

CAPACITY BUILDING AND THE PERFORMANCE OF WOMEN ENTREPRENEURS IN THE FEDERAL CAPITAL TERRITORY, ABUJA, NIGERIA

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ABSTRACT

The study is focused on investigating the Impact of Capacity Building on the Performance of Women Entrepreneurs in the Federal Capital Territory, Abuja, Nigeria. Specifically, it examines the effects of financial inclusion strategies, etworking skills, on the performance of women entrepreneurs in the FCT. Methodologically, the study adopts a causal survey research design, targeting all women entrepreneurs actively conducting businesses within the six area councils (Abaji, Abuja Municipal Area Council [AMAC], Bwari, Gwagwalada, Kuje, and Kwali) of the Federal Capital Territory, igeria. The Cochran sample size formula was initially utilized, resulting in a sample size of 384. Primary data was collected through a cross-sectional survey using a structured questionnaire. Out of 428 questionnaires distributed, 395 were completed and deemed suitable for analysis. Data analysis involved the use of simple percentages, frequency distribution tables, and Partial Least Squares Structural Equation Modelling (PLS-SEM). The study found a positive and statistically significant effect of financial inclusion strategies, etworking skills, managerial abilities, entrepreneurial knowledge, on the performance of women entrepreneurs in the FCT. Among the recommendations, it is suggested that stakeholders, including government and educational institutions, provide entrepreneurial knowledge, particularly in marketing, management, and risk-taking.

Keywords: Capacity Building, Performance, Women Entrepreneurs

JEL Codes: J16, L26 and L29

1. INTRODUCTION

The global attention on women entrepreneurs and their role in entrepreneurship, is increasing drawing the attention of policy makers, researchers, on-government organisations (NGOs), politicians, government bodies, and international agencies. This heightened interest stems from the recognition that women's engagement in income generation significantly benefits various aspects of the economy. Even when women aspire to pursue economic activities, they encounter a range of obstacles, both economic and on-economic, that impede their entrepreneurial pursuits. These challenges further restrict their ability to establish and grow enterprises and these challenges are particularly prevalent in developing nations like Nigeria (Tende, 2016).

The field of entrepreneurship holds significant importance for women globally, including African countries as women-owned enterprises are on a steady rise, making substantial contributions to household income and the overall economic growth of their respective nations. Moreover, both domestic and international supports are available to empower women entrepreneurs in this endeavor (Kalpana, 2016). In Nigeria, where women make up over 50% of the population, approximately 30% of registered businesses are owned by women (Adetoyinbo, 2021). An interesting study reveals that out of every 10 working-age females, four are actively engaged in early-stage entrepreneurial activities, comprising about 40.7% of the entrepreneurial landscape, surpassing their male counterparts who represent 39% of this demographic. Furthermore, it has been observed that female entrepreneurs in Nigeria constitute around 42% of those operating micro-businesses (Nasimiya, 2019). However, despite these promising numbers, the growth pace for women-owned enterprises still lags behind that of businesses led by men.

In Nigeria, it is evident that the performance of women entrepreneurs is influenced by various factors, including their access to financial resources and the acquisition of essential entrepreneurial skills (Aliyu et al., 2019). Consequently, it is imperative to gain a better understanding of the specific contextual elements that shape women entrepreneurs' perceptions of effective business performance. This understanding is essential for providing the necessary support to facilitate their success and further enhance their entrepreneurial capabilities.

Women entrepreneurs in Nigeria have become vital drivers of economic growth, innovation, and job creation, especially in recent years. According to the Nigerian Bureau of Statistics (2023), women constitute approximately 42% of all entrepreneurs in Nigeria, with many operating in sectors such as agriculture, retail, and services. Despite their significant contribution, women entrepreneurs face persistent challenges including limited access to finance, inadequate capacity building, and sociocultural barriers, which hinder their full potential. By 2025, it is projected that women-led enterprises will account for over 48% of small and medium enterprises (SMEs) in Nigeria, emphasizing their growing importance in the country's economic landscape.

Nigeria's economic environment remains complex, shaped by fluctuating oil prices, inflation, and infrastructural deficits. The nation's GDP growth has not been able to stabilize, hovering around 2.9% in 2024, with SMEs contributing about 50% of the national employment, yet they remain underfunded and underserved. In this context, capacity building for women entrepreneurs becomes crucial for economic diversification and poverty alleviation. This study contributes to existing knowledge by specifically examining how capacity-building initiatives influence women entrepreneurs' performance in Abuja's unique political and economic environment, providing targeted insights for policymakers and development agencies seeking to empower women in Nigeria's evolving economy.

While extensive research exists on capacity building targeting women entrepreneurs, there is still pressing demand for more exhaustive evaluations of their effect. However, most of the current research on capacity building and women entrepreneurship tends to center around contexts outside of igeria. To address this gap, a similar study conducted in FCT, igeria, would bridge a substantial geographical and cultural void in the existing literature.

Hence, the ongoing research endeavours to fill the existing voids in the body of knowledge by investigating the impact of capacity building initiatives on the business performance of female entrepreneurs operating within the Federal Capital Territory (FCT), specifically in Abuja. This study aims to shed light on how capacity building programs influence the success and growth of women-led businesses in this region. It examines the effect of financial inclusion strategy on the performance of women entrepreneurs in Federal Capital Territory, igeria and the effect of etworking skills on the performance of women entrepreneurs in Federal Capital Territory, igeria from 2009–2023. The rest of the paper is structured as follows; section 2 reviews relevant literature, Section 3 addresses data issues and methodology, and Section 4 focuses on data analysis and interpretation of results, while Section 5 summarizes, concludes, and recommends.

2. LITERATURE REVIEW

2.1 Conceptual Literature

2.1.1 Capacity Building

Capacity building refers to initiatives aimed at instigating transformation or endorsing endeavors that promote the exchange of insights, expertise, and tactics. This exchange of experiences and actions ecessitates the formation of etworks (Mishra, 2015). It essentially strives to foster deliberate growth and act as a platform for interconnecting individuals, bridging the geographical gap between their homes and communities. Consequently, it offers an alternative means of assessing the effectiveness of development interventions.

According to the International Food Policy Research Institute (IFPRI, 2005), capacity building is described as the process of cultivating knowledge, skills, and expertise to bolster analytical capabilities, with the ultimate goal of enhancing agricultural productivity and sustainability. For women entrepreneurs, active participation in local, regional, and international workshops, conferences, or symposia is imperative. These platforms serve as invaluable arenas for the exchange of ideas, sharing experiences, and acquiring knowledge and skills. Consequently, it is essential for women entrepreneurs to not only attend but also have the ability to organize such events. The overarching objective is to transition their informal business activities into formal ones, a goal supported by capacity-building programs (Mamo et al., 2023).

2.1.1.1 Financial Inclusion

The global history of financial inclusion reveals a continuous and extensive pattern to provide essential financial services to every individual. The concept of financial inclusion, initially introduced in the early 1990s, was primarily associated with ensuring access to traditional bank branches during the financial sector liberalization period (Demirguc-Kunt & Klapper, 2013). However, as time has progressed, umerous scholars, policymakers, and international organizations have crafted various definitions to account for the evolving facets of financial inclusion.

From the late 1990s to mid-2000s, a otable shift occurred among many organizations. They transitioned from offering solely microcredit services to providing a broader range of financial services, including access to savings and insurance. The concept of financial inclusion is multifaceted, and it's essential to highlight that there is still o universally accepted definition for either financial inclusion or financial exclusion. Various dimensions encompass the concept of financial inclusion, such as access to banking accounts, opportunities for savings,

availability of personal and business loans, access to insurance, and the facilitation of remittances and transfers.

Financial inclusion has been a topic of discussion in various forums, with multiple definitions put forward to describe its essence. According to Hannig and Jansen (2010), financial inclusion can be defined as the process of incorporating those who are traditionally excluded from the formal financial system, enabling them to access services like savings, payments, and transfers. This concept encompasses a comprehensive approach to enhance people's access to financial services by eliminating both cost-related and on-cost-related barriers. It is also commonly referred to as the accessibility and utilization of formal financial services, which serves to enhance the well-being of individuals within a country. This access enables individuals to save for the future, invest in education, provide for their children's training, and establish businesses, ultimately contributing to poverty alleviation and economic growth (Ozili, 2018).

2.1.1.2 Networking Skills

Networking skills encompass the aptitude to cultivate and sustain beneficial relationships with others, aiming for mutual advantages like accessing employment prospects, information, resources, counsel, sponsorship, and social support (de Janasz & Forret, 2008). These competencies hold significant relevance in the current landscape of boundaryless careers, where individuals frequently transition between jobs and must adapt swiftly (Jameendar, 2014). Particularly, in the realm of business enterprises, networking skills play a pivotal role in amplifying social capital and bolstering career triumph, especially when engaging with both internal and external stakeholders (Patterson, 2001).

Networking skills refer to the capacity to create, sustain, and leverage informal connections in order to acquire employment or career-related assets (Van Deursen et al., 2018). Their cultivation holds significant importance for entrepreneurs, as they play a pivotal role in nurturing the soft skills indispensable for effective business management (Rebrina et al., 2019). Consequently, networking skills encompass the proficiency to initiate and perpetuate relationships, harness online platforms proficiently, and engage in collaborative efforts with peers to realize one's professional aspirations. Additionally, these skills extend beyond mere social interaction and can also encompass strategies for information gathering, resource sharing, and mutual support within professional circles. Therefore, fostering networking skills is instrumental not only for individual career advancement but also for the overall success of business ventures.

2.1.3 Performance

The notion of performance is intricate and multifaceted, and its understanding varies significantly depending on the interests and goals of diverse information users. It is evident that there is a lack of consensus regarding its precise definition, the methodologies employed to assess it, and the models utilized. This lack of consensus stems from the fact that the definition of performance is influenced by a range of factors, including legal regulations, management policies, and the prevailing operational context of entities (Crease, 2003).

Therefore, performance is intricately linked to the accomplishment of organizational objectives and the fulfillment of customer requirements. However, owing to the dynamic and subjective nature of objectives, performance also possesses a subjective aspect that makes it challenging to categorically define. It is crucial to recognize that the concept of performance can shift across various contexts and linguistic registers, resulting in alterations in both its literal and associated meanings.

In essence, performance represents a quality that gauges how effectively a system fulfills its designated function. Furthermore, it can be evaluated from diverse vantage points and assessed using a variety of qualitative and quantitative metrics (Wilson, 2010). This adaptability and

multidimensionality of the performance concept underline its complexity in both definition and assessment.

2.2. Empirical Review

2.2.1 Financial Inclusion and Performance

The study by Sajuyigbe et al. (2021) investigated the influence of financial inclusion strategy on women-owned SMEs' execution. The study employed a survey research design, and the target population comprises of women entrepreneurs engaging in petty trading, tailoring, hairdressing, and catering services in Lagos, Abeokuta, and Ibadan, in Southwest. A judgmental sampling procedure was utilized for information. Two assortment, which is known as a nonprobability sampling procedure. One hundred and twenty (220) questionnaires were recovered out of three hundred (300) questionnaires dispersed, giving a recovery rate of 73.3%. Analysis of data was done via frequencies, percentages, correlation analysis, and ordinary least square. The results of the investigation reveal that financial inclusion strategy is a major predictor of women-owned SMEs' performance. The study concludes that the capacity building of women entrepreneurs in SMEs through an array of skills in financing is a strong predictor of women-owned SMEs' performance.

The research employed highly efficient methodologies and diligently adhered to its predefined parameters. As a result, the conclusions drawn from this study are most applicable to small and medium-sized enterprises (SMEs) operating within the geographical confines of Lagos, Abeokuta, and Ibadan. Nonetheless, it is essential to acknowledge a notable constraint in this study: the data collection process encompassed responses from a relatively modest sample size of 220 participants. Consequently, this limited sample may not offer the required breadth to extrapolate these findings to SMEs in other regions across Southwest Nigeria, let alone the entirety of the country. To achieve a more comprehensive understanding of the broader SME landscape in Nigeria, further research involving larger and more diverse samples from various regions would be necessary.

The study by Adim et al. (2018) was conducted to examine the relationship between entrepreneurial networking and women entrepreneurs' contribution to employment creation in Rivers State, Nigeria. The study employed a cross sectional survey design and the target population comprises of women Entrepreneurs in Rivers State was 329 obtained from the 2017 Directory of the Rivers State Ministry of Women Affairs and Rivers State Ministry of Commerce and Industry. A sample size of 181 was obtained using the Taro Yamen's formula. Out of the 181 copies of questionnaire administered, after data cleaning, only data of 153 questionnaire were completely filled and finally used for data analysis. Descriptive statistics and Spearman's rank correlation were used for data analysis and hypothesis testing. Findings revealed that entrepreneurial networking has a significant relationship with women entrepreneurs to employment. Thus, the study concludes that entrepreneurial networking bears a positive and significant influence on women entrepreneurs' contribution to employment creation.

The study utilized sound and commendable research methods, effectively staying within its predefined scope. However, it is important to note that the study's findings may have limited generalizability, primarily because it relied on a relatively small sample size of 151 responses from women entrepreneurs in Rivers State. As a result, it might not be appropriate to draw broad conclusions that apply to the entirety of Rivers State or the entire nation of Nigeria. Expanding the sample size and including a more diverse range of participants could yield a more representative and comprehensive understanding of the situation.

3. METHODOLOGY

3.1 Theoretical Framework

Gender Empowerment Theory

The gender empowerment theory was developed by Kabeer in 1999, it assumes that gender-based disparities and inequalities can be addressed by enhancing women's capabilities and opportunities, thereby empowering them to participate actively and equally in social, economic, and political spheres. The theory posits that empowering women involves improving their access to resources, skills, education, and opportunities (Kabeer, 1999).

Chant (2006) expanded on the theory's application in urban areas, and Seguino (2000) who applied it to analyse the gendered impacts of globalization. The theory can be applied to understand how capacity building initiatives can empower women economically. Gender empowerment theory suggests that women's economic empowerment can be achieved by improving their access to financial resources and services (Chant, 2006). This aligns with the concept of financial inclusion, where women entrepreneurs gain access to formal financial institutions and services. Researchers can analyse the impact of financial inclusion initiatives on the economic empowerment of women entrepreneurs in the FCT. The theory recognizes that skills development is vital for women's economic empowerment. Capacity building programs that enhance networking, entrepreneurial and managerial skills can empower women entrepreneurs to run their businesses more effectively and efficiently (Chant, 2006; Seguino, 2000).

The theory is important for study of this nature as it provides a framework to understand how capacity building interventions can empower women entrepreneurs. By examining the impact of financial inclusion, networking skills, managerial skills, and entrepreneurial skills on women's economic empowerment, the study can contribute to the existing body of knowledge on gender empowerment in entrepreneurship.

3.2 Research Design

The study's primary goal dictated the utilization of a causal survey research design, chosen for its ability to gather data from a wide range of participants with varying perspectives for the purpose of establishing cause-and-effect relationship among variables of interest. This approach is being considered because it enables the rapid, efficient, and accurate collection and analysis of data (Oso & Onen, 2005). This research design is particularly well-suited to achieving research objectives due to its capacity to efficiently allow for effectively testing study hypotheses.

3.2 Population, Sample and Sampling Technique

The target population included all women entrepreneurs who are operators/managers and owners of registered SMEs within the six area councils located in the Federal Capital Territory, Nigeria (Abaji, Abuja Municipal Area Council [AMAC], Bwari, Gwagwalada, Kuje, and Kwali). According to the 2023 report of the Federal Ministry of Commerce and Industry, Abuja, there are 14,624 SMEs owned and managed by women within the Federal Capital Territory.

In order to ensure proper representation of population characteristics, sample proportions were determined for SMEs in the territory based on population percentages computed from information provided by Brinkhoff (2022), as sourced from the National Bureau of Statistics and the National Population Commission.

Table 1: Determination of Sample Proportion for

Location	Proportion of Area Population	Determined Sample Proportion
Abaji	4	17
AMAC	55	235
Bwari	16	69
Gwagwalada	12	51
Kuje	7	30
Kwali	6	26
Total	100	428

Source: Researchers' Compilation.

3.3 Technique for Data Analysis and Model Specification

In this study, Partial Least Squares Structural Equation Modelling (PLS-SEM) was utilised to assess and analyse the connections between exogenous and the endogenous construct. This sophisticated analytical approach was chosen to provide a robust and comprehensive examination of the relationships within the study, ensuring a thorough understanding of the associations between the various proxies. The model specified by the study established a causal effect of capacity building on performance of women entrepreneurs. The former was disaggregated into four components of Financial Inclusion, Networking Skills, Managerial Skills and Entrepreneurial Knowledge.

4. DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

The information gathered from survey questionnaire underwent a coding process that allowed the researcher organize and sort the data, identify patterns and derive meaningful conclusions. Subsequently, the coded data was subjected to a comprehensive analysis employing both descriptive and inferential statistical techniques. In terms of descriptive statistics, tools like frequency distribution tables and simple percentages were utilised to provide a clear depiction of various variables.

4.2 Data Analysis

The analysis of the collected survey data proceeded with estimations for the measurement model, i.e., concerning the relationship between latent constructs and their associated indicators. This was done in terms of establishing the reliability and validity of constructs. Firstly, as prescribed by Hair et al. (2019), indicator loadings should be above 0.7 to ensure that individual latent constructs explain more than 50% of the variation in their indicators. This would imply that the observed variables are of good quality and that initial concepts are suitable for subsequent tests. Table 8 shows computed indicator loadings for measurement variables. To ensure that the 0.7 threshold was met, indicator loadings of less than that value were deleted from the measurement model. This is evident in the removal of FIN5, FIN6, ENK2 and PRF5. All outer loadings kept were satisfactorily at values higher than 0.7 and were retained for further analysis.

Table 2: Factor Loadings Showing Indicator Reliability

	Financial Inclusion	Networking Skills	Managerial Skills	Entrepreneurial Knowledge	Performance
FIN1	0.822				
FIN2	0.872				
FIN3	0.841				
FIN4	0.721				
NET1		0.837			

NET2	0.805		
NET3	0.819		
NET4	0.840		
NET5	0.824		
NET6	0.816		
MGS1		0.762	
MGS2		0.775	
MGS3		0.791	
MGS4		0.780	
MGS5		0.790	
MGS6		0.798	
ENK1			0.775
ENK3			0.765
ENK4			0.754
ENK5			0.768
PRF1			0.772
PRF2			0.811
PRF3			0.816
PRF4			0.792

Source: SmartPLS Output.

Cronbach's Alpha and Composite Reliability were measures applied towards testing for internal consistency among measurement model constructs. These were used to determine how effectively indicators work together in measuring their underlying latent construct. Reliability values, as shown in table 9, confirmed internal consistency for model constructs, as all computed coefficients were found to be higher than 0.7, but lower than 0.95, based on the criteria recommended by Pham et al. (2023). Values obtained generally ranged from 0.765 to 0.927.

4.3 Discussion of Findings

Capacity building, through all modelled components, was found to exert positive and significant effect on the performance of women entrepreneurs in the FCT. The found positive effect of financial inclusion on performance indicated that higher levels of financial inclusion predicted higher levels of performance among women entrepreneurs in the FCT. This was in agreement with findings provided by Sajuyigbe et al. (2021), Sajuyigbe et al. (2020) and Sajuyigbe (2017).

Similarly, networking skills, as a dimension of capacity building, was found to have positive and significant effect on the performance of women entrepreneurs in the FCT. With higher levels of networking skills, therefore, higher levels of performance are manifested. Researchers such as Anwar et al. (2018), Muthoni (2013), Adim et al. (2018) and Oke (2013) expressed the same conclusion.

5. CONCLUSION AND RECOMMENDATIONS

The results of the study indicated that all components of capacity building were positive determinants of performance among women entrepreneurs in the FCT. Accessibility to, and use of financial services was found to be crucial for increased performance among women entrepreneurs in the FCT. Financial inclusion emerged in the study a significant factor influencing the performance of women entrepreneurs in the FCT. The positive effect observed indicates that greater access to financial services and resources provided higher levels of entrepreneurial success.

Similarly, networking skills were found to be positive and significant in determining performance among women entrepreneurs in the FCT. Building beneficial relationships in the operating industry is, thus, essential for attaining superior performance. With increased networking abilities, women entrepreneurs would be able to leverage on beneficial social resources which they can channel into improving their businesses. Strengthening these skills can lead to improved collaboration, access to resources and opportunities, and overall success in achieving organizational goals.

The study therefore recommends that efforts should be intensified to provide access to financial services for women running businesses in the FCT. Also, good interactions with business partners should be imbibed as this has been demonstrated to provide benefits that predict performance.

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