaviour which focuses on human relations, and leadership. These skills are based on individual psychology (Koontz et al., 2011).

### **The influence of Political Environment on the relationship between Entrepreneurial Mind-set and Human Capital Building**

The political environment might negatively or positively influence the relationship between entrepreneurial mindset and human capital building. Over the years, most of the policies made by the government are found to be consistent with small scale industry promotion, while others have had negative impacts (Ojiako, 2002). The activities of the financial institutions are indications of government's active participation in the promotion of SMEs (Osamwonyi, 2005). Money related policies and strategies may widen and improve the entrepreneurial activities and also contribute to the nation's industrial base economy as many industrial sub-sectors have been assisted through loan and equity financing (Ojiako, 2002).

The disbursed loans have to some extent created jobs directly or indirectly for potential entrepreneurs, since it assists workers to execute tasks and projects employed. If we take a critical look at the activities of National Directorate for Employment (NDE) programmes, numerous jobs have been created in 1987, 1988 and 1989' respectively. Secondly, the fiscal policies consider the rate of income tax, and the rate of income tax exemption for pioneer enterprises has demonstrated exceptionally helpful to businesses concerned.

The need for human capacity building is on the increase in Nigeria (Banjoko, 2002). Government of the day may not be able to create job opportunities for everyone which demands that individuals should develop on themselves and develop a good mindset towards creativity and self-motivation which will result in an effective human capacity building (Eze & Nwali, 2012). Thus, this study claims that the political environment would actually moderate the relationship between entrepreneurial mind-set and human capital development.

## **RESEARCH DESIGN**

This study adopts the cross sectional research design as a subset of quasi-experimental research since it was a survey research study.

### **Population of the Study**

The population of the study consists of employees in 24 registered small and medium scale businesses in Port Harcourt. Since it was not possible for the researcher to cover the whole population due to their geographical locations, the study focused on 15 small and medium scale businesses randomly chosen that formed the accessible population of the study.

### **Sample and Sampling Technique**

To determine the sample size that represent of the population of the study, the Taro Yamene's formula introduced in 1974 was adopted resulting into a sample size of 125 respondents. Bowley's (1964) individual sampling formula was used for population allocation for each company.

### **Nature/Sources of Data-Primary and Secondary**

The primary and secondary data collection method was explored in this study. The main instruments used in the collection of the primary data were copies of questionnaire administered to the respondents. The secondary sources of data are from journals, textbooks, publications, e.tc.

### **Method of Data Collection/Instrumentation**

Printed questionnaire were used in data collection for the study. Questionnaire was used because it allowed time and opportunity for the respondents to answer questions thoughtfully.

### **Methods of Data Analysis**

The Spearman's rank order correlation coefficient was appropriate with use of SPSS version (21.0) in testing the proposed hypotheses to generate findings. The reason behind the use of the Spearman's rank order correlation coefficient is because it is appropriate if the study involves the examination between two ranked paired observations. Additionally, it measures the relationship between two set of ranked observations, and showed the degree of effectiveness in predicting one ranked variable based on another ranked variable.

**Table 1: Summarized Results of Hypotheses Tested.**

Tested Hypotheses	Correlations	P-values	Level of relationship	Decision
C&TC	.543	P-value 0.000 < 0.05	Strong Relationship	Rejected Ho <sub>1</sub>
C&IC	.523	P-value 0.000 < 0.05	Strong Relationship	Rejected Ho <sub>2</sub>
SM&TC	.623	P-value 0.000 < 0.05	Strong Relationship	Rejected Ho <sub>3</sub>
SM&IC	.744	P-value 0.000 < 0.05	Strong Relationship	Rejected Ho <sub>4</sub>
EM/PE/HCB	.640	(Partial) Correlation	Strong moderating effect	Rejected Ho <sub>5</sub>

Source: Research survey, (2017).

Where;

- C = Creativity
- SM = Self-motivation
- TC = Technical capacity
- IC = Inter-personal capacity
- EM = Entrepreneurial mind-set
- PE = Political environment
- HCB = Human capacity building

### Discussion of Findings

The study examined the relationship between the dimensions of entrepreneurial mind-set and measures of human capacity building as adopted in this study. The findings are discussed as follows:

#### Relationship between Creativity and Technical Capacity

From the analysis of hypothesis one, the finding show a significant relationship between creativity and technical capacity which is supported by the work of Trevisan et al. (2002), Neneh and Vanzyi, (2012). Trevisan et al. (2002) found that among the strongest characteristics of entrepreneur, creativity was identified as the most important components of entrepreneurial mindset amongst business owners and non-business owners. This is because creative individuals or entrepreneurs are those who seek business practices, strategies and processes, generally accepted techniques and standards adopted by business as they strive and vigorously pursue their set goals and objectives (Neneh & Vanzyi, 2012). Nieman, (2006) argue that if an employee cannot create more opportunities through their idea of entrepreneurship and even experience growth in business operations, it would indicates that they lack the creative ability which also denotes lack of technical capacity building. In this sense they employed technical capabilities in their creative thinking..

#### Relationship between Creativity and Inter-personal Capacity

The finding from hypotheses two showed a significant relationship between Creativity and Inter-personal Capacity. Griffin (2005) found that because of the multitude of roles that knowledgeable employees must carry out, they must develop a good interpersonal skill with the customers, suppliers, investors and those outside the firm (Griffin, 2005). He also argues

that as an employee or a manager steps up the organizational ladder, the manager must be effective to carry people along. While Mullins (1999) found that creativity primarily focuses on our ordinary ability, visualization, seeing, noticing, speaking, hearing, understanding language and recognizing analogies, which are necessary for everyone and entrepreneurs as well. He noted that when employees develop creative ideas, it enables effective interpersonal capacity building through effective communications.

Hence, a creative employee will have or possess a good interpersonal capacity building which is based its root and development of human skills (Griffin, 2005). Thus, Robbins and Coulter (2013) found that the ability of to work with others, motivate and understand their feelings as well as their well-being stemmed from effective interpersonal capacity building (Robbins & Coulter, 2013).

### **Relationship between Self-motivation and Technical Capacity**

From the analysis of hypotheses three, the finding showed a significant relationship between self-motivation and technical capacity. This finding is supported by the work of Stewart, et al. (2003). The studies by Stewart, et al. (2003) have testified to the fact that people with entrepreneurial mindset are self-motivated individuals who set and possess high need for achievement than those who are not entrepreneurial trained (Stewart et al., 2003). In doing so effectively, they developed high technical capacity.

### **Relationship between Self-motivation and Inter-personal Capacity**

From the analysis of hypotheses four, the finding showed a significant relationship between self-motivation and inter-personal capacity.

The study conducted by Renard (1998) on individual level of motivation in comparison with others found that individual high level of self-motivation propels him to engage in entrepreneurial activities and develop on himself than those with low level of motivation.

Shane, Locke and Collins (2003) also supported this view that it is the individual level of self-motivation that distinguishes him from others in terms of grabbing new opportunities. It is also the level of self-motivation that led employees to seek ways to use or work with people, materials and processes effectively in the attempt to achieve the desire needs or objectives. Hence, self-motivated employees go extra miles in their operations without fear. So, as Shane (2001) noted, interpersonal capacity is not a barrier to them as they seek means to get people along in order to achieve their aim (Shane, 2000, 2001).

### **Moderating effect of political environment on the relationship between Entrepreneurial mind-set and Human Capacity building**

The findings from hypotheses seven shows a strong moderating effect on the relationship between entrepreneurial mind-set and human Capacity building. This finding is supported by the work of Ojiako (2002) and Osamwonyi (2005).

Ojiako (2002) found that over the years, most of the policies made by the government are found to be consistent with small scale industry promotion, while others have had negative impacts (Ojiako, 2002). Osamwonyi (2005) added that the activities of the financial institutions are indications of government's active participation in the promotion of SMEs (Osamwonyi, 2005). Ojiako (2002) explained that money related policies and strategies have

widen and improve the entrepreneurial activities and also contribute to the nation's industrial base economy as many industrial sub-sectors have been assisted through loan and equity financing (Ojiako, 2002). Thus, the disbursed loans have to some extent created jobs directly or indirectly for potential entrepreneurs, since it assists workers to execute tasks and projects employed.

## **CONCLUSION**

Based on the summary of findings, the study concluded that workers involvement can be enhanced through the human capacity building of knowledgeable employees in PH.

Human capacity building is very important in Nigeria especially in Port Harcourt. It requires a good mind-set to become an entrepreneur. These mindsets include creativity and to self-motivation will result in an effective human capacity building. The findings of this study revealed that a good entrepreneurial mind-set is lacking among employees in small and medium scale businesses in Port Harcourt which has affected the level human capacity building. Several empirical studies have shown the extent to which entrepreneurial mind-set affects organizational performance and the moderating effect of political instability on entrepreneurial performance which is similar to the findings of this present research work. Based on the critical examination of these facts and the hypotheses tested, the study made the following conclusion:

- i. There is a significant association between creativity and technical capacity in small and medium scale enterprises in Port Harcourt.
- ii. Individuals should be creative in their interpersonal capacity to foster growth in small and medium scale enterprises in Port Harcourt.
- iii. There is a significant relationship association self-motivation and technical capacity in small and medium scale enterprises in Port Harcourt.
- iv. There is a significant association between self-motivation and interpersonal capacity in small and medium scale enterprises in Port Harcourt.
- v. Political environment strongly influenced the association between entrepreneurial mind-set and human capacity building in small and medium scale enterprises in Port Harcourt.

## **Recommendations**

Based on need to develop entrepreneurial mind-set and high human capacity building, this study made the following recommendations:

- i. Entrepreneurs should be creative by developing new ways of business operations that will improve their building of technical capacity in small and medium scale enterprises in Port Harcourt.
- ii. Individuals in small and medium scale businesses should be creative to improve their interpersonal capacity to foster growth in small and medium scale enterprises in Port Harcourt.
- iii. Individuals are encouraged to embrace self-motivation in order to develop and improve their technical capacity in small and medium scale enterprises in Port Harcourt.
- iv. Individuals should see self-motivation as a critical factor for interpersonal capacity building which will enhance customer relation in small and medium scale enterprises

- in Port Harcourt.
- v. Small and medium scale businesses should constantly monitor the political environment for threats or opportunities that may influence the association between entrepreneurial mind-set and human capacity building in their business operations.
  - vi. Employees should develop good entrepreneurial mind-set in order to improve human capacity building which is lacking in small and medium scale business operations in Port Harcourt

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