



Entrepreneurial Development: the Role of Human Resource Practitioners

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Abstract

Entrepreneurial development constitutes essential ingredient in the lubrication and development of any economy. In Nigeria, the story makes no remarkable as entrepreneurship dominate the economy. Government over the years has formulated a number of policies aimed at developing Entrepreneurial programmes. While most policies actually failed due to implementation others however, succeeded. Effort has been made in the past to identify the role of entrepreneurship programmes' to the development of Nigeria's economy. Its problem and prospects which created a vacuum on the role of government and human resources practitioner in the development of Entrepreneurship Development Programs in Nigeria. Relevant literature would be reviewed to bring out silent issues on the subject matter of paper. Secondary sources would be the major mode of data collection. It was discovered that Chartered institute of Personal Management (CIPM) has training programmes for young talented entrepreneur to the development of Entrepreneurship programs, but a lot still need to be done by the government in order to complement the effort of the institute. The papers recommend among others, that all three (3) ties of government must key into this programe in order to serve the grassroots sensitization of the public on how to access fund for SMEs development, public/private partnership should also be encouraged, Human Resources Practitioners must be geared up to meet the training as well as their respective locality.

Keywords: *Entrepreneurial development, Role, Human resource practitioners, Entrepreneurship programmes*

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Background to the Study

Entrepreneurship Development is a sub-sector of the industrial sector which plays crucial roles in industrial development (Ahmed S. 2006). Following the adoption of Economic reform programmes in Nigeria (Kin 1981), there have been several decisions to switch from capital intensive and large scale industrial projects which was based on the philosophy of import development to entrepreneurship development which have better prospects for developing domestic economy, thereby generating the required goods and services that will propel the economy of Nigeria towards development. It is based on this premise that Ojo (2009), argued that one of the responses of the challenges of development in developing countries particularly in Nigeria, is the encouragement of entrepreneurial development scheme. Despite the abundant natural resource, the country still finds it very difficult to discover her developmental bearing since independence. Quality and adequate infrastructural provision has remained a nightmare, the real sector among others have witnessed downward performance while unemployment rate is on the increase. Most of the poor and unemployed Nigerians in order to better their lots have resorted to the establishment of their own businesses. Consequently, entrepreneurship is fast becoming a household name in Nigeria. This is as a result of the fact that the so called white collar jobs that people clamour for are no longer there. Even, the touted sectors (Banks and Companies) known to be the largest employer of labour are on the down-turn following the consolidation crisis and fraudulent practices of the high and mighty in the banking sector. The companies of course are folding up as a result of erratic power supply, insecurity and persistent increase in interest rate which has led to high cost of production and undermines profit making potential of companies operating in Nigeria. As a result of banking sector practices and continuous folding up of companies, a lot of Nigerians are thrown into unemployment which inevitably detriment the economic situation of the country.

Since the office jobs that people desire are no longer there for the teeming population and the few ones that succeeded in getting the jobs are thrown out as a result of the factors identified above, the need for the government and the people to have a rethink on the way out of this mess became imperative. Hence, the need for entrepreneurial development became a reality as a means of ensuring self-independent, employment creation, import substitution, effective and efficient utilization of local raw materials and contribution to the economic development of our dear nation (Nigeria). All of the aforementioned benefits of entrepreneur cannot be achieved without the direct intervention of the government and human resources management. Over the years, a number of policies have been formulated by the government with a view to developing entrepreneurial programme in schools. This paper will therefore examine several policies aimed at developing entrepreneurial development vis-à-vis roles played by the government and human resources practitioners in achieving development in Nigeria.

Indigenous Entrepreneur

Indigenous entrepreneurs are those operating in the country where they reside. Indigenous entrepreneurs can be divided into private entrepreneurs and National Directorate of Employment Assisted Entrepreneurs.

Private entrepreneurs are those who started entrepreneurial activities on their own, without government support. National Directorate of Employment Assisted Entrepreneurs are those who obtained finance and training from National Directorate for Employment (NDE).

Entrepreneur

There are different definitions of entrepreneur. Some of the definitions are presented below;

Schumter (1994) defines the entrepreneur in terms of innovation and says that the single function of entrepreneur is innovation. Glueck (1980) defines an entrepreneur as an individual who creates a new firm and continues to manage until it is successful.

Carland, Hoy, Boulton and Carland (1984) defines entrepreneur as a person who established and manages a business concern for the major aim of profit and growth.

Ducker (1985) defines the entrepreneur as the innovating individual who perceives business opportunities and organizes the required resources to initiate a successful business activity for profit.

Ogundele (2000), defines entrepreneur as the innovating individual, who initiates and nurtures to grow a new and an ongoing organization, where none existed before.

Entrepreneurship

Drucker (1985) considers entrepreneurship as innovating process of converting an idea into market place reality by exploiting opportunities.

Technopreneur

A technopreneur is an individual whose business is in realm of high technology, who at the same time has the spirit of an entrepreneur. The technopreneur represents new breed that is both innovating and equally enterprising.

Interpreneur

Individuals who are given the opportunity to exhibit the attitudes of an entrepreneur in a large establishment.

Entrapreneur

It is a construct used to describe an establishment which is engaged in rapid activity of engaging both material and human resources.

Strategy

The word strategy is derived from the Greek word 'Strategos' i.e. generalship or the art of the general actual direction of military force, as distinct from the policy governing its deployment' (Kazmi 2002).

Ghosh (2004) says it arose from the Greek word 'Strategia' meaning the art and science of directing military forces. The military general Tzu's classical works. The art of war officially titled Sum TZU Pinga (i.e. the military method of Mr. Sum) was probably one of the first

documented evidence of the use of strategy.

Chandler (1962) defines strategy as 'the determination of the basic long-term goals and objectives of an organization, the adoption of a course of action, and objectives'.

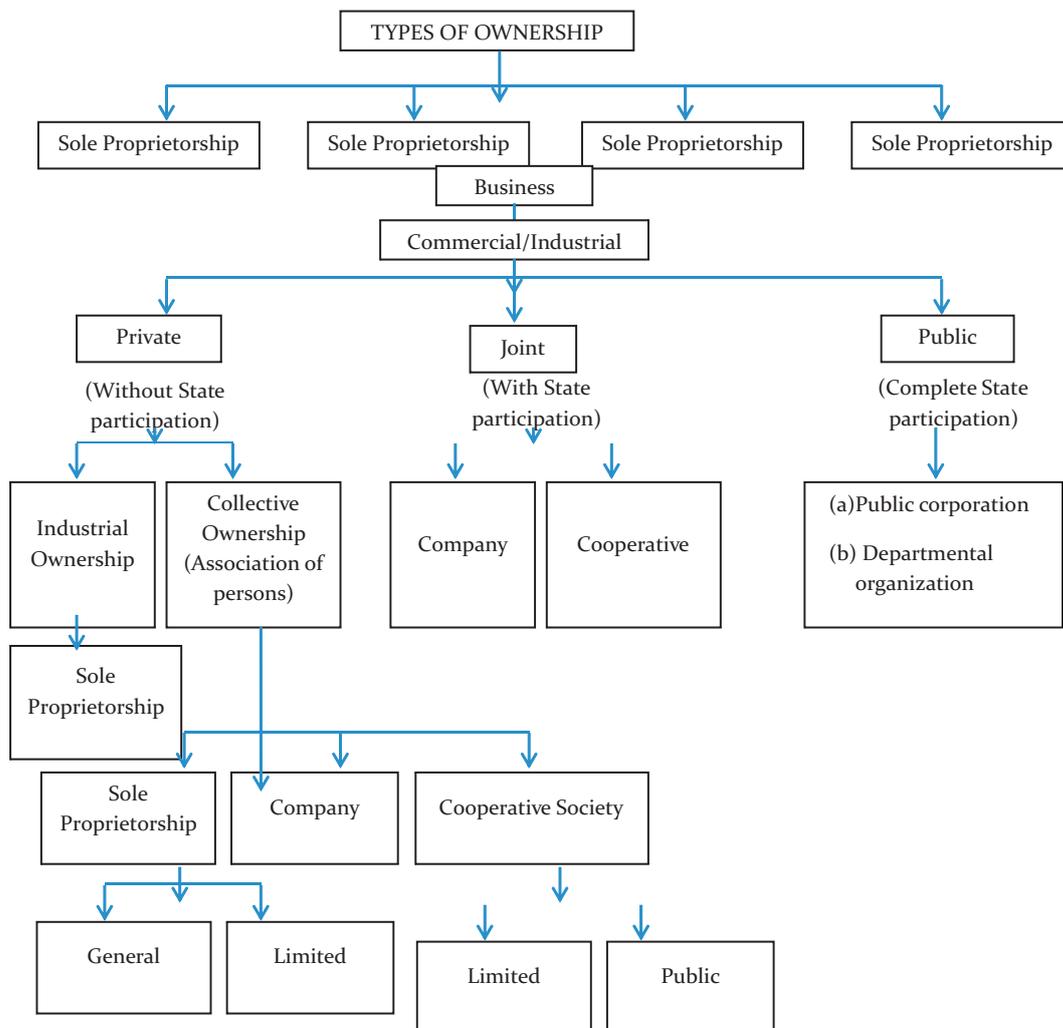
Glueck (1972) defined strategy as 'A unified comprehensive and integrated plan designed to assure that the basic objectives of enterprise are achieved'.

Michael Porter (1985) views strategy as 'developing and communicating the company's unique position, making trade-offs, and forging fit among others'.

Entrepreneurial Stream

When there are collective individuals who are entrepreneurially located in the same area to promote the success of the industry.

The definitions above are based on the ideology of the writers and possess four unique features such as an individual, innovation, explore opportunities and profit making



The Growth of Entrepreneurial Development and the Contributive Scheme in Nigeria

Ogundele (2007); Otokiti (2000); and Aina-David (2010), mentioned various schemes that have contributed to the growth of entrepreneurial development in Nigeria. The industries credit scheme (ICS) was introduced in 1971 as a revolving grant by the federal state government in Nigeria to assist in meeting the credit needs of an entrepreneur on a relatively more liberal condition than in private lending institutions.

Chartered Institute of Personnel Management of Nigeria (CIPM)

The Chartered Institute of Personnel Management (CIPIM) was established in 1968 and the institute was chartered in 1992. The rationale for establishing the institute was to bring Human Resources Practitioners discipline to bear and to hopefully ensure a more efficient utilization of scarce resources for the development of viable entrepreneurs. The mission of the institute is to regulate the practice of Human Resources Management in Nigeria and promote excellence in the acquisition and application of knowledge and skills by practitioners thereby contributing to sustainable national development.

Objectives of the Study

- i. To equip practitioners with HR strategies and crafts for infrastructural workforce development for enterprise effectiveness, job creation and economic growth.
- ii. To make financial services accessible to a large segment of potentially productive Nigerians which otherwise would have little or no access to higher institution.
- iii. To promote linkage programmes between the public and private sectors
- iv. To reduce unemployment and increase social mobility
- v. To enhance the implementation of the national economic empowerment and development strategy (NEEDs).
- vi. To evaluate the need level and challenges of entrepreneurial workforce development in the public and private sectors.

Review of Past Reforms aimed at Rural Development since Late 1970s

Successive governments in Nigeria were faced with the challenges of adverse international economic environment created by oil shocks and deteriorating terms of trade. Several programmes formulated to ameliorate Nigeria's economic problems according to Ogwumike F. (1995) include:

- i. Operation Feed the Nation (OFN)
This programme was introduced by General Olusegun Obasanjo in 1976 following the chronic inability of the agricultural sector of the economy to satisfy the food need of the nation. The programme was able to create awareness on self-reliance in food production among the Nigerian people.
- ii. National Directorate of Employment (NDE)
The directorate was established by decree on the 24th October, 1986 and it commenced full operation in January 1987 with the aim of promoting skills acquisition, self-employment and labour intensive work scheme. The scheme was targeted at school leavers, apprentice, graduates etc. the programme was to address four (4) major areas as itemised below.

- Small scale enterprise programmes
 - Vocational skill development programmes
 - Rural employment promotion programme
 - Special public work programme
- Funding the directorate between 1987-1989 rose from N70 million to N193.31 million. It was reported also to have declined to N176.82 million and N100 million in 1994 and to N132.90 million in 1995.
- iii. The Family Support Programme (FSP)
This programme was set up by late General Sanni Abacha in 1993. He alongside Family Economic Advancement Programme (FEAP). Both programmes were aimed at granting soft loan or credit to the Nigerian families to enable them engage in small scale business that will enhance their living standard.
- iv. The National Poverty Eradication Programme (NAPEP)
Ike (1996), explained that before the introduction of National Poverty Eradication Programme (NAPEP), a temporary Poverty Alteration Programme (PEP) in year 2000 was put in place to cushion the effect of terrible economic hardship faced by large number of unemployed people in the country. The intent was to provide monthly stipends to 200,000 unemployed people across the country so that they could start small businesses and be self-reliant. The programme was structured to benefit three categories of people namely.
- Skilled unemployment
 - Unskilled and semi-skilled unemployment
 - Unskilled and uneducated

The skilled unemployed people were provided with a micro-credit to enable them establish a viable venture. The second category were trained for a period of 3-12 months or attached to a relevant construction and manufacturing companies for a period of two (2) years to enable them acquire additional skills after which they will be provided with micro credit to enable them start up a business of their own. The third and final category were to either acquire formal education through Universal Basic Education (UBE) or be provide with permanent mental jobs in the areas of agriculture, road maintenance, tree planting etc.

It was reported in Tell Newspaper by Musa (2002) that the National Poverty Eradication Programme (NAPEP) was designed to eradicate poverty absolutely among Nigerians through strategies that provide the participation of all registered political parties, traditional rulers and community leaders.

- v. The Youth Empowerment Scheme (YES)
This scheme was exclusively designed to empower youths economically and it consists of three (3) programmes as follows:
- Capacity Acquisition Programme
 - Mandatory Attachment Programme
 - Credit Delivery Programme

The Capacity Acquisition Programme (CAP) is to enable participants to acquire skills and vocational capabilities while Mandatory Attachment Programme (MAP) is to assist graduates who have completed their compulsory National Youth Service Corps (NYSC) and who are yet to secure full time employment. The Credit Delivery Programme (CDP) on the other hand is to provide micro-credit empowerment scheme and was to achieve the following objectives:

- i. National employment rate 3%
- ii. Graduate self-employment rate 50%
- iii. Non-graduate self-employment rate 60%
- iv. Skill acquisition rate for school leavers 60%
- v. Establishment of local resources-based college industries per local government area, five (5) units per year.
- vi. Annual growth rate replacement of traditional methods of production with improved technology in agricultural sector 15%
- vii. Annual growth rate of development of relevant technologies 15%
- viii. National Economic Reconstruction Fund (NERFUND)

Sequel to the introduction of Structural Adjustment Programme (SAP) in 1986 and the subsequent devaluation of currency, coupled with sharp rise in interest rate, many small and medium scale enterprises found it difficult to obtain loan to finance their investment. To bridge the gap, the federal government in 1990 set up the National Economic Reconstruction Fund to provide relatively long-term loans (5-10 years) to small and medium scale enterprises at a very low interest rate.

Methodology

In writing this paper, the researchers principally used literature and records relevant to the subject matter of this paper. Using deductive approach, the researchers were able to draw conclusion having critically reviewed salient issues in existing literatures and records. This method was adopted because time would not permit the use of questionnaire which ordinarily has to be administered to a sizable number of entrepreneurs, relevant government agencies, and human resources practitioners across the country. However, reviewing related works by other researchers gave a deeper insight to the researchers which enabled us to draw reasonable conclusion.

Findings

Sequel to reviewed literatures with respect to the subject matter of this paper, it is very clear that successive governments in Nigeria had strived to formulate various Entrepreneurship Development Programme friendly policy but most of this policy still did not leave much to be desired as most are just mere policies that never went beyond black and white, where policy objectives were written. For instance, the industries credit scheme could not meet the objectives for which it was established due to poor financial resources (poor funding) coupled with several cases of financial mismanagement by the benefiting enterprises and administrators of loans. This however, led to the federal government withdrawal from the scheme to establish Nigerian Bank for Commerce and Industry (NBCI) which has and is still doing well in SMEs development. Also, Central Bank Monetary policies as stated by Bullion

and CBN (1922) remain the brain behind the establishment of inappropriate strategies for providing financial facilities to the entrepreneur. The National Directorate of Employment could not achieve much of the desired objectives because of poor funding, lack of proper maintenance of training facilities, irregular payment of staff allowance as well as overflooding the scheme 'ghost-workers' (including name of people who are not workers in the payment to claim money by privileged individuals). The establishment of micro-finance banks to take care of financial needs of rural entrepreneurs becomes unreasonably competitive as interest rates are on the high side without consideration to the viability of the entrepreneurial programmes. Consequently, accessing funds for entrepreneur becomes very difficult for existing and prospective SMEs operations. SMERDAN which would have pragmatic in its operation does not have wider coverage particularly in rural areas where the need for SMEs development is very high. The recently introduced scheme (SMIEIS) by committee of Nigerian bank is quite fascinating since banks are made to set aside 10% of their profit before tax for equity investment in small and medium scale enterprise.

Conclusion

There is absolutely no doubt that entrepreneurial programme contributes tremendously to the nation's economic development. Harnessing the economic potentials of entrepreneurship development in Nigeria is still a mirage since several policies aimed at entrepreneurship development did not stand the test of time due to poor implementation, erratic financing of schemes initiated by the government and other administrative bottlenecks. These have made it difficult to existing and prospective entrepreneurs operators to have easy access to funds set aside for entrepreneurship development. Banks which are supposed to complement and implement government policies also clamour for huge collaterals which prospective poor borrowers usually do not have, even borrowers who could afford to provide benefiting collateral are further discouraged by continuous indebtedness to rich lenders.

Recommendations

Based on the findings of this paper, the following recommendations are hereby put forward:

1. Government and Human Resources Institute should develop a holistic approach to schemes initiated by them.
2. The Central Bank of Nigeria (CBN) and other financial institutions should embark on extensive sensitization of entrepreneurs on the operations of the banks.
3. Interest which deters people with genuine business ideas should be reduced to a bearable level to make borrowing cheaper.
4. All administrative bottlenecks which make funds inaccessible to entrepreneurs should be mitigated.
5. Government should engage professionally in the formulation of policies that will stand the test of time.
6. Government should develop a lasting solution to the state infrastructural deterioration especially electricity
7. The security situation of the country needs to be improved to make business doable in the country.

8. Policies initiated by the government should be funded efficiently
9. Policies which are aimed at rural development should top the lists of policies aimed at developing the already or semi-developed urban centres to reduce rural-urban migration.
10. Prospective entrepreneurs should conduct feasibility studies to evaluate the viability of any proposed business to avoid investment in unprofitable ventures.

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