IMPACT OF ENTREPRENEURSHIP INNOVATION ON BUSINESS GROWTH IN MUBI METROPOLIS, ADAMAWA STATE

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ABSTRACT
This study on impact of entrepreneurship innovation on business growth identified how businesses in Nigeria have been bedeviled by several factors militating against its performance, and leading to an increase in the rate of SMEs failure. Small and Medium Enterprises (SMEs) owners are faced with the threat of failure with past statistics indicating that most SMEs fold up within their first five years of existence and smaller percentage goes into extinction between the sixth and tenth year thus only about five to ten percent of young companies survive, thrive and grow to maturity. The main objective of this study is to examine the impact of entrepreneurship innovation on business growth in Mubi metropolis of Adamawa State, Nigeria. The study adopted survey research design. The population size is a total of 4,569 SMEs in Mubi, the sample size of 368 was determined through the used of Yemanji formula. The instrument used for collecting data from the respondents is the questionnaire, and the data collected from the respondent was analyzed using percentage analysis. The result shows that there is significant relationship between variables of the study (r=0.520, 0.655, 0.961 and P < 0.05). The result revealed that entrepreneurship innovation helps in the development and growth of a sustainable competitive advantage, its offers exciting products & services to ensure profitable growth. In addition, the finding shows that global trends the world over has necessitated the need for innovation in SMEs. The study therefore, recommends that since growth innovation helps in development and growth of sustainable competitive advantage, therefore, there is need for owners of SMES to develop there intends towards growth innovation in order to offer exciting products and services to ensure profitable growth.

KEYWORDS: Business, entrepreneurship, growth, impact and innovation

INTRODUCTION
Entrepreneurship innovation is defined as a new organizational method in the firm’s business practices, workplace organization or external relations. The attribution of innovation as central to competitiveness has been largely driven by the technological advancement, emergence knowledge economy and high scale non-price competition in the industrial and service companies. Organizations that are technological driven required being more innovative and pioneering to lead, grow, compete and endure (Jung, Chow & Wu, 2003).

According to Organization for Economic Cooperation and Development (2007), Entrepreneurship innovation is intended to increase a firm’s performance by reducing administrative costs or transaction costs, improving workplace satisfaction (and thus labour productivity), gaining access to non-tradable assets (such as non-codified external knowledge) or reducing cost of supplies. Entrepreneurship innovations are categorized as the non-technical process innovations of a firm (Kinkel, Lay & Wengel, 2004).

In addition, Ladzani and Van Vuuren (2002) argues business growth utilizes the available opportunities to grow the business idea. However, business growth can be measured subjectively and objectively; absolute performance is used to measure objective values using quantitative data while subjective values uses qualitative data by asking perceptive views about performance. Moving the argument along, Performance measurement uses multi-dimensional set of performance measures that include both financial and non-financial, which quantify what has been achieved as well as predict the future (Alhyari et al. 2013).

Small and Medium Enterprises (SMEs) have been generally accepted as vehicle for economic growth and development. Vibrant SMEs are considered crucial in solving multivariate problems
in developing nations. The problems facing developing nations are poverty, unemployment and inequality. SMEs help in the provision of goods and services, job opportunities, wealth creation, poverty alleviation and utilization of local resources (Odubanjo, 2000). According to Mojmir (2000), SMEs play an important role in the economic growth of any country including industrialized countries because they account for more than half of a country’s output and employment.

Entrepreneurship innovation has many objectives behind it such as to enhance the value of the business, to earn more profit, enhance business growth and minimize the organizational cost. It also strive to enhance the place of work satisfaction and also labor productivity and get the access to non-tradable assets like a non-codified information and lower the cost of the goods (Jurado, Gracia, & Fernández-de-Lucio, 2009). Other factors may be reasons of the Entrepreneurship innovation related with the marketplace, goods, quality and capability to learn the execution of changes in the organization (Tejada & Moreno, 2013).

However, business growth can be measured subjectively and objectively; absolute performance is used to measure objective values using quantitative data while subjective values uses qualitative data by asking perceptive views about performance. Moving the argument along, Performance measurement uses multi–dimensional set of performance measures that include both financial and non-financial, which quantify what has been achieved as well as predict the future (Alhyari et al. 2013). Innovation may only be one aspect in the beginning, or perhaps innovation should happen throughout and be continued through the life of the business to attempt to keep ahead of competition. Innovation is not always a radical destruction of a current process or product and it can just be a small alteration to current product or process. However, this research sort to examine the effect of Entrepreneurship innovation on business growth in Nigeria, a study of selected small and medium scale enterprises in Mubi metropolis of Adamawa State.

Statement of the Problem

Considering the enormous potentials of the Small and Medium Enterprises (SMEs) sector, and despite the acknowledgement of its immense contribution to sustainable economic development, its performance still falls below expectation in many developing countries. This is because the sector in Nigeria has been bedeviled by several factors militating against its performance, and leading to an increase in the rate of SMEs failure (Manufacturers Association of Nigeria 2004). Small and Medium Enterprises (SMEs) owners are faced with the threat of failure with past statistics indicating that most SMEs fold up within their first five years of existence and smaller percentage goes into extinction between the sixth and tenth year thus only about five to ten percent of young companies survive, thrive and grow to maturity (Basil, 2005). A 2004 survey conducted by the Manufacturers Association of Nigeria (MAN) revealed that only about ten percent (10%) of industries run by its members are fully operational. This means that 90 percent of the industries are either ailing or have closed down.

According to Shokan, (2000), one essential element to overcoming most of the challenges faced by Small and Medium Enterprises (SMEs) is innovation. Thus, for firms’ survival and growth, innovation has become a necessity for all firms including Small and Medium Enterprises (SMEs) (Kaplan and Waren, 2007). However, the inspiration toward conducting this research study arise from the fact that research on the area of Entrepreneurship innovation and business growth is lacking in Mubi and Adamawa at large. On the other hand, despite the potential benefits posited by scholars concerning the relationship between Entrepreneurship innovation and business growth above, managers, entrepreneurs and their employees performed below expectations such as; poor management, workplace conflicts, lack of new business practices, lack of new methods of workplace organization, and new methods of organizing external relations which results to low sales volume or profit maximization, low market share, low productivity and poor overall performance hence, the reasons for this work so as to bridge the gap.

The study seeks to address the above problems by formulating the following hypotheses;

H01 Growth innovation does not have significant effect on business growth of small and medium scale enterprises in Mubi metropolis

H02 New products innovation does not have significant effect on business growth of small and medium scale enterprises in Mubi metropolis

H03 Technology innovation does not have significant effect on business growth of small and medium scale enterprises in Mubi metropolis

LITERATURE REVIEW

Innovation

The term innovation generally includes three types of innovations i.e. Product innovation, process innovation and Entrepreneurship innovation (Halila & Rundquist, The development and market success of eco-innovations, 2011). Innovation, green innovation, environmental innovation or sustainable innovation is usually used to find out those innovations that play their part to a sustainable atmosphere through the development of ecological improvements (Becker & Egger, 2013). Innovation is also known as environmental innovation, consisting of any kind of product, process or Entrepreneurship
innovation that adds something towards sustainable development (Doran & Ryan, 2014). Innovation is where organizations adapt or develop innovations which diagnose, observe decrease or prevent environmental problems. While conventionally so many managers and economists considered innovation as an extra burden of the cost for the firm, this is no longer the case now days (Doran & Ryan, 2014).

The need and demand for innovation has been augmented because of the requirement to deal with today’s different environmental challenges. Innovation refers to the process of creating and developing ideas, way of operation, products and processes that assist in decreasing environmental burdens or reaching environmental sustainability targets (Rennings & Zwick, 2002).

Entrepreneurship Innovation

Many definitions of Entrepreneurship innovations can be found in the literature. One scholar, Damanpour (2001) is of the opinion that Entrepreneurship innovation can be compared to the adoption of a new idea or behaviour to the establishment, whereas Mitchell (2009) describes Entrepreneurship innovation as discontinuous and sometimes incremental changes in business practices. Entrepreneurship innovation indicates new ways of organizing work in areas such as workforce management, employee empowerment, and new individuals’ partnership (Jen Shieh & Wang, 2010).

The Entrepreneurship innovation is wide theory or thought that include many concepts such as strategic, structural and behavioral scope, there is no accord on this defined definition (Mothe & Nguyen-Van, 2015). Many studies or many researches include the all types of Entrepreneurship innovation in one side and on the other side some of the researches distinguished that Entrepreneurship innovation is a technological innovation, and define the difference between the technological and non-technological innovation, but mostly Entrepreneurship innovation is the improvement or change in the organization practices and knowledge management in the industry or the workplace of the firm (Haneda, Motheb, & Thic, 2014).

Entrepreneurship innovation is the tendency of the organization to develop new or improved products/services and its success in bringing those products/services to the market (Gumusluoglu & Ilsev, 2009). Entrepreneurship innovation can refer to either ‘new-to-the-state-of-the-art’ or ‘new-to-the-firm’ (Mol & Birkinshaw, 2009). An Entrepreneurship innovation is the execution of the novel organizational procedure in the industry organization practices, workplace business, or outside relations (Angel, Meroño-Cerdan, & López-Nicolás, 2013). Entrepreneurship innovation is like outsourcing, partnership, subcontract plus organization work practice such as quality management, reengineering, and lean management. Entrepreneurship innovation is serious outcome for the business and a foundation to create value (Thakur, Hsu, & Fontenot, 2012).

New Production Innovation

Product innovations are required by firms to cope with competitive pressures, changing tastes and preferences, short product life cycles, technological advancement (or contrarily technological obsolescence), varying demand patterns, and specialized requirements of customers. Reverse innovation of products is one emerging and high potential area that companies are actively trying to pursue to stay ahead and profitable in the global market (Immelt, Govindarajan & Trimble, 2009). A business’s product development efforts should include a successful product innovation strategy coupled with a technology strategy for the company with an effective business leadership (Cooper and Edgett, 2010). A product innovation strategy should be part of an overall firm’s marketing strategy with goals and objectives emanating from the mission and vision of the organization; optimal resource allocation and explicit project selection, a deliberate selection of competitive advantages or strategic thrusts to be pursued, a clear product strategy with detailed examination of end user functionality requirements, an implementation team for the product strategy and feedback and incentive mechanisms put in place (Cooper and Edgett, 2010).

According to Lo (2014) the business capability to produce constant flow of the product innovations is the highly significant to run the business or to improve the performance of the business or for the growth of the business, and product innovation is crucial for the business to survive in the market and to capture the market share due to huge competition and day by day competition increases in the market. Due to the high competition the life of the product decreases because of the huge competition and product innovation. So mostly the main focus of the businesses is on the innovation of the product either to improve the product or to develop the new product (Alegre, Lapiedra & Chiva, 2006).

Technological Innovation

Technology is one of the key elements that define a society or civilization. The critical role of technological innovation in the development of a company and its contribution on the economic growth of firms has been widely documented. When introducing a concept such as technology into the meaning of innovation, and defining the term 'Technological Innovation', the following changes to the above occur: Generate or realise a new idea, based on technology, capability or knowledge (invention). Develop this into a reality or product (realisation). Diffuse this into a reality or product (realisation).
idea, technology, capability or knowledge (implementation) (Berry & Taggart, 2014).

Thus technological innovation is a part of the total innovation discipline. It focuses specifically on technology and how to embody it successfully in products, services and processes. Technology as a body of knowledge might thus be seen as a building block for technological innovation, serving as cornerstone to research, design, development, manufacturing and marketing. Other definitions of technological innovation may be found in literature, yet they all make some reference to invention, realisation, or implementation (Betz, 2000). However, technological innovation is the process of combining and reorganizing knowledge to generate new ideas. Mumford (2000); Huselid (1995) & Hitt et al (1997) argue that the development of technology has an impact on firm performance, So there is a close relationship between technological innovation and employee performance. Innovation makes employees more effective and firm more efficient (Lawless and Anderson, 1996). Technological advancement can improve firm performance as well (Li and Deng, 1999).

Business Growth
According to Van Vuuren (1997) business growth is the achieving of set entrepreneurial goals. In addition, Ladzani and Van Vuuren (2002) argues business growth utilizes the available opportunities to grow the business idea. However, business growth can be measured subjectively and objectively; absolute performance is used to measure objective values using quantitative data while subjective values uses qualitative data by asking perceptive views about performance. Moving the argument along, Performance measurement uses multi-dimensional set of performance measures that include both financial and non-financial, which quantify what has been achieved as well as predict the future (Alhyari et al. 2013).

Empirical Review
There is growing literature on the relationship between innovation and business growth among small and medium enterprises in cross countries and country specific with vary submission and conclusion. For examples Masood, Muhammad and Saman (2013) explore the effects of innovation types including product, process, marketing and Entrepreneurship innovation on different aspects of firm performance such as innovative, production, marketing and financial performance in Pakistani manufacturing companies. Data were collected through survey questionnaires from 150 respondents mainly from production, R&D and marketing departments of manufacturing companies. With the help of SPSS, data were analyzed by factor, reliability, correlation, and regression analysis. The results reveal the positive effects of innovation types on firm performance. Also, Mohd and Syamursiana (2013) evaluate the impact of various innovation dimensions on the performance of SMEs. A total of 284 samples were collected from SMEs in the food and beverage, textiles and clothing and wood-based sub-industries throughout Malaysia. The data were analyzed using a hierarchical regression analysis. The findings confirmed the hypotheses that product innovation and process innovation influenced firm performance significantly, where the impact of the former was stronger than the latter. The study did not indicates the population of the study but went to indicate the total of 284 sample of SMEs in food and beverage, textiles and clothing and wood-based sub-industries throughout Malaysia.

Olu, Marius, Anca and Florentina (2017), studied the impact of innovation on the entrepreneurial success: evidence from Nigeria sought using correlation and regression analysis; data were analyzed using descriptive and inferential statistics. Hypotheses were tested at 0.05 significant levels with the aid of parametric student t-test. The results revealed that there is a positive relationship between innovation and the financial performance of company.

Also Anak, Ketut, MSIE, Gede, and Ayu (2018) also studied the role of Entrepreneurship innovation as a mediator of relationship of entrepreneurial leadership on organizational performance. Data analysis was done with SEM-PLS through the stages of evaluation of measurement model, structural model evaluation, and hypothesis testing. The feasibility of the model was evaluated based on Q-square predictive relevance (Q2) and Goodness of Fit (GoF). The study revealed that there is a significant positive effect between entrepreneurial leadership on Entrepreneurship innovation and organizational performance. However, this study seeks to study the effect of Entrepreneurship innovation on business growth among small and medium enterprises in Mubi metropolis of Adamawa State.

Furthermore, Rukevwe (2015) investigate how innovation affects business performance in small and medium-sized enterprises (SMEs) in an up-and-coming market, like Nigeria. The study uses a survey design method. Innovation was measured with sub variables of product and process, market and administrative innovations. Firms’ performance was measured with sub scale of production, market and financial performance. A sample of 200 SMEs operating in the Lagos and Ibadan metropolitan area were selected using convenient sampling techniques. The questionnaires used in the study were in three parts: five point Likert scale was used to measure innovation and performance. Demographic data use for personal background, included gender and age of respondents. A validity and reliability test of the constructs was conducted. The Cronbach’s alpha of
each construct is innovation, 0.82 and firms' performance is 0.86. Data was analyzed through qualitative and quantitative approaches. Descriptive statistics was used to analyze quantitative data with the use of Statistical Package for Social Sciences (SPSS) and the subsequent data analyses was undertaken using ANOVA (Analysis of variance). The study demonstrated that there is a high correlation among factors used to measure innovation. And secondly, innovation was found to influence business performance. The ANOVA used by the researcher does not indicate the effect relationship between the variables instead it only shows the average mean of two or more independent variables.

**Theoretical Framework**

This study adopted Diffusion of Innovation (DOI) Theory, developed by E.M. Rogers in 1962, is one of the oldest social science theories. It originated in communication to explain how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product. Adoption means that a person does something differently than what they had previously (i.e., purchase or use a new product, acquire and perform a new behavior, etc.). The key to adoption is that the person must perceive the idea, behavior, or product as new or innovative. It is through this that diffusion is possible.

Adoption of a new idea, behavior, or product (i.e., “innovation”) does not happen simultaneously in a social system; rather it is a process whereby some people are more apt to adopt the innovation than others. Researchers have found that people who adopt an innovation early have different characteristics than people who adopt an innovation later. When promoting an innovation to a target population, it is important to understand the characteristics of the target population that will help or hinder adoption of the innovation. There are five established adopter categories, and while the majority of the general population tends to fall in the middle categories, it is still necessary to understand the characteristics of the target population. When promoting an innovation, there are different strategies used to appeal to the different adopter categories.

**METHODOLOGY**

This study adopted survey research method; the study is carried out in Mubi Metropolis. Mubi lays between latitude 9° and 11°N of the equator, and longitude 13° and 45°E of the green which meridian. The population size is a total of 4,569 SMEs in Mubi, the sample size of the study is 368 and it was obtained using a Yamane. The close-ended questions required the respondents to choose from the list of options by checking and ticking correctly already structured responses. Hypotheses were tested using Correlation analysis at 0.05 level of significance.

**DATA PRESENTATION AND ANALYSIS**

Pearson correlation and regression as statistical tool was adopted to analyse the data. Three Hundred and Sixty Eight (368) questionnaires were distributed while only Three Hundred and Fourty Six (346) were successfully filled and returned.

**Hypothesis One**

Growth innovation does not have significant effect on business growth of small and medium scale enterprises in Mubi metropolis.

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A Pearson’s correlation analysis was conducted to examine the relationship growth innovation and business growth. The result of correlation revealed that significant and positive relationships exist between them, a correlation of 0.520 and significant at 0.00, which is less than 0.5 level of significant. Therefore, we reject the null hypothesis and accept the alternate hypothesis.
Hypothesis Two

New products innovation does not have significant effect on business growth of small and medium scale enterprises in Mubi metropolis.

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A Pearson’s correlation analysis was conducted to examine the relationship new product innovation and business growth. The result of correlation revealed that significant and positive relationships exist between them, a correlation of 0.655 and significant at 0.00, which is less than 0.5 level of significant. Therefore, we reject the null hypothesis and accept the alternate hypothesis.

Hypothesis Three

Technology innovation does not have significant effect on business growth of small and medium scale enterprises in Mubi metropolis.

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A Pearson’s correlation analysis was conducted to examine the relationship Technological innovation and business growth. The result of correlation revealed that significant and positive relationships exist between them, a correlation of 0.961 and significant at 0.00, which is less than 0.5 level of significant. Therefore, we reject the null hypothesis and accept the alternate hypothesis.

Summary of Finding

The following findings were derived from the above hypotheses tested;

i. The above analysis show that the coefficients of effect growth innovation on business growth is statistically significant. This meant that growth innovation has significant effect on business growth of SMSE.

ii. From the above analysis, the results shows that new product innovation and business growth are statistically significant since p =.000. This meant that new product innovation has significant effect on business growth SMSE.

iii. The hypothesis show that technology innovation and business growth are statistically significant since p =.000. This meant that technology innovation has significant effect on business growth of SMSE.

CONCLUSION

In conclusion, this study succeeded in achieving the research’s objective. Firstly, the result identified that SMEs innovation helps in the development and growth of a sustainable competitive advantage, its offers exciting products & services to ensure profitable growth. Also, global trends all over the world has necessitated the need for innovation in SMEs.

The changing demands of current customers the whole over has necessitated innovation in SMEs, furthermore, replicating products launched by competitors is easier than developing a totally new one. Constant innovation in creating new products and services helps to attract new customers/clients.

Conclusively, customers/clients of SMEs actively promote the development of new products and services, information technology has generally led to innovation in the SMEs industry as a whole, technological change has brought new development
and innovation in SMEs, also SMEs have organizational strategies that encourage innovation.

RECOMMENDATIONS

From the above analysis, research findings and, the researcher was able to develop some recommendations:

i. Since growth innovation helps in development and growth of sustainable competitive advantage, therefore, there is need for owners of SMES to develop their intends towards growth innovation in order to offer exciting products and services to ensure profitable growth.

ii. There is need for managers/owners of SMES should emphasis on new products innovation that will trigger customers demand in the current market. There is also need for product differentiation despite the fact that sometimes the SMES owners do copy product design from their competitors. Also the owners of SMES should create awareness of on the benefits and role of new product innovation among their workers so as to enhance business growth.

iii. There is need for the managers of SMES to embrace the use of technological innovation that leads to development new products and services that will lead to high maximum customers’/clients satisfaction. The manager should also put in place effective organizational strategies through the use of technological in order to enhance customers’ satisfaction.

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