

# CREATIVITY AND INNOVATION: AN IMPERATIVE FOR ENTREPRENEURIAL DEVELOPMENT IN NIGERIA

**Agbi, Babatunde Daniel Ph.D**  
Chrisland University Abeokuta  
[bagbi@chrislanduniversity.edu.ng](mailto:bagbi@chrislanduniversity.edu.ng)

&

**Rahim Ajao Ganiyu Ph.D**  
University of Lagos, Lagos  
[abdulrahimajao@yahoo.com](mailto:abdulrahimajao@yahoo.com)

## ABSTRACT

*Sustainable economic development does not occur without entrepreneurship and entrepreneurship is the practice of starting new organizations or revitalizing mature organizations. This study therefore aims to find out the relationship between creativity and innovation on entrepreneurial development activities in Nigeria. These key variables creativity and innovation are very critical to any successful entrepreneurship endeavour. Simple random sampling technique was used to select a total of 550 entrepreneurs from Lagos State that constituted our sample size. Lagos state was chosen because it is the commercial and business centre of Nigeria and also is home to a significant percentage of small and medium scale enterprises in the country. The primary data consists of a number of items in well-structured questionnaire that was administered to and completed by the respondents. Regression analysis was used to analyze the data. The results showed that there is significant relationship between innovation and entrepreneurship development in Nigeria. Similarly, study also reveals a significant relationship between creativity and entrepreneurship in Nigeria. The study therefore recommended that government should create a friendly or an enabling environment for entrepreneurship and consumer goods to boost the Nigeria economy. This the study believe can be*

*achieved through creativity and innovation in entrepreneurship*

## 1.0 INTRODUCTION

Entrepreneurial development is increasingly becoming an interesting area for scholars and practioners alike. This interest is due to its inherent capacity to generate employment and create wealth to support the growth and development of an economy. The experiences of developed economies in relation to the roles played by entrepreneurship buttresses the fact that the importance of entrepreneurship cannot be overemphasized especially among the Developing Countries.

Entrepreneurship can be described as value creation, opportunity creation and wealth creation activities. Studies have reported that entrepreneurship is directly related to stimulation of economic growth; employment generation; and empowerment of the disadvantaged segment of the population, which include women and the poor (Oluremi & Gbenga, 2011).

Nigeria as a country has numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Tapping these resources require the ability to identify potentially useful and economically viable fields of endeavors. Thus, entrepreneurship

activities and innovative ingenuity in Nigeria have developed enterprises in areas such as Agricultural/agro-allied activities, solid minerals, transport, (cargo and passengers), power generation, entertainment, information and telecom business, hospitality and tourism business, oil and gas business, banking and allied financial services, engineering and fabrication work just to mention a few (Agbeze, 2012).

Notwithstanding Nigerians innovative and creative minds, the country is still considered as one of the poorest countries in the world and has one of the highest rates of youth unemployment in sub-Sahara Africa, Chukwubuike (2008).

Although entrepreneurship development leveraging on creativity and innovation is considered a robust approach to dealing with unemployment, hunger, poverty and sustainable economic growth, it has nonetheless suffered from neglect in form of incentives and enabling environment for it to thrive. The study will therefore attempt to investigate the connection between entrepreneurship and employment generation in Nigeria; assessing the level of unemployment in Nigeria and how far entrepreneurship has thrived, and also examines the major problems of entrepreneurship and thus proposing some plausible strategies that can promote effective entrepreneurship that will help quell unemployment and thus generate employment for the Nigerian youths especially.

### **1.1 STATEMENT OF THE PROBLEM**

Over the past decades, internal and external pressures have resulted in low capacity production, massive unemployment, poverty, collapsed infrastructural facilities, poor governance structure, massive corruption, insecurity of life and property, political instability and poor macroeconomic management. Rent economy prevailing in the country as a result of crude oil mining has destroyed and distorted work attitude of majority of Nigerians who prefers to avoid

investments that require special expertise and innovation. In addition, the school curriculum is largely not geared towards equipping students with skills required for self-employment. Consequently, thousands of graduates from tertiary institutions are roaming the streets in search of jobs that are non-existent. Although government is attempting to encourage entrepreneurship Iyayi (2012), revealed that the growth rate of entrepreneurship in Nigeria has been very slow, failure and even death has been quite common. This scenario contrast sharply with the tremendous entrepreneurial success recorded in Europe, Asia and America. Agbati (2011) and posited that the most fundamental and logical cause of the slow growth of entrepreneurial activities in Nigeria is lack of corporate innovation. Other factors that offered the slow rate of innovation and creativeness in Nigeria include lack of confidence, fear of failure and anxiety, environment and bad management, over-reliance on self-ability and lack of planning as regards technological and innovativeness and creativity. Against this background, the primary objective of this study is to examine the role of creativity and innovation as an imperative for entrepreneurial development in Nigeria.

### **1.2 OBJECTIVES OF THE STUDY**

The study is aimed at the following specific objectives.

- a. To investigate how innovations could be used to bring about entrepreneurship development in Nigeria.
- b. To ascertain the extent of the relationship between creativity and innovation.
- c. To ascertain the extent of the relationship between innovation and competitive advantage.

### **1.3 RESEARCH QUESTIONS**

1. How can innovation be used to bring about entrepreneurship development in Nigeria?
2. What is the extent of the relationship between creativity and innovation in Nigeria?

3. What is the extent of relationship between innovation and competitive advantage?

#### 1.4 RESEARCH HYPOTHESES

The hypotheses formulated for the study are:

- H<sub>0</sub>: There is no significant relationship between innovative and entrepreneurship development in Nigeria.
- H<sub>1</sub>: There is significant relationship between innovative and entrepreneurship development in Nigeria
- H<sub>0</sub>: There is no significant relationship between creativity and innovation in Nigeria.
- H<sub>1</sub>: There is significant relationship between creativity and innovation in Nigeria.

## 2.0 LITERATURE REVIEW

### 2.1 INTRODUCTION

Innovation results from the desire for change in an enterprise. It is defined as the subtle difference between an “invention” and “innovation.” Traditionally, innovation recognizes development as generalized economic growth. In contrast, inclusive innovation views development as active inclusion of people excluded from the mainstream development. The difference refers to the inclusion involving some aspect of innovation for/by the marginalized groups (Foster and Heeks, 2013).

Ebiringa (2012), believes that innovation can be described as the implementation or transformation of a new idea into a product, service or an improvement in Organization or process. It is a continuous renewal involving the entire enterprise and it is an essential part of business strategy.

The success of an entrepreneur depends on his/her innovative ability. Innovation in entrepreneurship takes many forms such as a new financial services, new distribution, new product and new management procedures. For effective innovation to take place, the

entrepreneur must ensure that his/her research and development unit is well equipped and able to carry out the innovative activities which include basic and applied research.

Literature review indicates that, in Nigeria and in other emerging countries, the subject of innovation reveals that there is a dearth of literature in the developing countries and this creates a major gap in knowledge that has to be filled (2012; Dapice, 2015; Cappa et al., 2016). The focus of the study is to present the impact of innovation on the business enterprises’ success in Nigeria. The research started from the idea that, at a global level, the action to find a small survival of business enterprises is as important as creating innovation activities. These measures aimed to design a permissive, favorable regulation environment, both legislatively and fiscally, and were meant to provide financial assistance for the enterprises’ support and development. They also aimed to improve competitiveness and to stimulate the development of the entrepreneurial culture. These enterprises are nowadays active contributors to the Nigerian economic development as a whole.

## 2.2 CONCEPTUAL CLARIFICATION

### 2.2.1 Concept of Creativity

Creativity is the essential first step in innovation which is vital for long-term organizational success. Creativity is the ability to visualize, Creativity and Innovation as a Strategy for Enhancing Entrepreneurship Development in Nigeria: A Study of Some Selected Small and Medium Scale Enterprises in Jos Metropolis - Silas Gontur; Makrop Davireng and Paul Dung Gadi foresee, generate and implement new ideas (Rao, 2012).

One aspect of great importance for the existence and perpetuation of the rise or decline of Small and medium sized enterprises (SMEs) in the economy of any country is to their contribution to creating new value. The rhythms alerts or slower,

sooner or later, all countries will realize that initiating, developing, supporting even these organizations are not only unavoidable, but will lead to detect the only alternative economically efficient creation of new jobs, maintaining permanent organizational flexibility, stimulation of innovation and creativity (Oncioiu, 2013).

### **2.2.2 Concepts of Entrepreneurship Development**

Entrepreneurship is based on propulsive risk bearing actions (Olokesusi 2012). Olokesusi has associated the resultant effect to personal discretionary approach to different circumstances and situations. In this line, Adeyemi (2013), highlighted that at the beginning of industrial Revolution era in the 18th century the prevailing view of enterprises was based on —Newtonian| known as —mechanic view| where employees were regarded as machine parts and whichever was faulty was removed and replaced. Later, by the end of First World War, the biologic view evolved.

Lemo, (2013) examined the origin and performance of indigenous entrepreneurs. He identified two broad categories of factors that affected entrepreneurs. These were the environmental factors and the personal level factors. His conclusion was that the problems that were confronting the indigenous entrepreneurs in Nigeria could only be partly explained by the economic factors.

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 Osemeke(2012). 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, 2011).

### **2.2.3 The Process of Creative Entrepreneurship**

Entrepreneurial creativity can be viewed as a process occurring in an individual who has been shaped, in part, by a range of social factors, Perry, Smith and Onugu, (2011). Distinction can be made between conscious and unconscious process of creativity. Attempting to measure its conscious elements is challenging but assessing its unconscious contribution is particularly intricate given the many intangible dimensions involved. According to Amadasun (2010), The creative process has been visualized as involving a number of stages it includes awareness of interest, preparation, incubation illumination (insight) and verification.

### **2.2.4 The Concept of Innovation**

Innovation is the process that renews something that exist or not, the birth of something new. According to entrepreneur perspective, innovation means creativity. The successful use of an idea that adds value to the customer and commercial return for the creator” Cris Beswick (2010). In Pakistan there are many entrepreneurs which create innovative products. Recently COMSATS institute of information technology has taken a new step to support mobile innovation in Pakistan. Called Best Mobile Innovation in Pakistan (BMIP) Contest 2010 is open for any “Made in Pakistan” innovation related to mobile industries and technologies. (As the official press release June 8 2010).This

developed research was in several countries and later crossed with theories of innovation resulting in new terms like “milieu innovateurs

### **2.2.5 Relationship between Creativity and Innovation**

Creativity and innovation are considered to be overlapping constructs between two stages of the creative process. Both are necessary for successful enterprise (Martins & Terblenche, 2011). Craft (2005) sees creativity as the ability to see possibilities that others haven't noticed. Technological innovation refers to the implementation or transformation of a new idea into a new product or service or an improvement in organization or process (Heye 2013). Creativity and innovation are considered to be inseparable from entrepreneurship, which is in turn manifested in the act of starting up and running an enterprise.

Petorious, Millard and Kruger (20015) maintained that creativity is clearly part and parcel of the entrepreneurial skills required to successfully start a venture. Entrepreneurs and their start-ups are considered to be important agents of innovation. (Bosma and Harding, 2011). Entrepreneurs could be argued to be by their nature, the essence of creativity and innovation. Entrepreneurs implement ideas to introduce innovative products of services, or to deliver products or services in a new, more efficient, and innovative way. Innovation in new product development could include upgrading an existing product or developing a totally new concept to create an original and innovative products (Larsen & Lewis, 2013).

Innovation is not only measured by the Creativity and Innovation as a Strategy for Enhancing Entrepreneurship Development in Nigeria: A Study of Some Selected Small and Medium Scale Enterprises in Jos Metrop - Silas Gontur; Makrop Davireng and Paul Dung Gadi new products or services offered by an enterprise

but also by new or more efficient ways of developing, producing or delivering products or services.

### **2.2.6 Connection between Creativity and Entrepreneurship**

Creativity and entrepreneurship, like innovation have been recognized as important contributed to a nation's economic growth. Creativity plays an important role in the fuzzy front end of a firm's innovation process and also in corporate venturing processes (Mathews, 2011) Early creativity research concentrated on scientific interpretations, the impact of technology and artistic creation and any connection with entrepreneurship was confined to the application of any product of a creative cost. Brown & Clow, J.E (2010) identified creativity persistent risk taking, self-confident, goal oriented, and action oriented responsible self-demanding independent inquisitive and enthusiastic. Other relevant factors include using one's initiative and being flexible. Although, there may be differences between the meanings of being creative and being entrepreneurial, there are certainly a number of overlaps. These characters compare favourably with those identified by Fillis and Rentschler (2010). Note that entrepreneurship is viewed as a major contributor to economic growth and employment creation while understanding how creativity impacts on the process is also crucial (Baumol, 2014) such entrepreneurship research reactivity and Innovation as a Strategy for Enhancing Entrepreneurship Development in Nigeria: A Study of Some Selected Small and Medium Scale Enterprises in Jos Metropolis - Silas Gontur; MakropDavireng and Paul Dung Gadi concentrates on new creation but has tended to ignore the impact of the social environment. This imbalance can be addressed by examining the contribution of creativity on entrepreneurial growth, while also examining creativity throughout the lifetime of the business (Floride& Ash, 2012) noted that entrepreneurial activity not only requires both a supportive and

productive business climate also needs an environment where creativity and innovation can flourish.

Entrepreneurial management can influence creativity by providing a work environment in which creative individuals and groups function. Tagger (2012) provided the componential theory of individual creativity. The dimensions of agreeableness, extroversion conscientiveness, general cognitive ability and openness to experience impact on individual behaviors influence individual and group level of creativity.

### **2.2.7 Challenges affecting entrepreneurial development in Nigeria**

Entrepreneurial development takes place within a framework of forces that constitute the system environment, which are either external or internal. A critical issue in the entrepreneurial development and growth is firms' ability to adapt to its strategies to a rapidly changing system environment, to which the entrepreneurs' role is critical to the success or failure of such an enterprise (Amadasun, 2010).

Onugu (2012) postulates that entrepreneurship has played and continues to play significant roles in the growth, development and industrialization of many economies the world over. In the case of Nigeria, Small and Medium Enterprises have performed below expectation due to a combination of problems which ranges from attitude and habits of entrepreneurs themselves through environmental related factors, instability of governments and frequent government policy changes.

Onugu states the top ten problem multiple taxes and levies, Lack of knowledge in the Basic Sciences and Technology, unfair competition, Inadequate access to market information and non - availability of raw materials locally.

### **2.2.8 Relationship between innovation and entrepreneurship**

Innovation is a new dream/idea/device/method; or the act of introducing new ideas/devices /methods/service/product. Innovations can be new products/business models/customer relationship/any form of new dream/idea. Innovation, however, does not have to mean the creation of something totally new. Improvements and Iterations upon an existing idea/product/service are also innovations. Take the iPod, for example. While far from the first personal music player, the iPod introduced an unprecedented customer relationship and business model, shaking up the electronics industry.

Innovation creates change; it disrupts the status quo, but it does not automatically translate to entrepreneurship or new business. In addition, innovation occurs in plenty of other contexts beyond business. Non-profit organizations, academic and Governments also generate ground breaking dreams/ideas, often sparking Economic and social change. According to Livingstone (2010: 3) in Hindle (2009), Innovation is not just the idea – innovation is only achieved when the idea has been transferred into an outcome which has value. Innovation = Invention + Implementation Source: Hindle, Kevin (3-6 February 2010)

### **2.2.9 THEORETICAL FRAMEWORK**

In the study of factors that influence entrepreneurship growth and development, several theories have been developed from different authors. However, for this study emphasis will be laid on four of such theories, namely resource-based entrepreneurship theory, anthropological entrepreneurship theory, the neo-classic theory of entrepreneurship as well as Innovative Theory of Entrepreneurship.

According to Alvarez and Busenitz (2012), the Resource-based theory of entrepreneurship argues that access to resources by a would-be entrepreneur is an

important factor that influence new venture development. The theory highlights the significance of financial, social and human resources towards enhancing the entrepreneurial ability to detect and act upon discovered opportunities. Financial, social and human capital represents three classes of theories under the resource based entrepreneurship theories (Davidson and Honing, 2013).

According to Anietie (2012) the anthropological entrepreneurship theory says that for someone to successfully initiate a venture the social and cultural contexts should be examined or considered. This means that cultural heritage of the society influence the way such people carry out their business.

#### **2.2.10 The Neo-Classic Theory of Entrepreneurship:**

This is one of the famous theories of entrepreneurship advanced by Marshal in 1948; the theory stipulates that there is no exploitation on the business platform. The theory is of the view that the effort an entrepreneur put in a particular business will determine the profit margin that will be returned on the business. On the other hand the theory also views the level of knowledge as well as the business information acquired by an entrepreneur as an important factor that will determine the level of profit and success accrue to an entrepreneur, in the course of carrying out business activities.

#### **2.2.11 Innovative Theory of Entrepreneurship**

Schumpeter (2011) notes that creativity as well as innovation is the key factor in any entrepreneur s effectiveness and efficiency. However, Schumpeter viewed innovation along with knowledge as the main catalysts of successful entrepreneurship. He believed that creativity is necessary if an entrepreneur is determining break even in a stiff competitive market.

## **2.12 EMPIRICAL REVIEW**

Anietie (2012) investigated the issues and challenges to the growth of entrepreneurship in the Niger Delta region of Nigeria. Based on the findings, Anietie concludes that entrepreneurship in the Niger Delta region is at its lowest ebb. In other words, a number of practicing and the “would be” entrepreneurs are faced with great difficulties in their entrepreneurial pursuit. These difficulties are occasioned by poor state of infrastructure, difficulty in accessing finance, socio-cultural factors such as superstitious believes and ignorance. Anietie then recommends that a rural- development programme such as Entrepreneurial Skills Development (ESD) and institutions such as Small Business Development Centers (SBDC) should be established to educate villagers/Niger Deltans on the need for and advantages of innovations in their economically productive activities such as entrepreneurship while government is advised to shift its efforts and policies toward addressing these impediments especially the inadequate and deteriorated state of infrastructural facilities which are at the cradle of any meaningful advancement in entrepreneurship.

Duru (2011) examines Entrepreneurship opportunities and challenges in Nigeria. The paper sees entrepreneurship as the process of creating something new with value by devoting the necessary time and effort, with the accompanying financial and social risks, and receiving in return monetary rewards and personal satisfaction and independence. Duru finds out that there is increasing interest on Entrepreneurship by consumers, business people and government officials which is manifested in increasing research on the subject and the realization that it quickens the process of industrialization, employment creation and poverty reduction. The analytical tool adopted for this paper is descriptive method, which cantered on looking at the different theories of entrepreneurship and drawing inferences from them. The paper identified three main ingredients that can facilitate entrepreneurship opportunities in

Nigeria. It include: Creating a Vision, Leveraging Your Strength, and Figuring out What the Market's Needs. Duru concludes that entrepreneurship is essential for rapid and sustained economic growth and development.

It creates the required Man power and skills necessary for accelerated growth, reduce unemployment and poverty. It is therefore strategic and wise for Nigeria to assign a significant and increasing role to entrepreneurship in their effort to revamp the economy.

Duru recommends that for entrepreneurs to be effective in creating wealth and employment opportunities. The government needs to create an investor-friendly environment encompassing stable macro- economic policies. Government need to address urgently the dilapidated infrastructural facilities in the country starting with the power sector, roads and railways, provide adequate security and give every citizen the sense of belonging. The educational sector needs to be revamped with emphasis on science and technology. There is need to change the mind set of young people to embrace self-employment rather than waiting for non-existing government job. Lastly, there is the need to ensure that those with innovative ideas are provided with the financial support to translate such ideas into reality.

### **3.0 Methodology**

This study adopted the survey design. This research design was permissible for employing a coherent research instrument for gathering information and generating data that were drawn on the study. The design focused on the collection and data analysis from the study population which enabled the researcher to look into the causal association connecting the identified variables. This method also gave the respondents the opportunity to express their opinions on the variables under investigation (Essien, 2014; Gado, 2015; Kanu, 2015; Omenka, 2013).

The population of the study consists of the small and mediums enterprises (SMEs) that operate their businesses in Lagos State and also registered with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). The study population of the work is 6,750 and the study area covered the SMEs operating in Lagos State for the reason that most of the registered SMEs in Nigeria are located in Lagos and also given that the State is regarded to as the economic nerve centre of Nigeria (Apulu, Latham &Moreton, 2011).

The sample size for this study was established with the use of the Taro Yamane (1967) statistical formula. This formula relates the population size to the level of significance as illustrated below:

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

Where

n = Sample Size Desired

N = Overall Population

e = Tolerated/assumed error limit 0.05

on the basis of 95% confidence level

Therefore,

$$\begin{aligned} n &= \frac{6750}{1 + (0.05^2) 6750} \\ &= \frac{6750}{16} \\ &= 423 * 0.30 = 127 \\ &= 423 + 127 \\ &= 550 \end{aligned}$$

(plus 30% of calculated sample size to allow for non-response and wrongly filled questionnaire (Oginni&Adesanya, 2013).

The study adopted a multi-stage sampling technique; the first stage employed the stratified sampling method. This involved grouping the SMEs according to their location. The five divisions of Lagos which are Epe, Ikeja, Badagary, Lagos Island, and Ikorodu were selected for this study purposively since many SMEs operate in this area (Olabisi, Olagbemi&Atere, 2011). The second stage involved the use of proportional sampling technique, and lastly the third stage

involved the use of simple random sampling method to pick the respondents from each division as used by previous researchers (Aikala, 2012; Akingbogun, 2008; Olanrewaju, 2009). For the purpose of arriving at the proportional sample size for each of the divisions, the formula below was adopted.

$$H = \frac{y(n)}{N}$$

Where;

H= is the proportionate sample size

y= represent the total number of element in each stratum

N= represent the total population size for the study

n= represent sample size derived for the study.

Therefore;

$$H = \frac{5(550)}{6,750}$$

$$H = \frac{2,750}{6,750}$$

$$H = 0.4$$

### 3.1 METHOD OF DATA COLLECTION

The required data for this study were taken from primary source. The primary data were generated from representative sample which are the owners/managers of the registered SMEs in Lagos State.

### 3.2 RESEARCH INSTRUMENT

The instrument was administered by the Researcher and assisted by a research assistant that was guided on the procedure to follow during the course of the field. The training helped to ensure a trouble-free administration and collection of the questionnaires.

### 3.3 VALIDITY OF INSTRUMENT

Validity of a research instrument involves the extent to which a research instrument measures what it is designed to measure. If the instrument is correctly designed and administered, it measures what it sets out to measure. In testing the validity of the instrument used, it was discovered to be

highly subjective as personal experiences and beliefs of the experts inevitably come into play. Based on the corrections and modifications, some items that were not good enough were replaced.

### 3.4 RELIABILITY OF INSTRUMENT

Reliability of instrument has to do with the stability of an instrument and it refers to the degree to which the instrument consistently measures what it intends to measure. It is the extent to which empirical measures that represented theoretical concept are accurate and stable when used for the study of the concept in several studies. The test-retest method was what I adopted. The test-retest method measurements on the same elements at different times using the same method of administering the questionnaire.

### 3.5 METHOD OF DATA ANALYSIS

For the purpose of carrying out data analysis, this study adopted two stages of analysis: the descriptive and inferential analysis. The descriptive analysis which was the first stage was carried out using percentage denotations and frequencies as well as other descriptive items to show variations in responses and opinions. The second stage which is the inferential analysis carried out using the regression analysis in SPSS to assess the effect of the independent variable (external business environment) on the dependent variable (SMEs performance) in order to generate estimates such as mean and standard deviations.

The three objectives used for the analysis were all derived from the objectives of the study. The research questions were tested by Pearson Product-Moment Correlation Coefficient using SPSS.

**Table 1: Descriptive statistics of innovation and entrepreneurship development**

	Mean (x)	Standard deviation	No of Entrepreneurs
Innovation	1.4	0.5	550
Entrepreneurship	1.82	0.75	550

**Source: Field Survey, 2020**

**Table 1:** Shows the descriptive statistics of innovation and entrepreneurship development, with a mean response of 1.4 and standard deviation of 0.5 for innovation and a mean response of 1.82 and standard deviation of 0.75 for entrepreneurship and number of respondents (550). By careful observation of standard deviation values, there is not much difference in terms of the standard deviation scores. This implies that about the same variable of data points between the dependent and independent variables.

**Table 2: Correlation of the relationship between innovation and entrepreneurship**

	Innovation	Entrepreneurship
Innovation Pearson Correlation	1	1.07(**)
Sig (2- tailed)		000
Competitive Pearson correlation	1.07(**)	1
Sig (2 tailed)	000	
N	550	550

**Source: Field Survey, 2020**

Table 2: Is the Pearson correlation coefficient for innovation and entrepreneurship development. The correlation coefficient shows 1.07 the value indicates that there is a positive relationship between innovation and entrepreneurship ( $r = 1.07$ ). Therefore, the null hypothesis is rejected, the alternative hypothesis is accepted which shows that there is significant relation between innovation and entrepreneurship development in Nigeria.

**Table 3: Descriptive Statistics of Creativity and Innovation**

Variable	Mean	Standard deviation	No of Entrepreneur
Creativity	0.6	1.3	550
Innovation	0.10	1.02	550

**Source: Field Survey, 2020**

Table 3: Shows the descriptive statistics of the creativity and innovation with mean response of 0.6 and standard deviation of 1.3 for creativity value, there is a mean response

of 1.02 and standard deviation of 0.10 for innovation and number of respondents (550). From the observation of standard deviation values, there is not much difference in terms of the standard deviation scores. This implies that there is about the same variability of data points between the dependent and independent variables.

**Table 4: Descriptive Statistics of the Relationship between Innovation and Competitive Advantage.**

Variable	Mean	Standard Deviation	No. of Entrepreneurs
Innovation	12.9	5.72	550
Competitive advantage	13.86	6.6	550

**Source: Field Survey, 2020**

**Table 4:** Shows the descriptive statistics of the innovation and competitive advantage with a mean response of 12.9 and standard deviation of 5.72 for innovation and a mean response of 13.86 and standard deviation of 6.6 for competitive advantage. From the calculation of the mean response and standard deviation for the two variables, there is not much difference in terms of the standard deviation scores.

**Table 5: Correlations of the Relationship between Innovation and Competitive Advantage.**

	Innovation	Competitive advantage
Innovation Pearson correlation	7.1	7.26
Sig (2- tailed)		
N	550	550
Competitive advantage: Pearson correlation	7.26	7.1
Sig (2- tailed)		
N	550	550

**Source: Field Survey, 2020**

Table 5: shows correlation coefficient of 7.26, the value indicates that there is the positive

relationship between innovation and competitive advantage. The null hypothesis is rejected while alternative is not rejected which indicates that there is a significant relationship between innovation and competitive advantage.

#### 4.1 Discussion of Findings

Based on the result of analyses carried out, the following findings were made, Table 1, 2, & 3 revealed that there is significant positive relationship between innovation and entrepreneurship development. The findings are in agreement with Sanusi (2007). He examined the relationship between creativity/innovation in entrepreneurial development in Nigeria. Who considered Agro-Allied Companies quoted suggested a positive significant relationship between creativity/innovation in entrepreneurial developments in Nigeria. Similarly, Dabson (2005) in her study on promoting sustainable entrepreneurship in emerging market observed that innovation is the key factor for success. She further suggested that a high degree of integration is required among variable units of an enterprise for innovation to be successful.

Table 4: Items: 1 and 3, table 4 and 5, showed that there is significant correlation or relativity between creativity and innovation. The finding totally agreed with the view of Iyayi, Akinmayowa & Enaini (2012) and Ezenwakweh & Ikon, (2014). This confirms the central role of creativity and innovation to the entrepreneurial process (Barringer & Ireland, 2006). Table 7: Items: 1 and 3 revealed a positive relationship between innovation and competitive advantage. Also from the descriptive statistics and Pearson Correlation Coefficient, it indicates a positive relationship between innovation and competitive advantage.

The finding is in line with theoretical studies of Wang, Lin and Chi (2011). It also agreed with the empirical studies of Ezenwakweh, (2014) and Salege and Vera (2012) which points out that innovation is positively linked

to productivity, quality market share and competitiveness. The finding of Suliyento (2006) and Pardi, Iman & Zaina (2014) also agreed that there is a significant positive effect of innovation on competitive advantage.

Entrepreneurship is an employment strategy that can lead to economic self-sufficiency for people. It makes people to create and manage businesses in which they function as the employer or boss rather than merely being and employee. In this perspective technology is not a neutral tool, but something that at the same time supports and constraints human action, thinking and even deepest values. Each technological innovation brings with it a wave of new start-ups and new entrepreneurs, but probably the way entrepreneurship is deployed changes in any major technological revolution. Innovation is seen to be instrumental in increasing the country's competitiveness and wealth, and SMEs are at the core of the economic growth of several industrial countries. Therefore, the results show that there are some policy implications from this study. There is urgent need for enterprise-oriented technology transfer units to link the science and technology system with the production system. This then calls for constant re-tooling and re-engineering of the country's SMEs, development agencies to be able to design and implement an effective mechanism to strengthen information flow relationships from the national innovation system of the country to the SMEs.

#### 5.1 CONCLUSION

This research has provided an insight into innovation and entrepreneurial development, creativity and competitive advantage. The research has demonstrated a positive relationship between entrepreneurial development and innovation, creativity and innovation and innovation and competitive advantage. Innovation is seen to be instrumental in increasing the country's competitiveness and wealth creation. Small and Medium Scales Enterprises are at the

core of the economic growth of several industrial countries.

These small and medium scale firms rarely engage in research and development. For SMEs to grow and contribute meaningfully to the economic development of Nigeria, innovation is the key factor. It propels growth and prosperity. This can only be achieved through providing new ways of maximizing their current level of productivity.

## 5.2 RECOMMENDATIONS

The following recommendations were proffered.

- i. Government, individuals and private organizations should invest in education as innovation and entrepreneurship require an intelligent and creative workforce.
- ii. 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.
- iii. Competitive advantage cannot work in isolation of innovation; it should be complemented and assisted by various organizations.
- iv. Government should focus on research and development for the benefit of innovation and entrepreneurship.

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