



Racheal Amos Musa, **Ph.D**  
Department of Marketing,  
Adamawa State University, Mubi  
+2347038660447  
[rachealamos2015@gmail.com](mailto:rachealamos2015@gmail.com)

Bidemi Hyekonni, Ndagana  
Department of Marketing  
Adamawa State University, Mubi  
Tel: 08052270552  
[bidemindagana@gmail.com](mailto:bidemindagana@gmail.com)

**\*Corresponding Author:**  
Racheal Amos Musa, **Ph.D**  
Department of Marketing,  
Adamawa State University, Mubi  
+2347038660447  
[rachealamos2015@gmail.com](mailto:rachealamos2015@gmail.com)

## EFFECT OF ENTREPRENEURSHIP INNOVATION AND ENTREPRENEURSHIP IDEA GENERATION ON SMALL AND MEDIUM ENTERPRISES PERFORMANCE IN MUBI NORTH LOCAL GOVERNMENT AREA, ADAMAWA STATE, NIGERIA

### ABSTRACT

*This study examine the effect of entrepreneurship innovation and entrepreneurship idea generation on small and medium enterprises performance in Mubi North Local Government Area, Adamawa State, Nigeria. The study adopted a cross-sectional exploratory survey design, which data were collected through copies of questionnaire administered to 384 respondents, and only 374 were returned successfully. Data collected was subjected to percentage analysis, and hypotheses were tested using regression analysis at the 0.05 level of significance. The findings revealed entrepreneurship opportunity recognition has significant effect on SMEs performance, entrepreneurship attitude has no significant effect on SMEs performance in Mubi North Local Government Area, Adamawa State. In addition, SMEs performance is significantly affected by entrepreneurship innovation in Mubi North Local Government Area, Adamawa State, Nigeria and lastly, entrepreneurship idea generation can affect the SMEs performance significantly in Mubi North Local Government Area, Adamawa State, Nigeria. Hence the study concludes that entrepreneurship process has significant positive effect on Small and Medium Scale Enterprises Performance in Mubi North Local Government Area, Adamawa State, Nigeria. The study recommends that entrepreneurs in Mubi North Local Government Area, Adamawa State, Nigeria, should focus on enhancing their skills in identifying and capitalizing on business opportunities. Also, it is recommended that entrepreneurs should periodically re-evaluate their attitudes towards improving their entrepreneurship through self-reflection, seeking feedback, and participating in training programs that aim to cultivate a positive and adaptive entrepreneurial mindset.*

**Keywords:** Enterprises, entrepreneurship, idea generation, innovation and performance

### INTRODUCTION

The quest for economic development has long been a central objective for many developing nations across the globe. These nations grapple with a host of challenges, including pervasive poverty and unemployment, which persistently impede their progress towards achieving socio-economic advancement. To gauge economic development, critical yardsticks come into play, such as industrialization, the creation of productive and meaningful

employment opportunities, income per capita, equitable income distribution, as well as the overall well-being and quality of life experienced by a nation's citizens. Small and Medium Scale Enterprises (SMEs) have emerged as a pivotal tool employed by developed nations to foster socio-economic development. In recent times, the small-scale industrial sector is recognized as the linchpin of modern economies.

Furthermore, in countries like Nigeria, grappling with adverse balance of payment challenges, the growing contribution of the small-scale industries sector to the nation's export portfolio significantly eases foreign exchange pressures and alleviates balance of payment deficits. This is facilitated by the fact that a substantial portion of their production inputs are locally sourced, reducing the strain on limited foreign exchange earnings (Khan, 2019). SMEs play a multifaceted role in the national economy, encompassing the development of local technology, stimulation of indigenous entrepreneurship, mobilization and utilization of domestic savings, job creation, fostering a balanced industrial structure in both rural and urban areas, supply of high-quality intermediate products, enhancing international competitiveness, driving technological innovation, expanding export potential, and effectively substituting imports (Ikherehon, 2022).

Governments have introduced numerous programs and policies aimed at fostering SME development. However, there is a limit to what the government alone can achieve in promoting sustainable economic development. This realization has prompted governments to embrace economic reform programs, transitioning from capital-intensive, large-scale industrial projects rooted in import substitution strategies to SMEs, which offer a more promising avenue for domestic economic development by generating essential goods and services (Oni & Daniya, 2020). Programs like SAP and NEEDS, initiated in the 1980s and 2020, aimed to instill a genuine entrepreneurial spirit in people to prepare them for wealth creation through small-scale enterprises (Yusuf, 2021).

The Federal Government of Nigeria has, therefore, adopted various strategies and policies to nurture entrepreneurship in the country. This has led to the establishment of institutions and agencies that provide a wide range of support services to entrepreneurs. Entrepreneurship Development Programs (EDPs) have been introduced, primarily targeting owner-managers of small business firms and individuals with potential for self-employment (Kijkasiwat and Phuensane, 2020). These programs encompass various entrepreneurial aspects, including business plan preparation, emphasizing finance, marketing, management, and production; identifying new business opportunities, alternative suppliers and markets; understanding sources of finance; conducting cash flow analysis; and maintaining proper record-keeping. The aim is to cultivate an entrepreneurial mindset and approach (Amaeshi, 2015).

The underperformance of small and medium-sized enterprises (SMEs) can be attributed to various factors, including a lack of initiative, inadequate administrative frameworks, and insufficient support systems for sustaining SME development. These factors significantly impact the profit margins of these enterprises (Alawe, 2019). Such subpar SME performance can have widespread repercussions on the economy, such as increased bureaucratic corruption, a lack of social consensus on critical macroeconomic policies, and diminished profitability. These issues often stem from deficiencies in technological capabilities, intellectual resources, managerial and entrepreneurial skills, as well as a dearth of strategic, business, and succession planning. Additionally, organizational structure, operational transparency, training, leadership development, and effective utilization of entrepreneurship programs, including fostering entrepreneurial attitudes, innovation, and idea generation, play pivotal roles in addressing these challenges.

The inability of SMEs to create more job opportunities or expand their operations often stems from the perceived "attitude" of their owners, which is identified as a major factor in SME failure rates (Nieman, 2016). Entrepreneurs and individuals with an entrepreneurial attitude view needs, problems, and challenges as opportunities and develop innovative approaches to address these challenges and capitalize on opportunities (Eno-Obong, 2016). The absence of a proactive regulatory environment conducive to creative enterprise development at the grassroots level, along with significant infrastructural deficiencies (particularly in terms of roads and electricity), systemic irregularities that hinder small businesses, administrative and trade barriers, limited access to technical support, and a lack of regulatory mechanisms for effective oversight of enterprise development initiatives, especially in the SME sector, pose significant challenges. Additionally, there is a need for improved access to vocational and skills development training for both rural and urban youths involved in the informal economy (Eno-Obong, 2016).

In the light of the above, this study is motivated to examine the effect of entrepreneurship innovation and entrepreneurship idea generation) and their individual effect on SMEs performance in Mubi North Local Government Area.

The main objective of this study examine the effect of entrepreneurship innovation and entrepreneurship idea generation on small and medium enterprises performance in Mubi North Local Government Area, Adamawa State, Nigeria.

The following hypotheses were formulated to guide the study:

- H<sub>01</sub>: SMEs performance is not significantly affected by entrepreneurship innovation in Mubi North Local Government Area, Adamawa State, Nigeria
- H<sub>02</sub>: Entrepreneurship idea generation does not affect the SMEs performance significantly in Mubi North Local Government Area, Adamawa State, Nigeria.

## **LITERATURE REVIEW**

### **Entrepreneur**

The term "entrepreneur" finds its roots in the French word "entreprendre," signifying "to undertake" (Akanni, 2019). In the context of business, it encompasses the act of initiating a business endeavor, identifying a business opportunity, marshaling resources, adeptly managing operations, and assuming the associated risks. It also extends to individuals who take charge and lead a project, ultimately yielding valuable benefits and seeing it through to fruition. In essence, entrepreneurs are those who skillfully navigate uncertainty and achieve success in the face of formidable challenges that might thwart a less well-prepared venture (Hornby, 2020). Hornby (2020) further defines an entrepreneur as an individual who earns a livelihood by initiating or running businesses, often entailing significant financial risks. Jimngang (2019) characterizes an entrepreneur as someone who redirects economic resources from a lower-yielding domain to one with greater productivity and returns. This definition emphasizes the manipulation of resources and the pursuit of "higher productivity" and "greater yield."

### **Entrepreneurship**

Roth (2014) characterizes entrepreneurship as the capacity and willingness to develop, organize, and manage a business venture, while confronting its attendant risks, all in pursuit of profit. Idam (2014) posits that entrepreneurship encompasses activities vital for establishing or sustaining an enterprise, defining it as the creation of a new organization. Diyoke (2014) encapsulates entrepreneurship as "what an entrepreneur does," encompassing the art of innovation, initiative, risk-taking, and implementation. In fact, there are many definitions of the concept 'entrepreneurship'. For instance, Putari (2020) observes that scholars had not been in agreement in their definitions of entrepreneurship and chronicled the definitions of entrepreneurship by various scholars (Sexton, 2018). Okpara (2020) defines entrepreneurship 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 identifiable opportunities.

## **Entrepreneurship Innovation**

Another dimension of entrepreneur innovation, Malerba (2021) refers to innovation as a tradable application of an invention, as a result of invention integration into economic and social Practice. Kuratko and Hodgetts (2019) defined innovation as the creation of new wealth or the alteration and enhancement of existing resources to create new wealth. Oslo (2021) defines innovation to be an activity that produces new or significantly improved goods (products or services), processes, marketing methods or business organization OECD, 2021). Innovation also refers to the process of creating ideas, developing an invention and also introducing a new product, process or service to the market (Thornhill, 2020). Innovation is a complex phenomenon that involves the production, diffusion and translation of knowledge in new or modified products or services, or the development of new production or processing techniques (Bigliardi, 2020). It reflects a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes (Lumpkin & Dess, 2020).

## **Entrepreneurship Ideas Generation**

Ideas generation is also one of the dimensions of entrepreneurship process, ideas generation is the process of generation new ideas are necessary for making any kind of improvement (Julia, 2019). The stage of idea generation, also called "ideation", whose objective is individual or collective identification of new ideas or opportunities, is often recognized as one of the highest leverage points for an organization (Toubia, 2020). This is the creative stage where new ideas are generated and/or new opportunities identified. According to Titus, idea generation, or the act of generating novel, applicable ideas, is the activity most frequently associated with creative problem solving (CPS) (Titus, 2018). Osborn stated that individuals are likely to experience the greatest difficulty during idea generation (Kasper & Clohesy, 2018). All this shows that idea generation phase is crucial to the success of the innovation process and should be taken seriously. It is important to recognize that the idea generation stage, while a distinct stage on its own, is also repeated throughout the innovation process. Not only does idea generation help you create and surface new innovations to develop, it also is a critical element of all the other stages in the process, from developing ways of prototyping selected ideas to conceiving of effective approaches for spreading and replicating a proven innovation (Kasper & Clohesy, 2018).

## **Small and Medium Scale Enterprise Performance**

Small and medium enterprises performance is of key interest for the top management of a company. If business performance is weak, managers need to intervene in order to return to the path of growth.

Especially in a market in which competition is increasing and globalization demands for better competitiveness, business leaders need to pay close attention to business performance (Riyada, 2015). All business processes eventually revolve around the target of contributing to the success of the company in one way or another. Business success indicates the level of achievement and how much the small business is near or far from its target. Business success can be measured based on many different dimensions such as sales growth, capital, increase in employment, increase in production line and others. Small and medium enterprises can also be defined in quantitative terms (Ayyagari, 2021).

SMEs performance relates to the effectiveness of business operations and the success of their products and services on the market. Customers will always prefer novelty products and services as a strong buying incentive. These products and services to compete in the market will require radical and continuous development. Gaining a competitive advantage is inevitably connected with innovation (Rybárová, Štetka, & Šagátová, 2019). There has been no agreement among researchers on an appropriate measure of performance. While Watson (2019) employs three variables to determine the performance of small and medium enterprises, namely (i) the success or failure rates, where failure is defined as the closure of business, (ii) return measures, specifically the return on equity (ROE), and (iii) the return on assets (ROA). The researcher also added that determining the performance of small and medium enterprises should employ methods that have the attributes of objectivity/ verifiability; relevance/ representational faithfulness; reliability/ freedom from bias; and simplicity/ parsimony.

### **Effect of Entrepreneurship Innovation on Performance of Small and Medium Scale Enterprises**

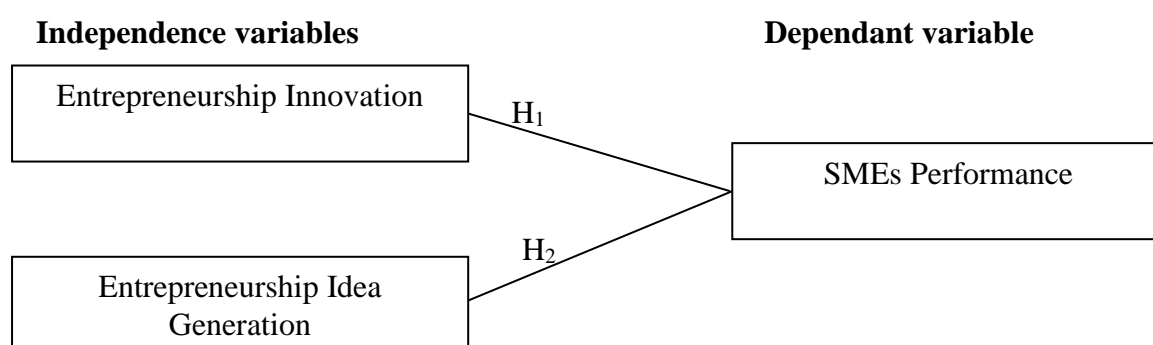
Similarly, Rosenbusch, Brinckmann, and Bausch (2022) have identified several factors that affect the relationship between innovation and SME performance. They are of the view that new small and medium enterprises benefit more from innovation than the mature organizations mainly due to their flexibility to accept change in their environment or industry. Keeping in view the importance of innovation in small and medium enterprises performance, the present study focuses on the Malaysian small and medium enterprises. Malaysia is one of the fastest growing economies of the world and is based largely on small and medium enterprises that contribute almost 33 percent to the national GDP. The importance of small and medium enterprises growth and their sustainability cannot be overemphasized for Malaysian economic growth and development especially in this competitive global environment. Despite the government focus on small and medium enterprises, researchers question the role of innovation in maintaining the growth of the Malaysian economy and the role of innovation in the overall performance of the small and medium enterprises. This concerns stems from the Hill, Tham and Zin (2022) who feared about country being victim of middle-income trap

evidenced from the visible downfall in the growth rate since late 2021s. The relationship between innovation and firm performance has been confirmed in both empirical and theoretical studies. For instance, Calantone (2021) examined the relationship between learning orientation, firm innovation and firm performance in US firms. Carol and Marvis (2021), examined the relationship between innovation and organizational performance of Taiwanese small and medium enterprises in the manufacturing and service sectors. They measured performance in terms of firm sales. Van Auken (2018) assessed the relationship between the degree of innovation and performance among a sample of 1,901 Spanish manufacturing small and medium enterprises and their study reveal evidence of a positive relationship between three types of innovation (product, process and managerial/systems) and performance.

### **Effect of Entrepreneurship Idea Generation on Performance of Small and Medium Scale Enterprises**

Creating a business involves turning virtual concepts into tangible realities, while entrepreneurship results from the concerted efforts of individuals to conceptualize new products, services, and ventures (Baron, 2021). Entrepreneurship arises within the realm of business creation during two economic phases: prosperity, representing an opportunity-driven approach, and recession, characterized by necessity-driven endeavors (Fairlie & Fossen, 2018). Support from networks plays a crucial role in guiding new business creation toward entrepreneurship, ultimately contributing to economic development (Ribeiro-Soriano, 2022). Entrepreneurship is the act of establishing new businesses in an uncertain environment (Neck & Greene, 2022). Business incubators serve as instrumental tools for fostering the creation of new enterprises, promoting employment, and stimulating regional development within the entrepreneurial landscape (Mas-Verdú, Ribeiro-Soriano, & Roig-Tierno, 2015).

#### **Conceptual Framework**



**Source: Researchers' Design, 2025**

## **Theoretical Framework**

### **Innovation Theory**

Joseph (1950) views innovation as the source of success in the market economy, a view that is reinforced by today's changing and competitive environment. The organization that is not creative and innovative cannot survive in the market place. Thus, entrepreneurs and enterprises are continuously creative and innovative to remain relevant to the customers, which is the purpose of every business. Drucker (1985) argued that innovation is the tool of entrepreneurship; both innovation and entrepreneurship demand innovation. Innovation is a process by which a symbolic domain in the culture is changed. New songs, new ideas, new machines are what innovation is all about (Mihaly, 2019). It is the ability to make or otherwise bring into existences something new, whether a solution to a problem, a method or device, or an artistic object or form. Wyckoff (1991) defines innovation as new and useful. It is the act of seeing things that everyone around sees while making connections that no one else has made. It is moving from the known to the unknown.

Innovation is defined as adding something new to an existing product or process. This means that the product or process has already been created from scratch and has worked reasonably well. Then it is changed so that it works better or fulfils a different need. It is the successful exploitation of new ideas. All innovation begins with innovation. Innovation is however necessary but not sufficient condition for innovation. This is because innovation is the implantation of creative inspiration. Innovation is also an attitude, the ability to accept change and newness, a willingness to play with ideas and possibilities, a flexibility of outlook, the habit of enjoying the good, while looking for ways to improve it. The creative person realizes that there are other possibilities like peanut butter and banana sandwiches, or chocolate covered prunes.

For the purpose of this study, the researcher dwelled on innovation theory of entrepreneurship, because this theory has direct link with the subject matter under study, the theory identify how small and medium enterprises should be entrepreneurial innovative, not only that, it is also affirmed that entrepreneurs must not only be innovative but should also be creative in nature. This will help provide them with enough knowledge and ideas on how to develop entrepreneurial skills and spirit to be self-employed.

### **Empirical Review**

Nongnapas and Sumaman (2023) carried out study on modern entrepreneur for the success of online businesses for small and medium enterprise in Thailand. Using mixed methods technique. This study's



objective was to create a structural equation model that can be used by business owners to forecast the performance of SMEs firms in Thailand as well as internet businesses, in order to verify novel frameworks that operate in Thailand.

Mokuolu and Luwaleye (2023) studied the role of small and medium scale enterprises in unemployment reduction in Nigeria. Using descriptive statistics correlation analysis, ARDL co-integration, parsimonious error correction model and other post estimation tests. Discoveries from the study revealed that SMEs contribution to export pose positive insignificant impact on unemployment reduction in Nigeria in the long run and a negative insignificant impact on industrial growth in short run; Deposit Money bank (DMB) credit to SMEs pose positive significant impact on industrial growth in the long-run and a positive significant impact on industrial growth in the short run; SMEs contribution to gross domestic product pose positive significant impact on industrial growth in the long run and a negative insignificant impact on industrial growth in the short run. According to the study, the government should foster an environment that is favorable to SMEs, DMBs ought to give the SMEs loans with reasonable terms, and the government should also offer incentives to SMEs.

Ajayi and Osasona (2023) studied the effects of risk control techniques on SMEs' Performance in Ekiti state, Nigeria. Using simple regression as the statistical technique employed. The study confirms the position of financial risk control techniques in business performance of selected SMEs operators in Ekiti, Nigeria and suggested that insurers in Nigeria have to make the insurance services attractive and affordable to SMEs' operators/ owners in order to improve on their behavioral risk approaches.

Mbowe (2023) examine arbitative role of adult learners' entrepreneurial attitude and the influence of entrepreneurial education on intention in Tanzania. Using structural equation model, which was facilitated by the Analysis of Moment Structures (AMOS.0) software to verify the hypothesis relationships. The study found a direct positive and significant influence of EE on EI ( $\beta=0.166$ ,  $CR=4.132$ ,  $p<0.05$ ). Moreover, the study found a direct positive and significant influence of EE on EA ( $\beta=0.186$ ,  $CR=3.721$ ,  $p<0.05$ ). The findings further indicate a direct positive and significant influence of EA on adult learners' EI ( $\beta=0.306$ ,  $CR=4.240$ ,  $p < 0.05$ ). Furthermore, the study found the adult learners' EA to have a positive, and significant indirect arbitative influence on the relationship between EE and EI ( $\beta=0.115$ ,  $p < 0.001$ ). Overall, these findings suggest that an individual's EA to IE predicates an adult learners' intention to participate in entrepreneurial venture formation, which was influenced by the module content and pedagogical approaches used in the EE. Thus, promoting EI among adult learners requires module developers to design content and

pedagogical approaches that are practical-oriented, convenient, and adult learners-centered. Moreover, Tanzania government should create an entrepreneurial conducive environment for higher learning institutions interactive to the world current entrepreneurial endeavors.

Nilawati, *et al* (2023) carried out study on how does the entrepreneurial behavior intention of small and medium enterprises (SMEs) in Indonesia grow-up? Using SEM approach. The test results show that entrepreneurial spirit positively affects self-efficacy, with a t-statistic value of 60.267. In addition, entrepreneurial passion positively affects entrepreneurial intentions, with a t-statistic value of 29.806. Entrepreneurial passion positively affects self-leadership with a t-statistic value of 7.502. Furthermore, self-efficacy positively affects entrepreneurial intentions with a t-statistic value of 3.438. Finally, self-leadership positively affects entrepreneurial intention with a t-statistic value of 2.295. In conclusion, this paper expands the relevant literature on the impact of entrepreneurial passion, self-efficacy, and self-leadership on entrepreneurial intention.

## METHODOLOGY

In this study, the researcher employed a cross-sectional exploratory survey design. The population of this study covered the entire small medium and small scale businesses (SMEs) in Mubi, Adamawa state, Nigeria. In determination of the sample size, the researcher adopted the use of Cochran's (1977) correction formula due to the researcher unable to get the exact figure of the population;

This calculation is as follows:

$$n_o = \frac{Z^2PQ}{e^2}$$

Where :

$n$  = is the required sample size.

$Z$  = is the Z-score corresponding to the desired level of confidence (e.g., 1.96 for a 95% confidence level).

$P$  = is the estimated proportion of the population with a particular characteristic.

$Q$  =  $1-P$

$E$  is the margin of error (the desired level of precision).

i.e.

$$n_o = \frac{Z^2PQ}{e^2}$$

$$n_o = \frac{1.96^2 0.5(1-0.5)}{0.05^2}$$

$$n_o = \frac{3.8416(0.5)(0.5)}{0.0025}$$

$$n_o = \frac{0.9604}{0.0025}$$

$$n_o = 384.16$$

$$= 384.$$

Therefore, the sample size for this study were 384. The questionnaire adopted a five-point Likert Scale, ranging from "Strongly Agree" (5) to "Strongly Disagree" (1), utilizing nominal scaling and inferential statistics using multiple regression analysis were used to test hypotheses with help of Statistical Package for Social Sciences (SPSS) at 0.05 (5%) level of significance.

The multiple linear regression model that was used is presented as follows;

$$SMEP = \beta_0 + \beta_1 EI + \beta_2 EIG + \mu$$

Where:

EI = Entrepreneurship Innovation

EIG = Entrepreneurship idea generation

SMEP= Small and medium enterprises performance

$\mu$  = Error term

$\beta_{ij}$  = Regression coefficient *i* for variable *j*

$\beta_0$  = The intercept; and reflects the constant of the equation

$\beta_1\beta_3$ = The sensitive coefficient of each independent variable

$e_i$  = The error terms.

## Research Hypotheses

H<sub>01</sub>: SMEs performance is not significantly affected by entrepreneurship innovation in Mubi North Local Government Area, Adamawa State, Nigeria

H<sub>02</sub>: Entrepreneurship idea generation cannot affect the SMEs performance significantly in Mubi North Local Government Area, Adamawa State, Nigeria.

**Table 1: Model summary of effect of entrepreneurship innovation and entrepreneurship idea generation on Small and Medium Scale Enterprises Performance**

Variables	Coefficient	Std. Error	T-Values	P-Values	Hypotheses
1 (Constant)	14.298	2.280	6.270	0.000	

EI	0.190	0.059	3.342	0.001	Rejected
EIG	0.203	0.060	3.206	0.001	Rejected
R	0.551				
R <sup>2</sup>	0.303				
Adjusted R	0.296				
F-Stats	40.130				

---

a. Dependent Variable: SMEP

**Source: Field Survey, (2025).**

The result in table 1 shows that the summary of regression model on the effect of entrepreneurship innovation and entrepreneurship idea generation on small and medium scale enterprises performance. The result of Person correlation show that the bivariate relationship between dependent and independent variables are moderate and positive ( $r = 0.55$ ). The values of the coefficient of determination (R-Square) extracted from the summary of the regression model shows that entrepreneurship innovation and entrepreneurship idea generation only explain about 30.3% variation in small and medium scale enterprises performance while the about 69.7% are attributed to variables not included in the model of this study. The analysis of variance (ANOVA) results, which represent the goodness of fit of the model is statistically significant ( $F_{4, 373} = 40.130$ ,  $P < 0.05$ ), implying that the variables in the model have jointly predicted the small and medium scale enterprises performance.

The regression coefficient for the individual contribution of the independent variables as represented by the unstandardized beta-value of 14.298 indicates that the one unit increase in entrepreneurship innovation and entrepreneurship idea generation account for 14.298 units increase in the level of small and medium scale enterprises performance, and this relationship between the significant at 1% level of significance. Hence the study concludes that entrepreneurship innovation and entrepreneurship idea generation has significant and positive effect on Small and Medium Scale Enterprises Performance in Mubi North Local Government Area, Adamawa State, Nigeria.

**HO<sub>1</sub> SMEs performance is not significantly affected by entrepreneurship innovation in Mubi North Local Government Area, Adamawa State, Nigeria**

This hypothesis estimates the effect of entrepreneurship innovation on SMEs performance and the result of the regression model in Table 1 revealed entrepreneurship innovation has effect on SMEs performance ( $\beta = 0.190$ ,  $t = 3.342$ ,  $P = 0.001$ ). The null hypothesis was rejected and alternate hypothesis which states that SMEs performance is significantly affected by entrepreneurship innovation in Mubi North Local Government Area, Adamawa State, Nigeria was accepted.

**HO<sub>2</sub> Entrepreneurship idea generation cannot affect the SMEs performance significantly in Mubi North Local Government Area, Adamawa State, Nigeria**

This hypothesis estimates the effect of entrepreneurship idea generation on SMEs performance and the result of the regression model in Table 1 revealed entrepreneurship idea generation has effect on SMEs performance ( $\beta = 0.203$ ,  $t = 3.206$ ,  $P = 0.001$ ). The null hypothesis was rejected and alternate hypothesis which states that entrepreneurship idea generation can affect the SMEs performance significantly in Mubi North Local Government Area, Adamawa State, Nigeria was accepted.

**Summary of Findings**

The following findings were derived from the above analysis:

- i. The findings revealed entrepreneurship innovation has significant effect on SMEs performance in Mubi North Local Government Area, Adamawa State, Nigeria.
- ii. Lastly, entrepreneurship idea generation can affect the SMEs performance significantly in Mubi North Local Government Area, Adamawa State, Nigeria.

**Discussion of Findings**

The findings affirm the positive influence of entrepreneurship innovation on SMEs performance in Mubi North Local Government Area. Unfortunately, specific statistical values are not provided. Nonetheless, this result is consistent with the broader literature emphasizing the role of innovation in enhancing opportunity identification and idea generation of SMEs (Porter, 2022; Teece, 2016).

The study revealed that entrepreneurship idea generation significantly affects SMEs performance in the local government area. However, the exact statistical details are not provided. Nevertheless, this finding supports the idea that the generation of innovative and viable business ideas contributes to the success of SMEs (Shane, 2016).

## Conclusion

Moreover, the study underscores the significance of entrepreneurship innovation in driving SME performance. The findings reveal a substantial and positive effect, emphasizing the importance of innovative practices in fostering business success within the local context. Additionally, entrepreneurship idea generation emerges as a significant factor influencing SME performance, highlighting the importance of creative thinking and the development of novel business concepts in contributing to overall business success.

The research provides valuable insights of SMEs in Mubi North Local Government Area, Adamawa State, Nigeria. The identified factors such as entrepreneurship opportunity recognition, innovation, and idea generation serve as critical elements that can guide policymakers, business owners, and stakeholders in fostering a conducive environment for the growth and sustainability of SMEs in the state.

## Recommendations

The following recommendations were derived from the above findings:

- i. The study highlights the significant positive effect of entrepreneurship innovation on SMEs performance. Therefore, it is recommended that local initiatives, support programs, and policies be implemented to encourage and facilitate innovation within small and medium-sized enterprises in the region.
- ii. The study recommends that entrepreneurship idea generation significantly affects SMEs performance. To leverage this finding, it is recommended that local government authorities, business support organizations, and educational institutions collaborate to create an ecosystem that stimulates creativity and idea generation among SMEs.

## REFERENCES

- Abeysekera, I. (2023). Innovation and business performance in Australia: Role of entrepreneurship and entrepreneurship in a crisis. *Ind Mark Manag.* 6(3), 1-7.
- Ajayi, L. B. & Osasona, A. V. (2023). Effects of risk control techniques on SMEs' Performance in Ekiti state, Nigeria. *Nigerian Journal of Banking and Financial Issues.* 9(1), 33-47.
- Ajor, L., & Joy, C. N. (2020). Risk-Taking Attitude and Organizational Sustainability of Small and medium enterprises in Bayelsa State. *Nigeria Global Scientific Journal* 6(1), 10-33.
- Aparicio, S., Urbano, D., & Audretsch, D. (2016). Institutional factors, opportunity entrepreneurship and economic growth: Panel data evidence. *Technological Forecasting and Social Change*, 102, 45-61.
- Baron, R. A. (2021). Behavioral and cognitive factors in entrepreneurship: Entrepreneurs as the active element in new venture creation. *Strategic Entrepreneurship Journal*, 1(1-2), 167-182.

- Bigliardi, B. (2020). The Effect of Innovation on Financial Performance: A Research Study Involving Small and medium enterprises. *E-content Management Pty Ltd. Innovation: Management, policy& practice* 15(2), 245–256.
- Calantone (2021) in Thornhill, S. (2020). “Knowledge, Innovation and Firm Performance in High- and Low- Technology Regimes,” *Journal of Business Venturing*, 21, 687-703.
- Carol, Y. & Marvis, Y. (2021). Does Innovation Lead to Performance? An empirical study of small and medium enterprises in Taiwan. *Management Research News*, 30 (2), 115-132.
- Diyoke, C. I. (2014). Entrepreneurship process in Nigeria: issues, problems and prospects. *International Journal of Technical Research and Applications*. 10(5), 19-23.
- Erna, H. & Amir, M. (2020). The Effect of Innovation on Increasing Business Performance of Small and medium enterprises in Indonesia. *Wseas Transactions on Business and Economics*, 17(10), 52-59.
- Fairlie, R. W., & Fossen, F. M. (2018). Opportunity versus necessity entrepreneurship: Two components of business creation. *IZA Discussion Papers No. 11258*
- Hill, H., Tham, S. Y., & Zin, R. H. M. (Eds.). (2022). *Malaysia's development challenges: Graduating from the middle*. Routledge.
- Hornby, A. S. (2020). *Oxford Advanced Learner's Dictionary (International Student Edition – 7th Edition)*. Oxford: Oxford University Press.
- Hughes, M. & Morgan, R. E. (2022). Deconstructing the relationship between entrepreneurial orientation and business performance at the embryonic stage of firm growth. *Ind Mark Manag.* 36(5), 651–661.
- Idam, L. E. (2014). Entrepreneurship process in Nigeria: A Review. *Journal of Business and Management*, 16(4), 1-7.
- Ikherehon, I. G. (2022). *The Practice business guide for the entrepreneur in Africa*. Lagos: Pathead Enterprises, 88.
- ILO report (2015), *Small and medium enterprises and decent and productive employment creation International Labor Conference*, 104th Session Printed by the International Labour Office, Geneva, Switzerland.
- Iqbal, S.; Moleiro Martins, J.; Nuno Mata, M.; Naz, S.; Akhtar, S.; Abreu, A. (2021). Linking Entrepreneurial Orientation with Innovation Performance in Small and medium enterprises; the Role of Organizational Commitment and Transformational Leadership Using Smart PLS-SEM. *Sustainability*, 13(2), 43-61.
- Jimngang, G.Y. (2019). *The Culture of Entrepreneurship*. Douala: Treasure Books Company Limited, Cameroon.
- Joseph, T., T., Umogbai, M., E., Kwahar, N. & Adudu, C. A. (2023). Effect of Innovation on Entrepreneurial Success of Manufacturing Small and Medium Firms in North-Central Nigeria. *International Academy Journal of Management, Marketing and Entrepreneurial Studies*. 10(1), 84-103.
- Kasper, G. & Clohesy, S. (2018). *Intentional Innovation: How Getting More Systematic About Innovation Could Improve Philanthropy and Increase Social Impact*. [Online]. Available: [http://www.monitorinstitute.com/downloads/what-we-think/intentional-innovation/Intentional\\_Innovation.pdf](http://www.monitorinstitute.com/downloads/what-we-think/intentional-innovation/Intentional_Innovation.pdf)
- Khan, P. (2019). Marketing and National Economic Development”. *Marketing Journal*, 5(2), 2-5.
- Kijkasiwat, P. & Phuensane, P. (2020). Innovation and firm performance: The moderating and mediating roles of firm size and small and medium enterprise finance. *Journal of Risk and Financial Management*, 13(97), 2-15.
- Kuratko and Hodgetts (2019) in Thornhill, S. (2020). “Knowledge, Innovation and Firm Performance in High- and Low- Technology Regimes,” *Journal of Business Venturing*, 2(1), 687-703.
- Lumpkin, G. T. & Dess, G. G. (2020) Clarifying the Entrepreneurial Orientation Construct and Linking It to Performance. *The Academy of Management Review*, 21(1), 135-172.

- Lumpkin, G. T. & Dess, G. G. (2021). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135-172.
- Malerba (2021) in Thornhill, S. (2020). "Knowledge, Innovation and Firm Performance in High- and Low- Technology Regimes," *Journal of Business Venturing*, 21, 687-703.
- Mark, D. O. & Muogbo, U. S. (2023). Socio-Cultural Environment and Performance of Small and Medium Scale Enterprises in Nigeria. *International Journal of Innovative Development and Policy Studies*. 11(2), 65-72.
- Mas-Verdú, F., Ribeiro-Soriano, D., & Roig-Tierno, N. (2015). Firm survival: The role of incubators and business characteristics. *Journal of Business Research*, 68(4), 793-796.
- Mbowe, R. K. (2023). Arbitrative role of adult learners' entrepreneurial attitude and the influence of entrepreneurial education on intention in Tanzania. *International Journal of Educational Policy Research and Review*. 10 (2), 58-73.
- Mohammad, O., F., Osman, M. G. & Dewan, N. K. (2022). The Effect of Entrepreneurial Orientation on Firm Performance and Entrepreneurial Intention: Moderating Role of Prior-Training. *Jahangir agar University Journal of Management Research*. 100-123.
- Mokuolu, J. O. & Luwaleye, T. O. (2023). The Role of Small and Medium Scale Enterprises in Unemployment Reduction in Nigeria. *Nigerian Journal of Banking and Financial Issues*. 9(1), 127-142.
- Neck, H. M., & Greene, P. G. (2022). Entrepreneurship education: Known worlds and new frontiers. *Journal of Small Business Management*, 49(1), 55-70.
- Nieman, G. (2020). Managing the small business. In: Nieman G (Ed.) *Small Business Management: A South African approach Pretoria*: Van Schaik, 17- 24.
- Nilawati, F., Pudji, H., Widayani, A. M. & Poernamawati, D. E. (2023). How does the entrepreneurial behavior intention of small and medium enterprises (SMEs) in Indonesia grow-up? *Problems and Perspectives in Management*, 21(1), 438-447.
- Njeru, P.W (2022). *The effect of entrepreneurial attitude on the performance of manufacturing business in Nairobi*. Unpublished Ph.D thesis, JKUAT.pp.155- 161.
- Nongnapas, C. & Sumaman, P. (2023). Modern Entrepreneur for the Success of Online Businesses for Small and Medium Enterprise in Thailand. *TEM Journal*. 12(2), 956-966.
- Okpara, F.O. (2022). Factors constraining the growth and survival of small and medium enterprises in Nigeria: implications for poverty alleviation. *Management Research Review* vol. 34; 156-171.
- Oni, E. O. & Daniya, A. A. (2020). Development of small and medium scale enterprises: The Role of government and other financial institutions. *Arabian Journal of Business and Management Review (OMAN Chapter)*, 5(7), 16-29.
- Porter, M. E. (2022). The competitive advantage of nations. *Harvard Business Review*, 68(2), 73-93.
- Putari, L. (2020) in Entrepreneurship process means in the context of the European social model, *Management Theory and Studies for Rural Business and Infrastructure Development*, 38 (2), 145–154.
- Ribeiro-Soriano, D. (2022). Small business and entrepreneurship: their role in economic and social development. *Entrepreneurship & Regional Development*, 29(1-2), 1-3.
- Riyada, (2015). *SME definition*. <https://riyada.om/en-us/aboutus/Pages/definesme.aspx>
- Rosenbusch, N., Brinckmann, J., & Bausch, A. (2022). Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in small and medium enterprises. *Journal of Business Venturing*, 26(4), 441-457.
- Roth, S. (2014). The eye-patch of the beholder. *International Journal of Entrepreneurship and Small Business*. 22(4), 399-407.
- Rybárová, D., Štetka, P., & Šagátová, S. (2019). Relationship between innovation and business performance. *Megatrend Revija*, 16 (3), 83–93.
- Sexton, D. L. (2018). Integrating entrepreneurship actions and strategic management actions to create firm wealth // *Academy of Management Executive*. 15(1), 49–63.



- Shane, S. (2020). Prior knowledge and the discovery of entrepreneurial opportunities. *Organization Science*, 11(4), 448-469.
- Shane, S. (2022). "Reflections on the 2019 AMR decade award: delivering the promise of entrepreneurship as a field of research", *Academy of Management Review*, 37 (1), 10-20.
- Shane, S. (2016). Prior knowledge and the discovery of entrepreneurial opportunities. *Organization Science*, 11(4), 448-469.
- Shane, S., & Venkataraman, S. (2020). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217-226.
- Teece, D. J. (2016). Business models, business strategy and innovation. *Long Range Planning*, 43(2-3), 172-194.
- Thornhill, S. (2020). "Knowledge, Innovation and Firm Performance in High- and Low- Technology Regimes," *Journal of Business Venturing*, 21, 687-703.
- Titus, P. A. (2020). "Marketing and the creative problem-solving process," *Journal of Marketing Education*, 22(3), 225- 235.
- Toubia, O. (2020). "Idea generation, innovation, and incentives," *Marketing Science*, 25 (5), 411–425.
- Urbano, D., & Aparicio, S. (2016). Entrepreneurship capital types and economic growth: International evidence. *Technological Forecasting and Social Change*, 102, 34-44.
- Van Auken, H., Madrid Guijarro, A., & Garcia Perez de Lema, D. (2018). Innovation and Performance in Spanish Manufacturing Small and medium enterprises. *International Journal of Entrepreneurship and Innovation Management*, 8 (1): 36-56.
- Venkataraman, S. (2020). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217-226.
- Watson, J. (2019). *SME Performance: Separating Myth from Reality*. Edward Elgar Publishing Limited.
- Xu, X. (2020). Introduction to Entrepreneurship Methodologies and practices. *Springer texts in Education*. <https://doi.org/10.1007/978-981-15-1839>
- Yusuf, A. B. (2021). Impact of small and medium enterprises on economic growth and development. *American Journal of Business and Management*. 1(1), 18-22.