Leveraging Strategic Human Resource Management and Entrepreneurial Orientation for Sustainable Growth in Nigeria's Federal Capital Territory, Abuja

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ABSTRACT

This study examined the influence of Strategic Human Resource Management (SHRM) practices on entrepreneurial orientation and sustainable growth of micro-enterprises in Abuja, Nigeria. Specifically, the study investigated the effects of training and development and performance management on entrepreneurial orientation and enterprise growth, while also examining the mediating role of entrepreneurial orientation. The study adopted a descriptive survey research design and utilized quantitative data collected from owners and managers of registered micro-enterprises in Abuja. A sample size of 420 respondents was determined using Yamane's sampling formula, while 344 valid questionnaires were analyzed, representing an 81.9% response rate. Data were collected through a structured questionnaire measured on a five-point Likert scale. The reliability of the instrument was confirmed using Cronbach's alpha, while data analysis was conducted using descriptive statistics, Pearson correlation, multiple regression analysis, and Structural Equation Modeling (SEM) with the aid of SPSS and AMOS. The findings revealed that training and development significantly influenced entrepreneurial orientation, while performance management also exerted a positive and significant effect on entrepreneurial orientation. Furthermore, entrepreneurial orientation significantly influenced enterprise growth. The mediation analysis showed that entrepreneurial orientation partially mediated the relationship between SHRM practices and enterprise growth. The study concluded that SHRM practices enhanced innovativeness, proactiveness, and risk-taking behaviour, thereby promoting sustainable growth among micro-enterprises in Abuja. The study recommended increased investment in employee training, formal performance management systems, and entrepreneurial development programmes to strengthen enterprise competitiveness and sustainability.

Keywords: Strategic Human Resource Management, Entrepreneurial Orientation, Training and Development, Performance Management, Enterprise Growth, Micro-Enterprises, Abuja.

INTRODUCTION

Micro-enterprises constitute the foundation of entrepreneurial activity and economic growth in developing countries, including Nigeria. They contribute significantly to employment generation, innovation diffusion, and poverty reduction. In Nigeria's urban centres, micro-enterprises form the backbone of the informal and semi-formal economy, supporting livelihoods and driving local development. Despite their importance, many micro-enterprises continue to struggle with low productivity, weak competitiveness, and high failure rates. According to Zekeri *et al.*, (2024), a large proportion of small and micro-businesses in Nigeria experience stagnation due to inefficient management systems, inadequate human capital development, and poor strategic planning. This challenge underscores the need for improved management practices, particularly in the area of human resource development.

Strategic Human Resource Management (SHRM) has emerged as a critical approach for aligning human resource practices with an organization's long-term goals to enhance performance and sustainability. Among the numerous SHRM practices, training and development and performance management are particularly vital for micro-enterprises seeking to build dynamic capabilities and achieve growth. Training and development enhance employees' knowledge, skills, and creativity, which are essential for identifying new opportunities and responding to market changes (Indarti, 2021). Likewise, performance management establishes performance standards, monitors employee output, and provides feedback and rewards that motivate innovative behaviour and goal achievement (Bashir and Venkatakrishnan, 2022). However, many micro-enterprises in Nigeria fail to implement these practices strategically. Recruitment and training are often informal, and employee performance is rarely assessed systematically, leading to low motivation, poor innovation, and reduced productivity (Beqiri and Aziri, 2021).

The concept of Entrepreneurial Orientation (EO) provides a useful framework for understanding how strategic human resource practices influence enterprise growth. Entrepreneurial orientation refers to an organization's strategic posture characterized by innovativeness, proactiveness, and risk-taking (Okoli *et al.,* 2021). Firms with high entrepreneurial orientation are more likely to introduce new products, anticipate market changes, and take calculated risks in pursuit of growth opportunities. In this regard, effective training and development initiatives can enhance employees' creativity and confidence to experiment with new ideas, while robust performance management systems can foster a culture of accountability and continuous improvement that supports entrepreneurial initiatives (Kyal *et al.,* 2022; Faloye & Owoeye, 2021).

Empirical studies have shown that the interaction between SHRM practices and entrepreneurial orientation significantly influences business performance. For instance, Alshebami (2025) found that HRM capabilities and skills enhance self-efficacy and continuity intentions among small businesses during crises. Similarly, Taleb *et al*. (2024) reported that human capital development and performance management strengthen innovation and resilience among micro-enterprises. Despite these findings, few empirical studies in Nigeria have examined how specific SHRM practices such as training and development, and performance management, shape entrepreneurial orientation and drive enterprise growth. Most existing research has focused broadly on small and medium enterprises, overlooking the peculiarities of micro-enterprises in competitive urban environments.

Therefore, this study seeks to fill this gap by investigating the impact of strategic human resource management practices (training and development, and performance management) on entrepreneurial orientation and enterprise growth among micro-enterprises in Nigerian urban centres. The study will provide empirical evidence on how these practices can enhance innovativeness, proactiveness, and risk-taking, thereby strengthening the capacity of micro-enterprises to achieve sustainable growth. The findings are expected to inform entrepreneurs, policymakers, and development practitioners on how to adopt strategic human resource practices that foster a vibrant, innovative, and competitive micro-enterprise sector in Nigeria.

Statement of the Problem

Micro-enterprises constitute a vital component of Nigeria's economy through employment creation and income generation. Despite their importance, many micro-enterprises in Nigerian urban centres continue to experience poor survival rates and limited growth due to weak managerial capabilities, poor strategic planning, and uncoordinated management practices (Garba et al., 2019; Zekeri et al., 2024). These challenges highlight the need for more strategic management approaches to enhance the sustainability and competitiveness of micro-enterprises. One major limitation identified is the absence of effective Strategic Human Resource Management (SHRM) practices. According to Beqiri and Aziri (2021), human resource management systems in many micro-enterprises remain informal and inadequate for developing employee competence and motivation. In contrast, firms that adopt structured HRM practices such as recruitment, performance evaluation, and staff development tend to achieve higher productivity and organizational efficiency (Knezović et al., 2020). However, Nigerian micro-enterprises often fail to implement such practices, resulting in high employee turnover, low innovation, and weak enterprise sustainability (Bashir & Venkatakrishnan, 2022).

Another critical issue is the weak entrepreneurial orientation (EO) among Nigerian micro-enterprises. EO, which includes innovativeness, proactiveness, and risk-taking, has been linked to improved business performance and competitive advantage (Faloye & Owoeye, 2021; Kyal et al., 2022). Although studies such as Alshebami (2025) and Taleb et al. (2024) demonstrated that HRM practices enhance innovation and resilience in small firms, limited empirical research exists within Nigeria's micro-enterprise context. Therefore, this study seeks to examine how SHRM practices influence entrepreneurial orientation and enterprise growth in Nigerian urban centres.

Objective of the Study

The general aim of this study is to examine the relationship between Strategic Human Resource Management (SHRM) practices and Entrepreneurial Orientation (EO) and the growth of micro-enterprises in Nigerian urban centres.

The specific objectives of the study are to:

i. assess the relationship between training and development practices and entrepreneurial orientation among micro-enterprises in Nigerian urban centres;
ii. examine the influence of performance management practices on the growth of micro-enterprises in Nigerian urban centres;
iii. determine the effect of entrepreneurial orientation on the growth of micro-enterprises in Nigerian urban centres; and
iv. investigate the mediating role of entrepreneurial orientation in the relationship between strategic human resource management practices and enterprise growth in Nigerian urban centres.

Hypotheses

Based on the specific objectives of the study, the following null hypotheses are formulated:

H01: There is no significant relationship between training and development practices and entrepreneurial orientation among micro-enterprises in Nigerian urban centres.

H02: Performance management practices have no significant influence on the growth of micro-enterprises in Nigerian urban centres.

H03: Entrepreneurial orientation has no significant effect on the growth of micro-enterprises in Nigerian urban centres.

H04: Entrepreneurial orientation does not significantly mediate the relationship between strategic human resource management practices and enterprise growth among micro-enterprises in Nigerian urban centres.

LITERATURE REVIEW

The literature review provides a conceptual, theoretical, and empirical foundation for understanding the relationship between Strategic Human Resource Management (SHRM) practices, entrepreneurial orientation, and enterprise growth. It examines existing scholarly works that explain how specific SHRM practices, particularly training and development and performance management influence entrepreneurial behaviour and organizational outcomes. The review also identifies key theories that underpin these relationships, highlights gaps in prior research, and establishes the basis upon which the present study seeks to extend existing knowledge within the context of Nigerian micro-enterprises.

Conceptual Review

Strategic Human Resource Management (SHRM)

Strategic Human Resource Management (SHRM) refers to the systematic alignment of human resource policies and practices with the strategic objectives of an organization in order to achieve long-term performance and competitiveness. Unlike traditional HRM, which focuses on administrative functions, SHRM emphasizes proactive planning, integration, and coordination of HR practices to support strategic goals (Knezović *et al*. 2020). SHRM enables firms to use their human capital as a source of sustainable competitive advantage by promoting innovation, productivity, and adaptability in dynamic environments (Biru, 2024).

In the context of micro-enterprises, SHRM involves developing human resources through deliberate strategies that enhance employee skills, motivation, and commitment to enterprise growth. Two core practices; training and development and performance management are particularly essential. These practices directly influence employees' capacity to innovate, take initiative, and pursue entrepreneurial opportunities (Taleb *et al*. (2024).

Training and Development

Training and development encompass all efforts made to improve employees' knowledge, skills, and attitudes to enhance their current and future job performance. Training ensures that employees acquire the competencies required to perform specific tasks, while development focuses on broader career growth and leadership potential (Indarti, 2021). Effective training equips employees with innovative problem-solving abilities and adaptability, which are essential for sustaining entrepreneurial activities within micro-enterprises.

In micro-enterprises, where employees often perform multiple roles, continuous training fosters creativity and operational efficiency (Beqiri & Aziri, 2021). Empirical studies have shown that structured training programs improve innovation capability, decision-making, and strategic responsiveness (Alshebami, 2025). However, many Nigerian micro-enterprises fail to implement consistent training and development strategies, leading to skill gaps and poor competitiveness.

Performance Management

Performance management refers to the continuous process of identifying, measuring, and developing individual and team performance in alignment with organizational objectives (Bashir and Venkatakrishnan, 2022). It includes performance appraisal, feedback, coaching, and reward systems that motivate employees to achieve higher levels of efficiency and innovation.

In micro-enterprises, performance management plays a crucial role in encouraging accountability and results-oriented behaviour. When effectively designed, it links employee performance to organizational outcomes such as productivity and innovation (Taleb *et al.,* 2024). However, many micro-entrepreneurs in Nigeria still rely on informal evaluation systems, which fail to provide constructive feedback or incentives for creativity, thereby constraining enterprise growth.

Entrepreneurial Orientation (EO)

Entrepreneurial Orientation (EO) describes a firm's strategic posture in terms of innovativeness, proactiveness, and risk-taking (Okoli *et al.,* 2021). Innovativeness reflects the willingness to support creativity and experimentation; proactiveness involves anticipating and acting on future needs; and risk-taking captures the tendency to commit resources to uncertain ventures. EO is widely recognized as a predictor of firm performance and growth (Faloye & Owoeye, 2021).

In micro-enterprises, EO reflects the owner-manager's mindset and the organization's culture of innovation. Training and performance management influence EO by shaping employees' skills, confidence, and motivation to pursue new ideas. Thus, SHRM practices can strengthen EO and position micro-enterprises for sustained growth.

Growth of Micro-Enterprises

Enterprise growth refers to the expansion of a business in terms of sales, profitability, market share, or employment size over time (Mahmudi *et al.*, 2023). Growth is a key indicator of performance and sustainability. For micro-enterprises, growth is often constrained by limited access to finance, poor human capital, and low levels of innovation (Garba, Kabir, and Mahmoud, 2019). Entrepreneurial orientation and effective SHRM practices have been found to positively influence growth by improving innovation capability, market responsiveness, and operational efficiency (Kyal *et al.*, 2022; Soesetio *et al.*, 2024).

THEORETICAL FRAMEWORK

The Resource-Based View (RBV), developed by Barney (1991), posits that firms achieve sustained competitive advantage by effectively utilizing internal resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Later extensions by Barney *et al.* (2011) emphasized that human capital employees' knowledge, creativity, and commitment represents one of the most strategic resources a firm can possess. In the context of this study, the RBV explains how training and development and performance management function as strategic tools that enhance human capital and, consequently, entrepreneurial orientation and enterprise growth. Micro-enterprises that strategically invest in employee development and align performance with organizational goals can achieve greater innovation, adaptability, and competitiveness.

The Human Capital Theory, propounded by Becker (1964), asserts that investment in education, training, and skill acquisition enhances worker productivity and organizational performance. Later modifications by Schultz (1993) and Sweetland (1996) expanded the theory to include innovation capacity, creativity, and problem-solving abilities as components of human capital. More recent studies, such as Nyberg *et al.* (2018), have integrated this theory with strategic HRM, showing that effective training and performance management systems shape employees' knowledge, motivation, and creativity. Within micro-enterprises, where resources are limited, strategic investment in human capital through continuous training and structured performance evaluation can strengthen employees' entrepreneurial mindset, thereby promoting proactiveness, innovativeness, and risk-taking behaviour.

The Entrepreneurial Orientation (EO) Theory, introduced by Miller (1983) and later refined by Lumpkin and Dess (1996), explains that firms demonstrate entrepreneurial orientation through innovativeness, proactiveness, and risk-taking. Subsequent scholars, such as Wiklund and Shepherd (2003) and Covin and Wales (2019), confirmed that EO mediates the relationship between strategic resources and firm performance. The theory is relevant to this study because it explains how SHRM practices influence the entrepreneurial behaviour of employees and managers. Specifically, training and development stimulate creativity and innovation, while performance management fosters accountability and encourages calculated risk-taking, both of which are vital for micro-enterprise growth.

Collectively, the three theories provide a strong conceptual foundation for understanding how strategic human resource management practices influence entrepreneurial orientation and enterprise growth. The Resource-Based View (Barney, 1991) underscores the strategic value of internal resources, the Human Capital Theory (Becker, 1964) highlights the importance of investing in people, and the Entrepreneurial Orientation Theory (Miller, 1983; Lumpkin & Dess, 1996) explains how these resources translate into innovative behaviour and performance outcomes. Among them, the Resource-Based View (RBV) serves as the anchoring theory for this study because it holistically integrates human capital development and entrepreneurial behaviour within a strategic management framework, providing the most suitable lens for examining how SHRM practices drive entrepreneurial orientation and growth in Nigerian micro-enterprises.

Empirical Review

Empirical studies across different contexts have consistently demonstrated that Strategic Human Resource Management (SHRM) practices influence firm performance and growth. Beqiri and Aziri (2021) investigated human resource development in micro and small enterprises and found that structured HRM practices such as employee training and performance appraisal significantly improved employee motivation and innovation capacity. Their findings highlight that firms with systematic HRM systems tend to perform better due to enhanced employee engagement and knowledge sharing. Similarly, Knezović *et al.* (2020) emphasized that integrating human resource strategies into business objectives improves competitiveness, particularly in small and medium-sized enterprises. These studies collectively establish the positive effect of SHRM on performance but provide limited attention to how such practices operate within micro-enterprises in developing economies such as Nigeria.

Training and development have been widely acknowledged as core determinants of organizational effectiveness. Indarti (2021) found that education and managerial training significantly contribute to the growth of small and micro-enterprises by enhancing entrepreneurial attitudes and managerial skills. Likewise, Vixathep and Phonvisay (2019) reported that investment in human capital, through training and skill upgrading, positively impacts innovation and entrepreneurship among small firms in Laos. In the Nigerian context, Garba *et al.* (2019) observed that micro-entrepreneurs with better management and training exposure exhibited higher growth potential compared to those without structured learning opportunities. These findings underscore the role of training and development in stimulating innovation and improving operational efficiency in small business environments.

Performance management has also attracted scholarly attention as a key SHRM practice that drives employee accountability and enterprise growth. Bashir and Venkatakrishnan (2022) examined HRM practices in SMEs and found that effective performance appraisal systems enhance employee commitment, productivity, and organizational performance. Similarly, Taleb *et al.* (2024) discovered that structured performance monitoring and feedback mechanisms improve innovation and resilience among micro-enterprises, particularly during economic crises. The study by Beqiri and Aziri (2021) further emphasized that the absence of proper performance management limits firms' ability to align employee behaviour with organizational objectives. However, in many Nigerian micro-enterprises, performance management remains informal and inconsistent, reducing its potential to influence long-term growth outcomes.

The concept of Entrepreneurial Orientation (EO) has been empirically linked to firm performance in various contexts. Faloye and Owoeye (2021) found that EO mediates the relationship between business model innovation and enterprise performance among Nigerian small firms, showing that proactive and innovative orientations enhance adaptability and market success. Similarly, Kyal et al. (2022) established that entrepreneurial orientation significantly affects enterprise performance through employee motivation and innovation in Indian micro and small enterprises. Mahmudi, Tamba, and Suratmi (2023) confirmed that strategic orientations, including EO, are strong predictors of micro-business growth in Depok City, Indonesia. Collectively, these studies reinforce the idea that entrepreneurial orientation is a strategic behavioural construct that mediates the influence of internal resources on performance.

Further empirical support for integrating SHRM and EO comes from recent studies linking human capital development with firm resilience and sustainability. Alshebami (2025) demonstrated that human resource skills and owned funds enhance self-efficacy and continuity intentions among micro and small enterprises during crises. Likewise, Soesetio *et al.* (2024) found that entrepreneurial orientation, innovation, and competitiveness jointly determine the performance of ultra-micro enterprises in Indonesia. In a similar vein, Wan Mustapa *et al*. (2022) emphasized that sustainability-oriented HRM practices improve performance by fostering adaptive entrepreneurial behaviours. Although these studies affirm the significance of SHRM and EO in promoting business growth, most were conducted outside Nigeria or in broader SME sectors, creating contextual and sectoral limitations.

Despite the growing body of empirical evidence, research on the joint influence of training and development and performance management on entrepreneurial orientation and enterprise growth among micro-enterprises in Nigerian urban centres remains sparse. Existing Nigerian studies have largely focused on SMEs without distinguishing micro-enterprises that operate in more constrained and informal settings (Okoli *et al.*, 2021; Garba *et al.*, 2019). Moreover, few studies have empirically tested the mediating role of entrepreneurial orientation between specific SHRM practices and business growth outcomes. This gap underscores the need for context-specific research to determine how training and performance management practices can strategically enhance entrepreneurial behaviours and growth among micro-enterprises operating in Nigeria's dynamic urban economy. The present study seeks to fill this gap by providing empirical evidence that integrates SHRM practices, entrepreneurial orientation, and micro-enterprise growth within a unified framework.

The reviewed literature confirms that SHRM practices, entrepreneurial orientation, and enterprise growth are interrelated constructs. Training and development improve employees' skills and creativity, while performance management fosters motivation and accountability, both of which enhance entrepreneurial orientation and growth. However, most studies have treated SHRM practices in aggregate form without isolating the effects of specific practices. Moreover, there is limited empirical work focusing on micro-enterprises in Nigerian urban centres, where contextual factors such as competition, informality, and limited resources shape business outcomes.

Therefore, this study fills a critical gap by examining the impact of specific SHRM practices (training and development, and performance management) on entrepreneurial orientation and growth of micro-enterprises in Nigerian urban centres. The study also extends theoretical understanding by integrating insights from the Resource-Based View and Human Capital Theory to explain how human resource strategies can strengthen entrepreneurial capabilities and drive enterprise growth.

METHODOLOGY

This study adopted a descriptive survey research design to examine the relationship between Strategic Human Resource Management (SHRM) practices, Entrepreneurial Orientation (EO), and the growth of micro-enterprises in Abuja, Nigeria. The design was considered appropriate because it enabled the collection of quantitative data from a large number of respondents at a single point in time without manipulating the study variables (Creswell, 2014). The study was conducted in Abuja, the Federal Capital Territory (FCT) of Nigeria. Abuja was selected because of its rapid urbanization, expanding economic activities, and high concentration of small-scale businesses. The city also provided a diverse enterprise environment that supported generalization of findings to other urban centres in Nigeria.

The target population comprised owners and managers of registered micro-enterprises operating in selected urban districts of Abuja. In line with the definition provided by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2021), micro-enterprises referred to businesses employing fewer than 10 persons with assets not exceeding ₦5 million, excluding land and buildings. The finite population size for the study was 12,427 registered micro-enterprises. Using Yamane's (1967) formula for sample size determination:

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

Where:

- n = sample size
- N = 12,427
- e = 0.05

$$n = \frac{12{,}427}{1 + 12{,}427(0.05)^2}$$

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$$n = \frac{12{,}427}{1 + 31.0675}$$

$$n = \frac{12{,}427}{32.0675} \approx 388$$

Thus, the minimum sample size was 388 respondents. To accommodate non-response and incomplete questionnaires, the sample size was increased to 420 respondents. A stratified random sampling technique was employed to ensure adequate representation across sectors such as trade, manufacturing, hospitality, and services.

Primary data were collected through a structured questionnaire designed around the key constructs of the study: training and development, performance management, entrepreneurial orientation, and enterprise growth. All items were adapted from validated scales used in prior SHRM and entrepreneurial orientation studies and measured on a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5). The instrument was pretested on 30 respondents to ensure clarity, content validity, and reliability. Internal consistency reliability was assessed for each construct individually using Cronbach's alpha, with a minimum acceptable threshold of 0.70 (Nunnally & Bernstein, 1994). In addition, the measurement model was subjected to Confirmatory Factor Analysis (CFA) using AMOS to establish convergent and discriminant validity. Factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE) were computed for each construct, with acceptable thresholds of ≥ 0.50 for factor loadings, ≥ 0.70 for CR, and ≥ 0.50 for AVE (Hair et al., 2019). Discriminant validity was assessed using the Fornell and Larcker (1981) criterion, whereby the square root of each construct's AVE was compared with its correlations with other constructs. Ethical issues such as informed consent, confidentiality, and voluntary participation were strictly observed.

Data analysis was conducted using descriptive and inferential statistics with the aid of Statistical Package for the Social Sciences (SPSS) and Structural Equation Modeling (SEM) through AMOS. Descriptive statistics such as frequencies, percentages, means, and standard deviations summarized respondent characteristics and response patterns. Pearson correlation and multiple regression analyses were used to examine relationships and predictive effects among variables. Hypotheses were tested at a 0.05 level of significance.

The study adopted a quantitative analytical framework to examine the relationships among SHRM practices, Entrepreneurial Orientation (EO), and Enterprise Growth (EG). Training and Development (TD) and Performance Management (PM) served as independent variables, EO functioned as the mediating variable, while EG represented the dependent variable. The functional relationships were specified as:

$$EO = \beta_0 + \beta_1 TD + \beta_2 PM + \mu_1$$

$$EG = \alpha_0 + \alpha_1 TD + \alpha_2 PM + \alpha_3 EO + \mu_2$$

Where:

- EO represented innovativeness, proactiveness, and risk-taking
- EG denoted sales growth, market expansion, and employment growth
- TD referred to Training and Development
- PM represented Performance Management
- β and α were regression coefficients
- μ represented error terms

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To test the mediating role of EO, SEM path analysis was employed using the following paths:

- **Path a**: TD, PM → EO
- **Path b**: EO → EG
- **Path c**: TD, PM → EG (direct effect)
- **Path c′**: TD, PM → EO → EG (indirect effect)

Mediation was established where Paths a and b were statistically significant and where the indirect effect (c′) was significant using 95% bootstrapping confidence intervals.

Results and Discussion

Response Rate

Table 1: Questionnaire Response Rate

Response Category	Frequency	Percentage (%)
Questionnaires Distributed	420	100
Questionnaires Returned	351	83.6
Valid Questionnaires Used	344	81.9
Unreturned/Invalid	76	18.1

Source: Field Survey, 2026.

The study achieved an effective response rate of 81.9%, indicating a high level of participation among owners and managers of micro-enterprises in Abuja. The response rate was considered adequate for statistical analysis and consistent with acceptable standards for social science research.

Table 2: Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	203	59.0
	Female	141	41.0
Age	21–30 years	78	22.7
	31–40 years	144	41.9
	41–50 years	83	24.1
	Above 50 years	39	11.3
Educational Qualification	Secondary School	56	16.3
	Diploma/NCE	104	30.2
	Bachelor’s Degree	138	40.1
	Postgraduate Degree	46	13.4
Business Sector	Trade	132	38.4
	Services	118	34.3
	Manufacturing	56	16.3
	Hospitality	38	11.0
Years of Operation	1–5 years	149	43.3
	6–10 years	121	35.2
	Above 10 years	74	21.5
Number of Employees	1–3 employees	176	51.2
	4–6 employees	111	32.3
	7–9 employees	57	16.5

Source: Field Survey, 2026.

The demographic results showed that male respondents constituted the majority of participants. Most respondents were between 31–40 years, indicating that economically active entrepreneurs dominated the study. The majority possessed tertiary education qualifications, suggesting relatively high literacy among enterprise operators. Trade and service sectors represented the largest business categories, while most enterprises had operated for less than five years and employed fewer than four workers, reflecting the small-scale nature of micro-enterprises in Abuja.

Table 3: Descriptive Statistics of Study Variables

Variables/Items	**Mean**	**Std. Dev.**	**Decision**
Training and development improved employee creativity	4.12	0.74	Agree
Employees received periodic skill development training	3.89	0.82	Agree
Training enhanced business adaptability	4.03	0.77	Agree
Performance appraisal improved accountability	4.08	0.71	Agree
Feedback mechanisms enhanced productivity	3.96	0.79	Agree
Reward systems motivated innovative behaviour	3.88	0.83	Agree
Enterprise encouraged innovative thinking	4.14	0.68	Agree
Enterprise proactively responded to market changes	4.06	0.73	Agree
Enterprise engaged in calculated risk-taking	3.81	0.86	Agree
Sales growth improved over recent years	4.01	0.75	Agree
Market expansion increased significantly	3.92	0.81	Agree
Employment growth improved steadily	3.84	0.88	Agree
Grand Mean	**3.98**	**0.78**	**Agree**

Source: Field Survey, 2026.

The descriptive findings revealed that respondents generally agreed that SHRM practices positively influenced entrepreneurial orientation and enterprise growth. Training and development enhanced creativity and adaptability, while performance management practices strengthened accountability and productivity. Respondents also indicated that their enterprises demonstrated moderate to high levels of innovativeness, proactiveness, and risk-taking behaviour. The overall mean score of 3.98 suggested that SHRM practices and entrepreneurial orientation were relatively established among micro-enterprises in Abuja.

Reliability and Validity of the Measurement Model

Prior to testing the structural relationships, the psychometric properties of the measurement model were examined. Internal consistency reliability was assessed using Cronbach's alpha for each construct, while convergent and discriminant validity were established through Confirmatory Factor Analysis (CFA).

Table 4: Reliability and Convergent Validity Statistics

Construct	**No. of Items**	**Cronbach's Alpha**	**Composite Reliability (CR)**	**Average Variance Extracted (AVE)**
Training and Development (TD)	3	0.83	0.84	0.64
Performance Management (PM)	3	0.81	0.82	0.61
Entrepreneurial Orientation (EO)	3	0.85	0.86	0.67
Enterprise Growth (EG)	3	0.79	0.80	0.58

Source: Field Survey, 2026

As shown in Table 4, all constructs recorded Cronbach's alpha values above the recommended threshold of 0.70 (Nunnally & Bernstein, 1994), ranging from 0.79 for Enterprise Growth to 0.85 for Entrepreneurial Orientation, confirming that the items measuring each construct were internally consistent. Composite reliability (CR) values similarly exceeded 0.70 for all constructs (0.80–0.86), while average variance extracted (AVE) values exceeded the 0.50 benchmark (0.58–0.67), indicating that each construct's items converged well to measure the underlying latent variable (Hair et al., 2019).

Table 5: Confirmatory Factor Analysis — Standardized Factor Loadings

Construct	**Item**	**Factor Loading**
Training and Development (TD)	TD1	0.78
	TD2	0.81
	TD3	0.83
Performance Management (PM)	PM1	0.75
	PM2	0.79
	PM3	0.80
Entrepreneurial Orientation (EO)	EO1 (Innovativeness)	0.80
	EO2 (Proactiveness)	0.82
	EO3 (Risk-taking)	0.84
Enterprise Growth (EG)	EG1 (Sales growth)	0.72
	EG2 (Market expansion)	0.77
	EG3 (Employment growth)	0.79

Source: Field Survey, 2026

All items loaded significantly on their respective constructs, with standardized factor loadings ranging from 0.72 to 0.84, above the acceptable threshold of 0.50 (Hair et al., 2019), confirming that the measurement model exhibited satisfactory convergent validity. The model fit indices (CMIN/df = 1.87, CFI = 0.96, TLI = 0.95, RMSEA = 0.045) indicated that the measurement model adequately fit the data.

Table 6: Discriminant Validity — Fornell-Larcker Criterion

Construct	**TD**	**PM**	**EO**	**EG**
Training and Development (TD)	0.80			
Performance Management (PM)	0.534	0.78		
Entrepreneurial Orientation (EO)	0.648	0.602	0.82	
Enterprise Growth (EG)	0.589	0.563	0.711	0.76

Discriminant validity was confirmed using the Fornell and Larcker (1981) criterion, as the square root of the AVE for each construct (0.76–0.82) exceeded its correlations with all other constructs (0.534–0.711). This indicated that each construct was empirically distinct and captured phenomena not represented by the other constructs in the model. Taken together, the reliability and validity results confirmed that the measurement model possessed sound psychometric properties, providing a robust basis for subsequent correlation, regression, and mediation analyses.

Table 7: Pearson Correlation Matrix

Variables	**TD**	**PM**	**EO**	**EG**
Training and Development (TD)	1.000			
Performance Management (PM)	0.534**	1.000		
Entrepreneurial Orientation (EO)	0.648**	0.602**	1.000	
Enterprise Growth (EG)	0.589**	0.563**	0.711**	1.000

$p < 0.01$

Source: Field Survey, 2026.

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The correlation analysis showed significant positive relationships among all study variables. Training and development exhibited a strong positive relationship with entrepreneurial orientation ($r = 0.648$, $p < 0.01$), while entrepreneurial orientation demonstrated the strongest relationship with enterprise growth ($r = 0.711$, $p < 0.01$). The results implied that improvements in SHRM practices were associated with increased entrepreneurial behaviour and enterprise growth.

Table 8: Regression Results for the Effect of TD and PM on EO

Variables	**Beta (β)**	**t-value**	**p-value**
Training and Development	0.432	8.761	0.000
Performance Management	0.351	6.983	0.000

Model Summary	**Value**
R^2	0.521
F-statistic	185.417
Sig. F	0.000

Source: Field Survey, 2026.

The regression results indicated that training and development significantly influenced entrepreneurial orientation ($\beta = 0.432$, $p < 0.05$). Performance management also significantly predicted entrepreneurial orientation ($\beta = 0.351$, $p < 0.05$). The model explained 52.1% of the variation in entrepreneurial orientation.

Hypotheses Decisions

H01: Rejected. Training and development significantly influenced entrepreneurial orientation.

H02: Rejected. Performance management significantly influenced Enterprise Growth.

Table 9: Regression Results for the Effect of TD, PM, and EO on Enterprise Growth

Variables	Beta (β)	t-value	p-value
Training and Development	0.214	4.271	0.000
Performance Management	0.198	3.882	0.000
Enterprise growth	0.487	9.513	0.000

Model Summary	Value
R^2	0.648
Adjusted R^2	0.641
F-statistic	208.364
Sig. F	0.000

Source: Field Survey, 2026.

The results showed that training and development, performance management, and entrepreneurial orientation significantly influenced enterprise growth. Entrepreneurial orientation exerted the strongest effect on enterprise growth ($\beta = 0.487$, $p < 0.05$). The model accounted for 64.8% of the variation in enterprise growth.

Hypotheses Decisions

H03: Rejected. Entrepreneurial orientation significantly influenced enterprise growth.

H04: Rejected. SHRM practices significantly influenced enterprise growth through entrepreneurial orientation.

Mediation Analysis

Table 10: Mediation Analysis Results

Mediation Paths	Direct Effect	Indirect Effect	Bootstrapping CI	p-value	Mediation Type
TD → EO → EG	0.214	0.210	0.142 – 0.301	0.000	Partial
PM → EO → EG	0.198	0.171	0.116 – 0.254	0.000	Partial

Source: Field Survey, 2026.

The mediation analysis demonstrated that entrepreneurial orientation significantly mediated the relationship between SHRM practices and enterprise growth. Both indirect effects were statistically significant because the bootstrapping confidence intervals did not include zero. Since the direct effects remained significant alongside the indirect effects, entrepreneurial orientation partially mediated the relationships between training and development, performance management, and enterprise growth.

DISCUSSION OF FINDINGS

The findings revealed that training and development significantly enhanced entrepreneurial orientation among micro-enterprises in Abuja. This suggested that continuous employee skill acquisition improved innovativeness, proactiveness, and risk-taking behaviour. The result supported the Human Capital Theory, which emphasized investment in employee competence as a driver of organizational performance. The finding aligned with Indarti (2021), who found that training improved entrepreneurial attitudes and managerial effectiveness among small enterprises.

The study further established that performance management significantly influenced enterprise growth. Effective appraisal systems, feedback mechanisms, and reward structures improved employee productivity and organizational efficiency. This finding supported the Resource-Based View (RBV), which argued that strategic utilization of human capital enhances competitive advantage. The result agreed with Taleb et al. (2024), who reported that structured performance monitoring strengthened resilience and innovation among micro-enterprises.

Entrepreneurial orientation emerged as a strong predictor of enterprise growth. Enterprises characterized by innovation, proactive market responses, and calculated risk-taking recorded higher levels of sales growth, market expansion, and employment generation. This finding corroborated Faloye and Owoeye (2021) and Kyal et al. (2022), who established that entrepreneurial orientation positively influenced enterprise performance and innovation capacity.

The mediation results indicated that entrepreneurial orientation partially mediated the relationship between SHRM practices and enterprise growth. This implied that SHRM practices enhanced enterprise growth directly and indirectly through entrepreneurial behaviour. The finding reinforced Entrepreneurial Orientation Theory, which posited that entrepreneurial capabilities translate strategic resources into superior organizational outcomes. The result also agreed with Alshebami (2025), who found that HRM capabilities strengthened innovation and sustainability among small enterprises during periods of economic uncertainty.

The study contributed to existing knowledge by empirically demonstrating that SHRM practices and entrepreneurial orientation jointly enhanced the sustainable growth of micro-enterprises in Abuja, Nigeria.

CONCLUSION

The study concluded that Strategic Human Resource Management (SHRM) practices significantly enhanced entrepreneurial orientation and sustainable growth among micro-enterprises in Abuja, Nigeria. Specifically, training and development and performance management positively influenced innovativeness, proactiveness, and risk-taking behaviour, which in turn improved enterprise growth in terms of sales expansion, market competitiveness, and employment generation. The findings further established that entrepreneurial orientation partially mediated the relationship between SHRM practices and enterprise growth, indicating that enterprises that strategically invested in human capital development achieved stronger entrepreneurial capabilities and better performance outcomes. The study therefore affirmed that effective SHRM practices remain critical drivers of sustainable micro-enterprise growth in Nigeria's urban economy.

RECOMMENDATIONS

Based on the findings and conclusions, the following recommendations are made:

i. Micro-enterprise owners and managers should implement continuous training and development programmes aimed at improving employees' innovative capacity, problem-solving skills, and adaptability to changing market conditions.
ii. Micro-enterprises should establish structured performance management systems that include regular employee appraisal, feedback mechanisms, target setting, and reward systems.
iii. Enterprise operators should promote a strong entrepreneurial culture by encouraging innovation, proactive market strategies, and strategic risk-taking.
iv. Government agencies, business development institutions, and policymakers should support the integration of SHRM practices with entrepreneurial development programmes for micro-enterprises.

Limitations of the Study

The study was limited to registered micro-enterprises operating within Abuja, which may restrict the generalization of findings to rural areas and other regions of Nigeria. The study also relied on self-reported data obtained through questionnaires, thereby making responses susceptible to respondent bias and subjectivity. In addition, the cross-sectional design of the study limited the ability to examine changes in SHRM practices and entrepreneurial orientation over time.

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