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ENTREPRENEURIAL INNOVATION AND SMALL AND MEDIUM ENTERPRISES DEVELOPMENT IN  
AN EMERGING ECONOMY (A STUDY CAPITALIZING ON THE EFFECT OF INNOVATION ON SMES  
DEVELOPMENT IN NIGERIA)

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## Abstract

*In this study Survey research design was employed for 171 respondents (sample size) from the selected total estimated population of 300 SMEs for the study area and were gathered through the use of structured questionnaire. Their responses were tested using appropriate statistical tools of SPSS package using the ANOVA, the correlation and regression. The study recommended that solving the performance of SME development can be single handedly done by the use of entrepreneurial innovation. Hypothesis shows regression analysis of  $R^2$  (Square) value = 87.1% (0.871), Adjusted RSquare = 0.854 and the ANOVA table shows the Fcal 77.255 at the P value of < 0.05,  $R^2$  measures the percentage of variation in the dependent variable caused by variation in the independent variable. The study therefore recommends that government, individuals and private organizations should invest in education and innovation since entrepreneurship require an intelligent and creative workforce in the creation of new small businesses.*

*Keywords: Entrepreneurial, Innovation, SMEs, Development, and Emerging Economy.*

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## Introduction

Entrepreneurship is the art or science of innovation and risk-taking for profit in business; sustainable economic development does not occur without entrepreneurship and entrepreneurship is the practice of starting new organizations or revitalizing mature organizations (Wikipedia, 2008). There is no doubt that increases in GDP, societal wealth and quality of life all follow increased entrepreneurship (Oyewale, Adeyemo & Ogunleye, 2013). The readiness and willingness to innovate must be the hallmark of an entrepreneur in order to foster growth in business. In such a dynamic environment, innovation is regarded to be a prime strategic factor for competitiveness. But technological change innovation has been shown to take many paths that reflect the multiple sources of competitive advantage for every entrepreneur.

One of the key insights of modern innovation theory is that firms rarely innovate on the basis of internal resources only, but they draw on knowledge, skills, technical solutions, methods and equipment from outside the firm itself. It is imperative to note that innovation and technology are needed to transform countries from reliance on the exploitation of natural resources to technological change innovation as the basis for development (Uchechukwu, Faga&Obiekwe, 2016).

In this work therefore, we hope to learn from the economies that have been transformed by the virtue of integrating innovations with business with a view to model such for our continent Africa and Nigeria as a country (Agri, Kennedy, Bonmwa&Acha, 2018). Based on this background this study is hereby carried out to critically capitalizing on entrepreneurial innovation as it affects small and medium enterprises development in emerging

economy: Nigerian perspectives (Abeokuta South Local Government area, Ogun State)

## Statement of the Problem

There has been the absence of remarkable indigenous efforts to evolve an indigenous technology. However, recently the public is hearing about innovation in the Nigerian military, and the invention of clone etc. This has been traceable to failure in the assimilation process and lack of supporting policies for entrepreneurship and innovation.

There are several associated factors that work against technology innovation for sustainable entrepreneurship in Nigeria, which need to be studied, which is the concern of this study. The cost of new technology, example, and technology is beyond the reach of most entrepreneurs. Star-up entrepreneurs do not have access to credits. Others have difficulties in using new technologies for lack of extension services, while some have uncertainty about the profitability of innovations. Inadequate technology innovation impacts negatively on quantities of resources (inputs), process and the quality of output.

Nigeria's low absorptive capacity and underutilization of existing capacity seem to be caused by lack of technology innovation in entrepreneurship. Nigeria's economic circumstances require bold entrepreneurship. However, institutions and policies are yet to adequately support and motivate inventors, creators, investors and researchers in mechanized equipment's, improved irrigation, environmental conservation, manufacturing, renewable energy sources, communication technology and other services.

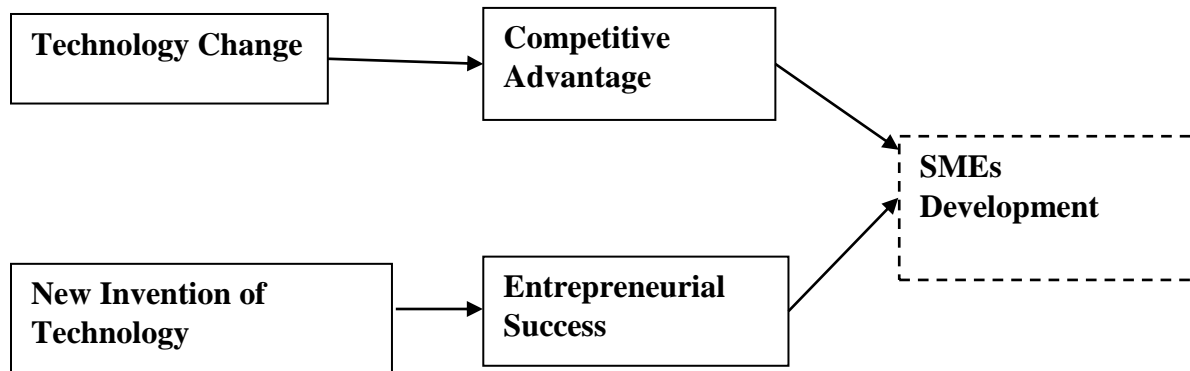
There is a wide gap between indigenous technology and imported

technology which is slowing down development with associated factors in Nigeria. This study evaluates the gap with emphasis on local technology content for sustainable entrepreneurship development. This study was critically capitalizing on

entrepreneurial innovation as it affects small and medium enterprises development in emerging economy: Nigerian perspectives (Abeokuta South Local Government area, Ogun State).

### Literature Review

**Fig 2.1 Conceptual Model showing Capitalizing on Entrepreneurial Innovation as it affects Small and Medium Enterprises Development**



**Figure 2.1: the figure above shows the Capitalizing on Entrepreneurial Innovation as it affects Small and Medium Enterprises Development**

Source: Researcher's Model (2020)

### The Concept of Entrepreneurship

The whole idea about entrepreneurship is about self-employment which will generate employment opportunities to others that must work with him as he cannot work alone. Entrepreneurship is the most effective method for bridging the gap between science and the market place, creating new enterprises, and bringing new products and service to the market. These entrepreneurial activities significantly affect the economy of an area by building the economic base and providing jobs. According to Drucker (2015) and knight (2017), entrepreneurship is about taking a risk; it is the process of creating new values that did not previously exist; it is the practice of starting new organization,

especially new business; it involves creation of new wealth through implementation of new concepts.

Drucker (2015) believes that what entrepreneurs have in common is not personality traits but a commitment to innovation. For innovation to occur the entrepreneur must have not only talent, ingenuity and knowledge but he must also be hard working, focused and purposeful. Howard defines entrepreneurship as the pursuit of opportunities without regard to resources currently controlled. To be enterprising is to keep your eyes open and your mind active. It is to be skilled enough, confident enough, creative enough, and discipline enough to seize opportunities that

present themselves regardless of the economy condition (Olowe, Ajeigbe&Olowe, 2017).

Robert (2017) looks at entrepreneurship as the process of creating something different with value by devoting the necessary time and effort, and social risk and receiving the rewards of monetary and personal satisfaction. According to Aruwa (2015), it is the ability of some people to accept risk and combine factors of production in order to produce goods and services. It can also be seen as the willingness and ability of an individual to seek out investment opportunities in an environment, and be able to establish and run an enterprise successfully based on the identified opportunities.

Nigeria is not left out as part of the changing world economy, which yearns for a more articulate policy on the small and medium enterprises (SMEs). Most world economies are characterized by a large number of Micro/cottage, Small and Medium Scale Enterprises (MSMEs) mainly in the informal sector. In many economies, they account for a large segment of productive population. Nigeria falls within this latter category of economies. The MSMEs in Nigeria account for over 95% of non-oil productive activities outside agriculture, which positions them as potentially strong agents of economic growth and sustainable development (Ubom, 2006). The federal government of Nigeria in her effort to ensure that her citizens are self-employed established the National Directorate of Employment in 1986. It is the belief of government that this agency will reduce unemployment, which is a bane of our society. The agency's operations include re-activation of public works, promotion of direct labour, self-

employment, organisation of artisans into cooperative and encouragement of culture of maintenance and repairs (Onifade, 2016).

### **The Concept of Innovation**

According to Covin and Mille (2018), it is the ability of a business enterprise to be up to date with a new idea, new technologies and improved creative processes to provide products. The research is narrowed only to incremental innovation since small and medium enterprise emphasizes more on the incremental innovation more than the essential innovation of involving service, product, and process innovations (Baregheh, Rowley, Sambrook& Davies, 2017). For a business organisation to be innovative, it must encourage the introduction of new ideas, creativity, testing and creative response to situations that will result in new products and new ways of doing things (Halim, Ahmad, Ramayah, & Hanifah,, 2018), while innovation is the ability and strength of a business enterprise to initiate new measurement of actualizing the new products and the ideas to produce (Covin& Mille, 2018).

The implementation of innovation is termed as a practice that encapsulates development, generation and deployment of innovation concepts or activities. Furthermore, the researchers maintained that innovation is regarded as an "agent for change"; where it is used as a response to an external stimulus or used as a defensive measure to impact on the environment. In addition, according to Donate and Pablo (2015), innovation does not stop at mere implementation of new ideas, but signifies the adaptation of novel information and practices, which could lead to ability by the establishments to design new ideas and deploy them to improvise in creating new

products, services, business processes and strategies. Also, Drucker (2018) maintained that there exist seven basic sources of innovation prospects, which include the unanticipated, inconsistencies, process requirements, market and industry structures, demography, changes in conception and new ideas. In summary, innovation does not need to be too technical in its nature.

Therefore, a more precise definition of innovation is the deployment of practical skills and techniques, which has the effect of making both minor and major changes to products, processes, and services, as well as resulting in the creation of a novelty for the organisation. The novelty is expected to add value to the customers as well as contribute to the organisation's knowledge stockpile (Dooley & O'Sullivan, 2016; Dooley, Kenny & O'Sullivan, 2017). In this study, innovation is limited to the incremental product, service and process innovation.

This is because the MSME's innovation activities are more of ad-hoc nature or project-driven. Furthermore, the frequently constrained regarding finances (Ettahri & Laachach, 2016); in addition, the MSMEs are more probable to emphasis on "incremental innovation", as suggested by Boachie-Mensah and Acquah (2015). The following subsections explained the differences between product, service and process innovation in details.

**Product Innovation** The concept of "product innovation" or "service innovation" denotes changes made by an organization to the finished products or services (Jugend, De-Silva, Oprime & Pimenta, 2015). Further, product innovation refers to the creation of a new product category or execution of minor modifications to the existing products,

for the customers' benefit. Service Innovation Innovations regarding business services have promoted the global economy owing to dynamic nature of businesses and rapid growth (McDermott & Prajogo, 2017).

Service innovation does not necessitate physical product, thus may result to difficulties, concerning how innovations could be defined, as well as measured. Process innovation refers to the changes accorded to the manner in which products or services are produced or delivered (Ferreira, Fernandes, Alves & Raposo, 2015; Piening & Salge, 2015). Process innovation has been defined, according to some studies, as tools, devices and knowledge in through put skill, which intermediates between the inputs and the outputs (Langley, Smallman, Tsoukas & VendeVen, 2016).

### **Concept of Technological Change Innovation**

Schumpeter (1939) defined technological change innovation as a new means of combining factors of production resulting from a change in inputs to produce outputs. Schumpeter regarded the process of technological change innovation as sequential and central to an understanding of business and economic growth. Maclaurin (1953) identified five steps leading to technological change innovations which are research on pure sciences, invention, innovation, finance, and acceptance (or diffusion). Jiaji et al.

(2000) ascertain that technological change innovation is a unified process which entails activities of technology, organizations, business and finance. It means that the entrepreneurs seize the market prospects for commercial benefits as the goal to create a stronger performance, more

efficient and lower cost of production and operation system. From this process, new products and production method are introduced, new markets are exploited, new raw materials or semi-finished products are obtained and new business organizations are formed.

Technological change innovation involves a sequence of activities such as application of new technology and methods; adopting new techniques in production and new management tactics or strategy; improving quality of production; developing new production; providing new service; exploring new market and realizing market value. It can be deduced that technological change innovation of enterprises is the innovation in R& D, production, sale and management. Also, according to Feifei and Li (2007), technological change innovation encompasses a series of activities such as conceptualizing new ideas, designing products, prototyping, producing in volume, marketing, and commercializing among others.

It is a process of knowledge creation, conversion, and application. The essence of technological change innovation is the emergence of new techniques in production and its commercial application. It is only through continuous product innovation that SMEs can increase their competitive advantages and cope with market opposition (Dobbs and Hamilton, 2007). They also affirmed that the promotion of sustainable development of SME through technological change innovation can be revealed through the application of information technology as a driving mechanism to stimulate industrialization.

The use of automated means in all types of industries will transform technology level of traditional industries so as to

enhance and lay a solid foundation for industrial competitiveness as well as restructuring the old industrial enterprises thereby improving SMEs structure of SME, boost the vitality of traditional enterprises and promote enterprise collaboration.

### **The Concept of Technological Entrepreneurship**

Technological entrepreneurship, also referred to as technology-based entrepreneurship, can be defined as the setting up of new enterprises by individuals or corporations to exploit technological change innovation. It can also be described as the commercialization of emerging technological discoveries or innovation. Technological entrepreneurship is defined as a style of business leadership that involves identifying high-potential, technology-intensive commercial opportunities, gathering resources such as talent and capital, and managing rapid growth and significant risk using principled decision-making skills (Dorf & Byers, 2017). It is also defined as the process by which entrepreneurs assemble organizational resources and technical systems, and the strategies by entrepreneurial firms to pursue opportunities. Aderemi (2018) position technological entrepreneurship as being needed to make full use of the knowledge of science and technology currently available in meeting market needs, thereby making the country in question more productive and more competitive internationally.

This suggests the necessary involvement of a process of industrial innovation in the country's area of strength and endowment to generate productivity and competitiveness. According to them, "Technological entrepreneurship is initiated and culminated in design, development, production, engineering and

commercialization of innovative new products and processes”.

### **The Relationship between Innovation and Competitive Advantage**

According to the resource based view, firms in the industry may be very heterogeneous with respect to the strategic resources they have. There are four indicators to measure the potential of a company's resources to generate sustainable competitive advantage mainly to have value, to be rare, limitability and to be non-substitution. If companies want to acquire valuable and scarce resources, they can utilize resources strategically to create values that cannot be duplicated by other companies to gain sustainable competitive advantages. Company resources include physical assets capacity, organizational culture, trademarks, information and knowledge (Okpara, 2017).

If the resources are to have value, to be rare, to be imitable and to be non-substitution, these assets will help the company to innovate and use it to gain competitive advantages.

Innovation is a major source of competitive advantage, in the era of knowledge economy (Dango, 2016, Projogo and Ahmed, 2017). Innovation can help companies to create and deploy their ability to support long term business performance (Teece, 2017). Successful innovation can make it more difficult for external imitation and allow the company to maintain their competitive advantage better. Therefore, innovation can affect competitive advantage and performance.

### **The Role of Technological Entrepreneurship in Social and Economic Development**

Basically, both incremental and radical innovations are important not only for the positive economic impact they typically create, but also because they fundamentally change the behavior of consumers, often in ways that improve their lives. More specifically, the following are the roles of technological entrepreneurship in socio-economic development (Aruwa, 2015; Aribaba, Asaolu&Olaopa, 2017; Aladekomo, 2017):

Firstly, Technological entrepreneurship is needed to propel technological change innovation efforts into the market. Whenever there is a breakthrough in research and development. It is the place of technological entrepreneurship to commercialize the achievements of technological efforts otherwise; it remains in the laboratory without making any impact. One of the reasons why many research breakthroughs never leave the laboratory is due to short fall of technological entrepreneurs. And unless technological change innovation or the output of research and development efforts reaches the market or are commercialized, industrialization would be elusive.

Secondly, Technological entrepreneurship has the potential of improving state of technological capability in a country. This is because as technological efforts are being made, learning takes place. This occurs either by doing or observation, thus improving technological capability in the efforts in question. Because technological entrepreneurship would necessarily involve the commercialization of a research output, more patents are generated and patents are well-known indicator and measure of technological

development and industrialization in countries all over the world.

Thirdly, Technological entrepreneurship is the platform that accelerates the diffusion of successful technological change innovation in an economy. For instance, in Nigeria, and in most African countries, the rate of diffusion of Information Communication Technology (ICT) is on the increase. This is made possible by the private firms that saw an opportunity and decided to market ICT products and services thereby increasing the pace of diffusion. The diffusion in turn has greatly enhanced the quality of life of the citizenries.

Fourth, for a technological entrepreneur to be relevant, he must of necessity meet market needs and be a problem solver. In a bid to meet market need, research and development as well as science and technology efforts must be well coordinated. Science and technology as well as industrialization policies are tailored towards meeting the needs of the market. This, we believe, will invariably bring about socio-economic development.

### **Technology Change Innovation and Entrepreneurship Development in Nigeria**

Entrepreneurship is about starting a new business based on a recognized business opportunity as well as operating and maintaining that business. The belief of some people is that entrepreneurship does not need to be taught and therefore, an entrepreneur is born to be so. It should however be noted that for one to be a successful entrepreneur, he/she needs to learn the skills (Griffin and Hammis, 2016). Entrepreneur training is designed to teach the skills and knowledge that is needed to know before embarking on a new business venture. This would enhance necessary identification and avoidance of many pitfalls

awaiting the less well trained and vigilant contemporaries. The training may initially be perceived as a cost in terms of time and money but it would eventually be appreciated.

The study carried out by Taiwo et al. (2002), on small scale food companies in Nigeria reported that one major sources of technological change in these companies is personnel (operators and craftsmen). The reasons adduced for these were simplicity of the innovation processes to the work force; accurate and adequate information about the system of production; and the involvement of the workforce in the initiation and implementation of any technological changes.

Moreover, another research finding showed that the key information sources for manufacturing small and medium firms, production and innovation are machinery suppliers, exhibition and trade fairs, client firms, publications, repair workshops (foundries, heat treatment shops and others), staff of other firms, and social and professional associations, and consultancy firms within and outside the clusters (Oyeyinka-Oyelaran, 2016).

### **Theoretical Findings**

#### **Social shaping theory of technological innovation**

Some versions of this theory state that technology affects society by affordances, constraints, preconditions, and unintended consequences (Baym, 2015). Affordance is the idea that technology makes specific tasks easier in our lives, while constraints make tasks harder to complete. The preconditions of technology are the skills and resources that are vital to using the technology to its fullest potential. Finally, the unintended consequences of technology are unanticipated effects and impact of



technology. The cell phone is an example of social shaping of technology (Zulto 2009). The cell phone has evolved over the years to make our lives easier by providing people with handheld computers that can answer calls, answer emails, search for information, and complete numerous other tasks (Zulto, 2009).

Yet it has constraints for those that are not technologically savvy, hindering many people in society who do not understand how to utilize these devices. There are preconditions, such as monthly bills and access to electricity. There are also many unintended consequences such as the unintended distraction they cause for many people. However, Technology has the potentials of increasing business performance, if used for the right course.

### **Schumpeter's Theory**

The Schumpeter's theory of innovation states that innovation is critical for the survival of business success and that innovation connotes changes in the methods of production (technology change) and transportation, production of a new product (new invention of technology), change in the industrial organization, opening up of a new market (growth) and not necessarily invention of new products or technology, while the social learning theory opined that technology has the potential of increasing business performance if used for the right course.

### **Research Method**

This study adopted quantitative data analysis for this study; the survey research design was employed. The scope of the study covers Abeokuta south Local Government area, Ogun State, Nigeria. The respondents who are owners of businesses

(SMEs) in the areas were purposively selected in order to accomplish the objective of the study. Primary method of data collection was used for this study through a field survey of businesses with the aid of purposive well-structured questionnaires.

The questionnaires instrument was designed using five (5) likert's scale, as well as through an in-depth personal interview guided by the questions raised in the questionnaire which proved to be most effective due to the fact that most respondents could not fill in their responses or due to time constraints. A sample of 171 respondents was identified from a population of 300 small and medium enterprises within the study area using purposive sampling method of Marcor S.S (2019) Calculator and Raosoft (2019) calculator based on reports of the number of small and medium businesses in the study area and approximately 93.0% of the administered questionnaires were retrieved.

Each of the dependent and independent variables of the research construct were measured by three (3) items each validated by different authors found in extant literature. Pre-test was also conducted through a pilot study which was carried out for the research instrument's validity test results is 0.760. Split half method of reliability test results on the split halves 0.84 and 0.91 respectively show that research instrument is reliable (Garson, 2009).

### **Data Analysis and Interpretation of Results**

Pearson Product Moment Correlation via SPSS 20.0 was used to test the research hypotheses and analyze the dependent and independent variables.

### **Hypothesis One**

$H_0$ : Technology change does not have significant effect on Competitive Advantage

$H_{01}$ : Technology change has significant effect on Competitive advantage

**Table 1: Model Summary result for Technology Change and Competitive Advantage**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.735 <sup>a</sup>	.871	.854	.19351

a. Predictors: (Constant), Technology Change

b. Dependent variable: Competitive Advantage

**Table 2: ANOVA<sup>a</sup> result for Technology Change and Competitive Advantage**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.423	1	21.145	77.255	.004 <sup>b</sup>
	Residual	3.583	157	.044		
	Total	36.006	158			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Technology Change

### Interpretation

The result from the model summary table revealed that the extent to which the variance in competitive advantage can be

explained by technology change is 87.1% i.e. (R square = 0.871). The ANOVA table shows the Fcal 77.255 at 0.004, significance level.

**Table 3: Coefficients<sup>a</sup> result for Technology Change and Competitive Advantage**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	5.007	.127		11.133	.000
	Technology Change	.693	.012	.735	16.484	.004

a. Dependent Variable: Competitive Advantage

The coefficient table above reveals that the simple model expresses how technology change affects Competitive advantage and that there is a positive relationship between the variables. The model is stated mathematically as follows:  $Y = a + bX$  Where; Y is Competitive advantage (CA) and X is Technology Change (TC), "a" is

a constant and "b" is the value of the coefficient. This therefore implies that;  $CA = 5.007 + 0.693TC$ . Hence, for every 100% increase in Competitive Advantage, Technology Change accounts for 69.3%.

### Decision

The above result however implies that technology change have a significant

positive effects on competitive advantage. Since our P value (0.004) is less than 0.05, then, the decision would be to accept alternative hypothesis ( $H_1$ ) which states that technology change have significant effects on competitive advantage. Hence, the null hypothesis ( $H_0$ ) should be rejected.

### Hypothesis Two

$H_{02}$ : There is no significant relationship between new invention of technology and entrepreneurial success

$H_2$ : there is a significant relationship between new invention of technology and entrepreneurial success

**Table 4: Correlations of New Invention of Technology and Entrepreneurial Success**

		New Invention of Technology	Entrepreneurial Success
<b>New Invention of technology</b>	Pearson Correlation	1	.667**
	Sig. (2-tailed)		.000
	N	159	159
<b>Entrepreneurial Success</b>	Pearson Correlation	.667**	1
	Sig. (2-tailed)	.000	
	N	159	159

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### Interpretation

Table 4 above explains the relationship between new invention of technology and entrepreneurial success. The result implies that there is a positive and high degree of relationship between new invention of technology and entrepreneurial success since Pearson correlation coefficient is 0.667. Also the correlation coefficient test value 0.000 is less than 0.01 (Sig. level). Hence, it implies that as new invention of technology increases in entrepreneurial success increase.

### Discussion of Findings

This study empirically investigates the capitalizing on entrepreneurial innovation as it affects small and medium enterprises development in emerging economy: Nigerian perspectives (Abeokuta South Local Government area, Ogun State). It provided evidence on how technology

change and new invention of technology affects and the relationship between competitive advantage and entrepreneurial success respectively specifically small and medium enterprises, in the study area in Ogun State, Nigeria.

The hypothesis one result implies that there is no significant effect between technology change and competitive advantage i.e. since the result from the model summary table revealed that the extent to which the variance in competitive advantage can be explained by technology change is 87.1% i.e. (R square = 0.871), and Adjusted R square is 0.854. The ANOVA table shows the Fcal 77.255 at 0.004, significance level. Thus, the decision would be to reject null hypothesis ( $H_0$ ) and accept alternative hypothesis ( $H_1$ ), i.e. there is a significant effect between technology change and

competitive advantage. This finding is consistent with previous study Uchechukwu, Faga and Obiekwe (2016); Dada (2016)&Oyewale, Adeyemo and Ogunleye (2015).

It was discovered that the level of innovation and technology in Nigeria is low and the Nigerian patent law is weak. Factors posing challenges to innovation in Nigeria includes institutional framework; human capital; research/innovation infrastructure; and sophisticated business community. This article recommended that the Government should evolve policies that would address the challenges in technological change innovations. The study concludes that the technological change innovations generated high competitions among the companies. Strategies should therefore be geared towards continuous expansion of innovations in the industry.

The hypothesis two results imply that there is a significant relationship between new invention of technology and entrepreneurial success i.e. since our  $r$  value (0.667) is positive and high significant.

Thus, the decision would be to reject null hypothesis ( $H_0$ ) and accept alternative hypothesis ( $H_2$ ), i.e. there is a significant relationship between new invention of technology and entrepreneurial success. This finding is consistent with previous study Olowo, Ajeigbe and Olowe (2017)&Egbetokun, Olamide and Siyanbola, Adeniyi and Ireferin (2015). The result of the analysis revealed the various technology establishments that can be put in place to enhance technology entrepreneurship development programme, hence the performance of students in the tertiary Institutions. It was concluded that participation of tertiary Institutions will significantly improve the performance of

tertiary education through the production of graduates that are self-reliant.

Although entrepreneurial innovation is important for superior SMEs Development, our result found that the type innovation that SMEs pursue is not a critical consideration in their performance. While there was no difference found in the focus of SMEs on either of new invention of technology, evidence showed that SMEs would focus more on incremental new invention of technology (product and process innovations). Incremental innovation was found to be very important for Nigerian SMEs and a significant predictor of product quality and not of revenue.

### **Conclusion**

Sustainable entrepreneurship is closely and positively linked with technology innovation, which the absence of the former is caused by the inadequacy of the latter. Selected amongst stakeholders, factors limiting sustainable entrepreneurship are critically evaluated. The factors or challenges influencing entrepreneurship are extremely problematic, and must be resolved for technology innovation to thrive in the country. This study shows that Nigeria has rich history in entrepreneurship, with presently weak innovative capabilities, enormous potentials, and sustainable entrepreneurship is yet to be attained. Based on the analysis of the issues examined in this study, some general conclusions are offered regarding technological innovations' role in increasing enterprise competition.

The study's results confirm the theoretical and practical principle that innovation is a prime factor in achieving SMEs performance and success, especially those related to the intricate and extensive process involved in becoming competitive on the global market. A strong innovation

process is required for improving products and services, adapting organizational processes, instilling a supportive culture of innovation, creating new and innovative marketing approaches; and developing novel strategies in a continuously changing environment.

The influence of the overall innovation of the Nigeria small and medium scale enterprises on the level of competition was confirmed by the statistical analysis of the data, revealing that the higher the overall innovativeness, the higher the level of competitiveness of the companies. The five main areas that determine an organization's overall innovativeness and some of the five factors contributing to competitiveness of the Nigerian food and beverage SMEs were established in the study.

### Recommendations

The following recommendations are proffered for the amelioration of the problems of motivation system:

1. Government, individuals and private organizations should invest in education as innovation and entrepreneurship require an intelligent and creative workforce; also government should create a friendly or an enabling environment for entrepreneurship and consumer goods to boost the economy through the creation of new small businesses.
2. Another important area which the government could encourage entrepreneurship is to guarantee intellectual property rights. A vibrant innovation-based economy requires a clear, and clearly enforced patenting and licensing system. With a patent

protecting intellectual property, an invention can move to a company for market place development.

3. There is urgent need to set conducive industrial environment in terms of providing the rural communities with basic infrastructure such as latest technology, industrial zones, affordable, steady and reliable electricity, water supply, education and health services and security. These are preconditions for entrepreneurship and sustainable development.
4. It is paramount that Nigeria focuses on education and invests in the sector to booth innovation and ensures technological growth. The Government should increase its funding on education by allocating more to the sector in its budget. This will make education to be accessible to a greater population of Nigeria. Government has the duty to create the enabling environment for the universities to drive innovation in Nigeria.

### Limitations and Suggestion for Further Studies

The study's' limitations and recommendations that are deduced from the findings suggest more avenues for future research. This study places emphasis on the impact of technology change and new invention of technology on SMEs development, but does not explain the impact of entrepreneurial creativity and skill acquisition both of which are germane in entrepreneurial innovation discourse on SMEs development.

Another limitation is the use of questionnaire and a cross sectional study approach. A number of creative methods (in-depth interviews, case study and so on) and use of a longitudinal study could be used in the future for research purposes. Lastly, further researches like the Role of Innovation in the Economic Development of Nigeria and Intellectual Property Rights (IPRs) and Economic Development should be intensities and worked upon to expand the theoretical opinionating of the subject matter.

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