

## EFFECT OF ENTREPRENEURSHIP ON THE DEVELOPMENT OF SMALL AND MEDIUM SCALE ENTERPRISES IN ENUGU METROPOLIS.

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### Abstract

This study is on the effect of entrepreneurship on the development of small and medium scale enterprises in Enugu metropolis. The objectives of the study are to examine the effect of idea generation on sustainability of SMEs and ascertain the effect of Opportunity evaluation on the equity of SMEs in Enugu state. The study employed descriptive survey design. The population of the study consists of the owners and senior staff of the selected SMEs in Enugu metropolis with the total population of three hundred and sixty-four (364). The study made use of the whole population as its sample size due to small number. Data from the questionnaire were administered and analyzed using simple percentages, mean and standard deviation, and the research hypotheses were tested using Z – test. The findings of the study revealed that idea generation had significant positive effect on sustainability of SMEs in Enugu State,  $Z(95, n = 319), 9.980 < 10.750, P. < .05$  and that opportunity evaluation had significant positive effect on the equity of SMEs in Enugu state,  $Z(95, n = 319), 9.350 < 10.260, P. < .05$ . The study concludes that the essence of entrepreneurship lies in the perception and exploitation of new opportunities in the realm of business. It always has to do with bringing about a different use of national resources in that they are withdrawn from their traditional employ and subjected to new combinations. The study among other things recommended that SMEs should endeavour to have idea generation to facilitate development and communication of new ideas and concepts, which become the basis of our innovative strategies.

## Introduction

### 1.1 Background of the Study

Entrepreneurship, a captivating subject that intrigues the brightest and most affluent individuals, possesses a magical quality when a skilled entrepreneur transforms the world. This article delves into the essence of

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entrepreneurs, exploring the definition and identifying five key elements that serve as a checklist for entrepreneurial qualifications (Criniti, 2021). Entrepreneurship is not merely a tool for combating unemployment, poverty, and underdevelopment in developing nations, but also a strategy for rapid economic development globally (Egwu, 2015).

In the current dynamic economic landscape, flexible individuals with entrepreneurial values, attitudes, and mental capacities for creative thinking are crucial. These attributes provoke a venture spirit, generating timely ideas to enhance businesses and meet environmental demands (Asogwa & Anah, 2017). The field of entrepreneurship has gained increasing attention from researchers, academicians, and policymakers globally, sparking debates over its concept and definition.

Entrepreneurial activities are considered the most efficient and effective means of establishing new enterprises and introducing novel goods and services to the market. These activities significantly impact society's economy by building the economic base and creating job opportunities. To be enterprising entails keeping one's eyes open, maintaining an active mind, and possessing the skills, confidence, creativity, and discipline to seize opportunities, irrespective of environmental influences (Bell, 2015). Entrepreneurship development is influenced by economic, social, political, and psychological factors, with positive effects creating favorable conditions and negative effects impeding entrepreneurship development (Adom, 2015).

The entrepreneurial process involves a desire to innovate, producing new goods or services, improving existing ones, and profiting from these endeavors. Entrepreneurship is fundamentally concerned with wealth creation through the generation of value and the creation of new markets or improvements to existing products, resulting in the destruction of existing market structures (Akinroluyo & Adetunji, 2021).

Development, in the conventional sense, implies an increase in the size or pace of the economy, leading to the production of more products and services. Traditionally, the assumption has been that increased economic output improves the standard of living. Development refers to the enhancement of a country's economic and social conditions, specifically in managing natural and human resources (Shah, 2021).

Small and Medium-Scale Enterprises (SMEs) play a vital role in the economic development of nations. These enterprises have gained increasing policy attention, particularly in third-world countries, as large-scale, capital-intensive, and import-dependent industrial strategies have yielded unsatisfactory results. Entrepreneurial development is crucial in Nigeria's economy, characterized by heavy reliance on oil, low agricultural production, high unemployment, low industrial capacity utilization, high inflation rates, and insufficient industrial infrastructure (Muritala, Awolaja & Bako, 2016).

Addressing unemployment in Nigeria, Ulabor et al. (2018) emphasize the importance of government attention to entrepreneurship development. The decline of small and medium-scale enterprises, once prideful contributors to the nation's development, can be attributed to the lack of technological and entrepreneurial skills needed to thrive in the knowledge-driven entrepreneurial age (Ulabor et al., 2018). Skilled and talented entrepreneurs, spanning various professions, who take risks by investing resources in their own ventures, are pivotal contributors to nation-building and warrant recognition and celebration (Akinroluyo et al., 2021). This necessitated the study effect of Entrepreneurship on the development of SMES in Enugu state.

## **1.2 Statement of the Problem**

Entrepreneurship is not merely an activity; it is a comprehensive way of thinking, reasoning, and acting that centers around an obsession with opportunities, takes a holistic approach, and balances leadership for the explicit purpose of creating and capturing value. This process results in the creation, enhancement, realization, and renewal of value, extending beyond owners to encompass all participants and stakeholders. At its core,

entrepreneurship revolves around the identification or creation of opportunities and the determination to seize them. It demands a willingness to take calculated risks, both personal and financial, with the goal of continually tilting the odds toward success and balancing risk with potential reward.

Entrepreneurship has the potential to address persistent global issues such as climate change and income inequality. However, organizations face substantial challenges in embracing entrepreneurship development, primarily due to issues such as poor idea generation, insufficient opportunity evaluation, and a lack of planning and growth strategies (Author, Year). These challenges, if not effectively addressed, can lead to low sustainability, equity deficits, subpar output, empowerment deficiencies, unattractive ventures for customers, inadequate product offerings, revenue generation difficulties, and ineffective cost reduction in SMEs, ultimately hindering organizational performance. Based on this the study aimed at evaluating the effect of Entrepreneurship on the development of SMES in Enugu state.

### **1.3 Objectives of the Study**

The broad objective of the study is to examine the effect of entrepreneurship on the development of small and medium scale enterprises in Enugu metropolis. However, the specific objectives include to:

- i. Examine the effect of idea generation on sustainability of SMEs in Enugu State
- ii. Ascertain the effect of Opportunity evaluation on the equity of SMEs in Enugu state

### **1.4 Research Questions**

The following research questions guided the study

- i. What is the effect of idea generation on sustainability of SMEs in Enugu State?
- ii. What is the effect of Opportunity evaluation on the equity of SMEs in Enugu state?

### **1.5 Statement of the Hypotheses**

The following Hypotheses guided the study

**Ho1:** Idea generation has no significant effect on sustainability of SMEs in Enugu State.

**Ho2:** Opportunity evaluation has no significant effect on the equity of SMEs in Enugu state.

### **1.6 Scope of the Study**

The research work covered the effect of entrepreneurship and development of small and medium enterprise in Enugu Metropolis. The research work covered the small and medium scale enterprises in Enugu Metropolis. The management issues include: idea generation and Opportunity evaluation as independent variables while sustainability and equity as dependable variables. The unit of analysis are the owners and senior staff of the selected SMEs in Enugu metropolis.

## **Review of Related Literatures**

### **2.1 Conceptual Review**

#### **2.1.1 Entrepreneurship**

Entrepreneurship is a dynamic process encompassing activities such as envisioning, risk-bearing, organizing, and establishing a business enterprise. At its core, the concept is deeply intertwined with innovation, novelty, and the pursuit of something entirely new. The dynamic nature of entrepreneurship becomes evident through entrepreneurs' endeavors to introduce new combinations, products, production processes, and the establishment of novel enterprises. It plays a crucial role in influencing a country's economic growth and global competitiveness. The entrepreneurial process involves the identification, evaluation, and implementation of new business opportunities, encompassing the establishment of fresh business firms and enterprises. This process is inherently linked to innovation, leading to employment generation, improved living standards, and fostering overall economic growth and development. The essence of entrepreneurship lies in recognizing and exploiting new

opportunities within the business domain, often involving a different utilization of national resources by withdrawing them from traditional employment and subjecting them to new combinations (Dhar, 2020).

An entrepreneur is an individual who initiates and manages a business with limited resources and planning, assuming responsibility for all associated risks and rewards. Typically, entrepreneurial ventures focus on new products or services rather than existing business models, aiming for high returns amidst a high level of uncertainty. Entrepreneurs willingly risk their financial security and careers, invest time and capital in uncertain ventures, and oversee crucial aspects such as capital acquisition, raw material sourcing, manufacturing facilities, and skilled employee recruitment. Marketing, sales, and distribution, even if outsourced, remain under the entrepreneur's control, distinguishing entrepreneurship from inheriting or managing an existing business, salaried work for a startup or entrepreneur, commissioned agency roles, or selling pre-existing goods or services as a franchisee or dealership (Seth, 2019).

Entrepreneurship, fundamentally, involves the creation or extraction of value and is synonymous with change, often entailing risks beyond the norm in business initiation. It extends beyond purely economic values, encompassing broader aspects (Diochon & Anderson, 2011; Gaddefors & Anderson, 2017). The entrepreneurial process is described as the design, launch, and management of a new business venture, similar to a small business. It is characterized by the capacity and willingness to organize, develop, and manage a business venture along with its associated risks to turn a profit. Entrepreneurs, as the creators of these businesses, navigate challenges such as lack of funding, poor business decisions, government policies, economic crises, market demand fluctuations, or a combination of these factors, leading to the closure of a significant proportion of startups (Belicove, 2012).

### **2.1.2 Components of Entrepreneurship**

#### **a. Idea generation**

Idea generation, also known as ideation, is the process of conceiving and forming ideas, constituting a creative endeavor that involves the generation, development, and communication of novel thoughts and concepts. This process serves as the cornerstone of innovation strategy (Watkins, 2019). When approached as an individual activity, techniques for idea generation serve as effective tools to break routine patterns and stimulate fresh thoughts. On a collective or organizational level, structured ideation proves transformative as a problem-solving and collaborative tool.

The significance of idea generation lies in its role as a process used to formulate new ideas, aiding individuals in discovering innovative solutions to problems they might not have envisioned otherwise. The ability to create and develop fresh ideas is paramount for individuals and organizations to remain relevant and instigate positive change. Whether approached individually, collectively, or organizationally, structured thinking can be harnessed as a tool for problem-solving and collaboration. Ideas form the cornerstone of innovation, and without them, execution becomes impossible, hindering the key to learning and improvement. Organizations, therefore, must establish systematic processes to manage individual ideas (Islam, 2021).

An idea is a mental concept, suggestion, or thought about a potential outcome or course of action, tangible or intangible, used to achieve a particular goal. Idea generation holds significance as it enables individuals and organizations to discover new solutions and approaches to a variety of problems. It facilitates the generation of ideas that may not have occurred to individuals organically and provides a means to reflect on past ideas, refining previous solutions (Hartin & Abourizk, 2022).

Innovation commences with a great idea, and the exploration of new idea generation strategies equips teams with creative tools applicable in any situation. The idea generation process is often iterative, involving repeating a series of steps or stages to achieve a desired outcome. Once an idea is generated, it undergoes a testing phase to

assess its suitability for achieving the desired goal. Feedback is then received, and if the idea falls short, it undergoes editing or refinement. This iterative process repeats until the desired outcome is achieved (Hartin & Abourizk, 2022).

Ideas are crucial for innovation, serving as the source that fuels competitive advantage for organizations. Ideation and idea generation are synonymous terms, both representing the process of creating new ideas, while idea management involves overseeing ideas throughout the innovation process (Dorow, Davila, Varvakis & Vallejos, 2015). Idea generation is the process of creating, developing, and communicating abstract, concrete, or visual ideas. It forms the front-end of the idea management funnel, focusing on proposing solutions to perceived or actual problems and opportunities (Kylliainen, 2019). Idea challenge, a focused form of innovation, involves presenting a problem or opportunity to generate creative solutions within a predefined theme for a limited period. Generating ideas is a systematic process involving the creation and capture of ideas in accordance with organizational requirements, encompassing elements related to creativity and details of the organizational structure to support the process.

The success of idea generation in innovation hinges on the quality of the best opportunities identified. Generating raw ideas that feed subsequent development processes plays a critical role in entrepreneurship. Stampfl (2015) observed that new ideas give rise to new business models, and new businesses emerge at the intersection of entrepreneurial action and knowledge spillovers. When generating ideas, a firm makes intentional or default choices about its creative problem-solving process. Idea generation is the creative process of generating, developing, and communicating new ideas, emphasizing that "business is not about the idea of power, but the power of ideas." The starting point for any business organization is a powerful idea - one worth thinking about, enhancing, developing, and converting into a business (Stampfl, 2015).

Entrepreneurship involves the creation and management of a business, with idea generation standing out as a key factor contributing to its success. The conceived idea must have the capacity to solve a problem, making idea generation the initial step in product development. This step necessitates the exploration of feasible product options for execution and holds utmost importance for organizations seeking to address their challenges (Obialo, 2021). Various activities stimulate idea generation, classified as internal and external activities. Internal activities encompass both online and offline platforms for discussions. Sources of idea generation include the people and places from which organizations derive ideas. Employees and the research & development department serve as valuable internal sources, while external sources, such as customers, suppliers, competitors, distribution channels, government, educational institutions, and focus groups, also contribute significantly.

Ideas constitute the fundamental building blocks for innovation, defining the starting point for any new endeavor. The quality of an entrepreneurial idea becomes a determining factor in starting a business and contributes significantly to its success. An entrepreneurial idea is deemed good if it is sustainable and forms the foundation for a genuine business, representing resiliency over time (Casali, Perano, Moretta & Zolin, 2018). Generally, frameworks for entrepreneurial ideas encompass all well-developed concepts related to the offering of products, services, resources, and capabilities required for launching a business, as well as ideas that display initial feasibility within an individual's mind.

## **b. Opportunity Evaluation**

Assessing ideas and opportunities is crucial in identifying valuable business prospects and determining their feasibility for pursuit. This evaluation process significantly enhances an entrepreneur's chances of achieving commercial success (Airfocus, 2023). Evaluating a business idea involves studying market conditions, identifying a target market, and analyzing projected costs for the new venture. According to Healey, Bleda, and Querbes



(2021), decisions in opportunity evaluation depend on the cognitive status of lead entrepreneurs and the team formation strategy, whether based on cognitive homophily or cognitive heterophily.

The opportunity evaluation process is a systematic procedure where entrepreneurs transform identified opportunities into viable business ideas. To accomplish this, entrepreneurs must understand the industry background, recognize emerging opportunities, and actively seek new possibilities (Smith & Hendricks, 2022). Opportunity recognition, a significant factor in innovation, involves five stages: idea generation, opportunity identification, opportunity development, opportunity evaluation, and team assessment. This process equips entrepreneurs with the necessary steps to develop and improve products and services.

Opportunity recognition is vital in entrepreneurship as it is the mechanism through which entrepreneurs identify feasible ideas, envision new products or services, and establish a new form of consumption (Smith & Hendricks, 2022). The five stages of opportunity recognition are crucial for effective business development.

For small and medium enterprises (SMEs), business evaluation is a key tool for positioning themselves for growth in the New Year (Osayi, 2021). Utilizing business evaluation models assists entrepreneurs in repositioning their businesses for expansion by measuring and analyzing various performance metrics. The asset-based approach, focusing on a company's net asset value, is an effective way to evaluate business growth. This approach, which subtracts total liabilities from total assets, provides entrepreneurs with insights into their business's value, facilitating strategic decisions and creating opportunities for additional investments.

In the context of the European Union's economic grouping, SMEs play a crucial socio-economic and political role, contributing to employment, social stability, and innovation development (Peprny & Kubickova, 2011). Therefore, constant attention is given to SMEs' development to harness their multiplicity and positive impact on the economy.

### **2.1.3 Development**

Development, as outlined by Majeed and Shakeel (2017), encompasses various combinations of training programs designed to enhance the quality and performance of current managers while addressing present and future organizational requirements. It is a continuous process aimed at improving the skills and knowledge of individuals for personal growth (Mohamed, 2015). In the contemporary business environment, employee development has become a critical and strategic imperative for organizations, necessitating continuous investment to ensure both employee and organizational success (Abdul & Aamer, 2011). Organizations that foster a mature learning culture are three times more likely to leverage this as a recruitment tool, emphasizing the importance of employee development (Khawaja & Nadeem, 2013).

Development, in an economic context, involves implementing economic and technical measures to utilize available resources, thereby stimulating economic growth and enhancing people's quality of life (Mohamed, 2015). This multifaceted concept includes the acquisition of new knowledge or skills to facilitate personal growth, as organizations provide development programs to enhance employee capabilities (Abdul & Aamer, 2011). Additionally, development is a process that encompasses growth, progress, positive change, and the incorporation of various components such as physical, economic, environmental, social, and demographic factors (SID, 2021). The overarching purpose of development is to elevate the level and quality of life for the population while creating or expanding regional income and employment opportunities, all while preserving environmental resources.

Furthermore, development is an ongoing process that adapts to changes in science, technology, economics, markets, political environments, education, knowledge, values, attitudes, behavior, and culture (Vicky, 2018). Organizational development, a subset of overall development, involves planned changes that affect beliefs, values, structures, and technologies within an organization to accommodate progress (Vicky, 2018). Human

resources management is integral to organizational effectiveness, with the understanding that humans are influenced by change. The organizational development process incorporates a range of planned changes, aligning with humanistic democratic values and technology to enhance organizational effectiveness and employee well-being.

Organizational development, a critical and science-based process, empowers organizations to build their capacity for change and achieve greater effectiveness through the development, improvement, and reinforcement of strategies, structures, and processes (Erik, 2016). Stakeholders in this process include both internal and external entities, with management and employees serving as internal stakeholders, and customers, investors, suppliers, communities, and governments as external stakeholders (Erik, 2016).

Shifting the focus to a conventional economic perspective, development is often associated with an increase in the size or pace of the economy, leading to the production of more products and services. The traditional assumption posits that economic growth, manifested through increased output, correlates with a higher standard of living for individuals (Shah, 2021). In this context, development implies an improvement in a country's economic and social conditions, with a specific emphasis on managing natural and human resources more effectively (Shah, 2021).

#### **2.1.4 Components of Development**

##### **a. Sustainability**

Sustainability, as a social goal, revolves around the enduring ability of people to coexist on Earth over the long term. In everyday usage, the focus of sustainability often centers on addressing significant environmental challenges such as climate change, biodiversity loss, loss of ecosystem services, land degradation, and air and water pollution. Harrington (2016) defines sustainability as the long-term viability of a community, social institutions, or societal practices, emphasizing intergenerational ethics. It entails ensuring that present environmental and economic actions do not diminish opportunities for future generations to enjoy similar levels of wealth, utility, or welfare.

Corporate consciousness of sustainability is paramount, ranking as one of the most crucial contemporary business objectives. Infosys (2023) describes sustainable manufacturing as a holistic concept that seeks to balance social, economic, and environmental performance—People, Planet, and Prosperity. The success of a company in the long term relies on integrating these three dimensions of sustainability.

Sustainability, as an academic discipline, is a nascent field that seeks to bridge social science with civic engineering, environmental science, and future technology. Beyond conventional notions of renewable fuel sources and carbon emission reduction, sustainability encompasses protecting environments, maintaining delicate ecosystems, and driving innovation without compromising our way of life. A bachelor's degree, and in some cases even lower qualifications, can prepare individuals for careers in sustainability, reflecting the growing demand in this field (Matthew, 2021).

This discipline explores how natural systems function, maintain diversity, and provide for ecological balance, recognizing that human civilization relies on resources to sustain modern lifestyles (Diamond, 2015). Sustainability strives for harmony with the natural world, safeguarding it from damage and destruction.

At its core, sustainability means meeting present needs without jeopardizing the ability of future generations to meet their own needs. This extends beyond natural resources to include social and economic resources. Sustainable business practices aim to preserve the long-term viability of People, Planet, and Profit—the triple bottom line. Sustainability is not limited to environmental concerns but also encompasses social equity and

economic development. The current societal awareness of environmental impact is driving a collective movement toward a sustainable future, prompting significant changes in the corporate landscape (Susanne, 2021).

Sustainability, as a broad discipline, provides insights into various aspects of the human world, encompassing business, technology, environment, and social sciences. Graduates with sustainability skills are highly sought after in a world aiming to reduce carbon emissions and develop future technologies. Sustainability draws on politics, economics, philosophy, and other social sciences, along with hard sciences. Graduates often find opportunities in civic planning, environmental consultancy, agriculture, not-for-profit organizations, corporate strategies, health assessment and planning, law, and decision-making. Entry-level jobs for sustainability graduates are increasing, offering expanding options and opportunities in the coming years.

The concept of sustainability comprises three pillars: economic, environmental, and social, often referred to as profits, planet, and people. Companies are increasingly making public commitments to sustainability, taking actions such as waste reduction, investment in renewable energy, and support for organizations working towards a more sustainable future (Grant & Brock, 2020).

#### **2.1.4.2 Equity**

Equity, also referred to as shareholders' equity or owners' equity in privately held corporations, represents the residual value that would be distributed to a company's shareholders after liquidating all assets and settling all debts. This equity equation provides a snapshot of the current financial position by comparing tangible assets and liabilities. Its significance lies in revealing the extent of an investor's investment in a business based on their ownership of shares (Economic, 2023). Beyond assessing companies, equity serves as a broader metric for determining ownership of any asset after deducting associated debts.

The complexity of equity extends across various contexts, particularly in the business sector, where constructing equitable products and services presents a challenging task for companies and managers (Nassè, Ouédraogo, Takougang & Zidouemba, 2020). Despite its complexity, equity is recognized as a crucial factor influencing business performance, customer satisfaction, and customer loyalty. It involves a comparison between an individual's perception of an exchange and how others perceive the same exchange.

The origin of the concept of equity can be traced back to Latin terms "aequitas" and "aequus," encompassing notions of equality, justice, and impartiality. Organizational equity, within the business context, pertains to the distribution of power and resources among internal stakeholders, including directors, executives, managers, and employees (Nassè, Ouédraogo, Takougang & Zidouemba, 2020). This analysis considers the historical unequal distribution of equity in society, focusing on the allocation of resources and power to groups traditionally underrepresented in upper echelons of business.

Equity is often understood as fairness, distributive justice, and rightfulness, though its conceptualization varies. It is associated with customers' perceptions of distributive justice in products or services, potentially influencing brand perception. Researchers exploring equity-related issues should consider adjacent concepts such as fair justice, ethical business practices, business justice, and impartial management practices (Nassè, 2020). Adams emphasizes that when individuals perceive a lack of equity or fairness in an exchange, it may negatively impact the partnership.

Racial equity, as defined by Otaka (2020), involves valuing and treating all employees fairly, irrespective of their race and culture, under the principle that strength arises from diversity. This necessitates the elimination of discriminatory policies, practices, attitudes, and cultural messages, along with providing additional support and services to address existing inequities.



In the realm of shareholders' equity, Otaka (2020) contends that it is synonymous with a firm's net assets, but he highlights the original notion of equity involving a share or appropriation. Equitable distribution of business profit among stakeholders, rather than claims on firm assets, should be considered. Shareholders' equity is not necessarily determined uniquely, as it is a relative concept dependent on a norm of profit distribution among stakeholders in a corporation.

## 2.2 Theoretical Framework

The following theories guided the study is the Resource Based theory propounded by Penrose (1959)

The study was anchored on Resource Based theory propounded by Penrose (1959). The theory provides a framework to highlight and predict the fundamentals of organisation performance and competitive advantage. The theory is an organizational strategy that focuses on internal resources as a means of creating a competitive advantage. The resource-based theory seeks to explain why some firms perform better than others by looking to the firms' resources. The core idea behind the resource-based view is that competitive advantage comes from a firm's effective use of tangible and intangible resources or assets. Tangible assets include plant, equipment and even human resources, whereas intangible assets include things like trade secrets and corporate reputation. The theory has important implications for entrepreneurship research. Entrepreneurial opportunities can be expressed as an entrepreneur's unique insight into the value of particular resources that established firms may not yet possess.

## 2.3 Empirical Review

Okonkwo and Nnadi (2017) conducted a study on the Effect of Federal Government Support Agencies in the Development of Entrepreneurship in Enugu State. Descriptive research design was adopted in the study among 396 beneficiaries of government support agencies in Enugu State. Data obtained through questionnaire was used in testing the study hypotheses at 5% significant level. The result of the study shows that SMEDAN has significantly enhance the establishment of micro businesses in Enugu State, Nigeria ( $r = .874$ ;  $t = 29.038$ ;  $p = .000$ ) and that Industrial Training Funds (ITF) has a significantly engaged in business establishment skill acquisition ( $r = .809$ ;  $t = 22.201$ ;  $p = .000$ ).

Ugwu (2021) conducted a study on the Effect of Macro Environmental Factors and Sustainability Development of Small-Scale Businesses (SSB) in Enugu State. The study used the survey approach. The primary sources were personal interview and the administration of questionnaire. The population of the study was three hundred and fifty-three (353) small business owners with Enugu metropolis. A random sampling method was adopted. 353 questionnaires were distributed and two hundred and ninety-four was returned (294) and accurately filled. That gave 84 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient ( $r$ ). It gave a reliability coefficient of 0.78 which was also good. Data was presented and analyzed by a mean score (3.0 and above agreed while below 3.0 disagreed) and a standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z-test statistics tool. The findings indicated that Cultural practices had positive effect on equal opportunity of SSB in Enugu State  $Z(95, n = 294) = 7.494 < 9.652, p > 0.05$ . There was positive effect of technological change on maintenance of skills of SSB in Enugu State  $Z(95, n = 294) = 5.686 < 6.794, p > 0.05$ .

Ugwu, Njeze and Oluka (2023) conducted a study on an Examination of the Influence of the Igbo Apprenticeship Schemes on Development of SMES in Enugu State. The study employed the descriptive survey design. The area of the study was Enugu metropolis, Enugu state. The population of the study consists of four hundred and eleven (411) responses carefully drawn from the Enugu Metropolis business clusters in Enugu state, Nigeria. The small and medium enterprises under study includes: The Artisans and Traders who were once apprentice and trainees

or mentees. A stratified sampling method was adopted. Three hundred and twenty-four (324) returned their questionnaire and accurately filled representing 79 percent response rate. The instrument for data collection used in the study was structured questionnaire. Data were presented and analyzed by mean score and standard deviation using Sprint Likert Scale. Z – Test was used to test the hypotheses. The findings of the study revealed that the extent to which operators of SMEs (graduates of IAS) get start-up capital (funding) from their masters was significantly high  $Z(95, n = 324), 7.056 < 10.389 = p. < 0.05$ . The degrees to which operators of SMEs (graduates of IAS) acquired requisite management skills from the masters was significantly high  $Z(95, n = 324), 7.222 < 9.833 = p. < 0.05$ . The degrees to which operators of SMEs (graduates of IAS) emulate their masters as role models was significantly high,  $Z(95, n = 324), 6.500 < 10.389 = p. < 0.05$ .

Ajayi and Gomna (2021) carried out a study on an Entrepreneurial Marketing as a Panacea to the Growth of the Nigerian Informal Sector. Survey design was adopted with a population of 1044 entrepreneurial firms drawn from Ibadan, Ogbomoso and Oyo towns in Oyo State Nigeria. A sample size of 593 was drawn from the total population. The closed-ended structured questionnaire was the instrument used to collect data from the respondents. Results showed that entrepreneurship marketing facilitates the economic redemption and growth of Nigeria. To this end and given the backwardness of most developing countries especially Nigeria in the area of entrepreneurship development, it is recommended that more efforts should be made to improve the rate of development and granting of financial support to entrepreneurs.

### **Methodology**

The study employed descriptive survey design. The area of the study comprised of five (5) selected SMEs made up of Domestic & Industrial Plastic Rubber and Foam Firms in Enugu metropolis and Member Companies of Manufacturers Association of Nigeria (MAN) South-East Geo-Political Zone. The population of the study consists of the owners and senior staff of the selected SMEs in Enugu metropolis with the total population of three hundred and sixty-four (364). The study made use of the whole population as its sample size due to small number. The main instrument for data collection was structured questionnaire; the study made use of oral interview. Copies of the questionnaire were administered to staff of the organizations studied. The instrument was given to two experts from the industry and academia to measure face and content validity. To make sure that the research instruments applied in the work are valid, the research ensured that the instrument measure the concept they are supposed to measure. The reliability of the study was done by administering 20 copies of the prepared questionnaire to the sample of the study. Cronbah's Alpha was used in determining the extent of consistency of the reliability. Scale reliabilities were calculated using Cronbach's Alpha; the result obtained was 0.870. This shows that the internal consistency of the scale is good for the purpose of this study because it is greater than 0.87 which was good. The questionnaire responses were grouped into various categories and entered in the SPSS software to facilitate analysis using descriptive statistics. Data was collected, coded, grouped into frequencies, and arranged into tables for ease of reference. Data from the questionnaire were administered and analyzed using simple percentages, mean and standard deviation, and the research hypotheses were tested using Z – test.

### **Data Presentation and Analyses**

#### **4.1 Distribution and returned Questionnaire**

Three hundred and sixty-four (364) copies of the questionnaire were distributed to the respondents and three hundred and nineteen (319) copies were returned representing ninety-two (92%) percent, while forty-five (45) copies of the questionnaire were not returned representing eight percent (8%). This shows a high rate of the respondents.

## 4.2 Data presentation

### 4.2.1 The effect of idea generation on sustainability of SMEs in Enugu State

**Table 4.1.1: Responses on the effect of idea generation on sustainability of SMEs in Enugu State**

		5 SA	4 A	3 N	2 DA	1 SD	$\Sigma$ FX	- X	SD	Decisio n
1	The idea generation is the basis of innovative strategies	640 128 63.8	520 130 8.0	51 17 12.8	32 16 4.3	28 28 11. 2	127 319 100%	3.98	1.204	Agree
2	Idea generating helps to boost creativity and prouctivity	615 123 61.2	508 127 8.0	57 19 12.2	44 22 7.4	28 28 11. 2	125 319 100%	3.92	1.229	Agree
3	Generating of idea helps to train the brain to think more divergent and save time	405 81 33.0	732 183 44.7	51 17 5.9	40 20 5.3	18 18 11. 2	125 319 100%	3.92	1.030	Agree
4	Staying relevant and bring positive change to ourselves or the organization are possible through idea generation	960 192 48.9	220 55 17.0	81 27 13.3	56 28 9.6	17 17 11. 2	133 319 100%	4.17	1.220	Agree
5	There is improving in what already exists as well as coming up with something new	285 57 26.1	836 209 54.8	45 15 6.9	34 17 2.1	21 21 10. 1	122 319 100%	3.82	1.002	Agree
<b>Total Grand mean and standard deviation</b>								<b>4.75</b>	<b>1.137</b>	

**Source: Field Survey, 2023**

Table 4.2.1, 258 respondents out of 319 representing 71.8 percent agreed that the idea generation is the basis of innovative strategies with mean score 3.98 and standard deviation of 1.204. Idea generating helps to boost creativity and productivity 250 respondents representing 69.2 percent agreed with mean score of 3.92 and standard deviation of 1.229. Generating of idea helps to train the brain to think more divergent and save time 264 respondents representing 77.7 percent agreed with mean score of 3.92 and standard deviation of 1.030. Staying relevant and bring positive change to ourselves or the organization are possible through idea generation 247 respondents representing 65.9 percent agreed with mean score of 4.17 and 1.220. There is improving in what already exists as well as coming up with something new 266 respondents representing 80.9 percent agreed with a mean score of 3.82 and standard deviation 1.002

**4.2.2 The effect of Opportunity evaluation on the equity of SMEs in Enugu.****Table 4.2.2: Responses on the effect of opportunity evaluation on the equity of SMEs in Enugu.**

		5	4	3	2	1	$\Sigma$ FX	-	SD	Decisio
		SA	A	N	DA	SD		X		n
1	Opportunities gives business owners, entrepreneurs the ability to maximize their potentials	630 126 63.8	512 128 8.0	51 17 12.8	50 25 4.3	23 23 11. 2	127 319 100%	3.98	1.189	Agree
2	There is creation of successful business enterprise with opportunity evaluation	595 119 61.2	540 135 8.0	57 19 12.2		16 16 11. 2	127 319 100%	3.98	1.124	Agree
3	The favourable situation that provides one with a chance to progress	415 83 33.0	720 180 44.7	42 14 5.9	52 26 5.3	16 16 11. 2	125 319 100%	3.92	1.037	Agree
4	Career growth in the organization helps to stay with organization and build deeper relationships	835 167 48.9		81 27 13.3	60 30 9.6	19 19 11. 2	129 319 100%	4.04	1.233	Agree
5	The opportunity evaluation provides added value to customers, markets and industries	280 56 26.1	828 207 54.8	45 15 6.9	40 20 2.1	21 21 10. 1	121 319 100%	3.79	1.016	Agree
<b>Total Grand mean and standard deviation</b>								<b>3.94</b>	<b>1.119</b>	

*Source: Field Survey, 2023*

Table 4.2.2, 254 respondents out of 319 representing 71.8 percent agreed that Opportunities gives business owners, entrepreneurs the ability to maximize their potentials with mean score 3.98 and standard deviation of 1.189. There is creation of successful business enterprise with opportunity evaluation 254 respondents representing 69.2 percent agreed with mean score of 3.98 and standard deviation of 1.124. The favourable situation that provides one with a chance to progress 263 respondents representing 77.7 percent agreed with mean score of 3.92 and standard deviation of 1.037. Career growth in the organization helps to stay with organization and build deeper relationships 243 respondents representing 65.9 percent agreed with mean score of 4.04 and 1.233. The opportunity evaluation provides added value to customers, markets and industries 263 respondents representing 80.9 percent agreed with a mean score of 3.79 and standard deviation 1.016

### 4.3 Test of Hypotheses

#### 4.3.1 Hypothesis One: Idea generation has effect on sustainability of SMEs in Enugu State.

Table 4.3.1.1 shows One-Sample Kolmogorov-Smirnov Test Idea generation has effect on sustainability of SMEs in Enugu State.

#### One-Sample Kolmogorov-Smirnov Test

		The idea generation is the basis of innovative strategies.	Idea generation helps to boost creativity and productivity	Generating of idea helps to train the brain to think more divergent and save time	Staying relevant and bring positive change to ourselves or the organization are possible through idea generation	There is improving in what already exists as well as coming up with something new
N		319	319	319	319	319
Uniform Parameters <sup>a,b</sup>	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.559	.534	.578	.602	.584
	Positive	.088	.088	.056	.053	.071
	Negative	-.559	-.534	-.578	-.602	-.584
Kolmogorov-Smirnov Z		9.980	9.532	10.316	10.750	10.428
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000

a. Test distribution is Uniform.

b. Calculated from data.

#### Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

#### Result

With Kolmogorov-Smirnon Z – values ranging from  $9.980 < 10.750$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms that the assertion of



the most of the respondents that Idea generation had significant positive effect on sustainability of SMEs in Enugu State.

### Decision

Furthermore, comparing the calculated Z- values ranging from  $9.980 < 10.750$  against the critical Z- value of .000 (2-tailed test at 97% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that Idea generation had significant positive effect on sustainability of SMEs in Enugu State.

#### 4.3.2 Hypothesis Two: Opportunity evaluation has effect on the equity of SMEs in Enugu state.

**Table 4.3.2.1 Shows One-Sample Kolmogorov-Smirnov Test opportunity evaluation has effect on the equity of SMEs in Enugu state.**

**One-Sample Kolmogorov-Smirnov Test**

		Opportunities give businesses owners, entrepreneurs the ability to maximize their potentials	There is creation of successful businesses enterprise with opportunity evaluation	The favourable situation that provides one with a chance to progress	Career growth in the organization helps to stay with organization and build deeper relationships	The opportunity evaluation provides added value to customers, markets and industries
N		319	319	319	319	319
Uniform Parameters <sup>a,b</sup>	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
	Most Extreme Differences	.546	.546	.574	.524	.574
	Positive	.072	.050	.050	.060	.074
	Negative	-.546	-.546	-.574	-.524	-.574
Kolmogorov-Smirnov Z		9.756	9.756	10.260	9.350	10.260
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000

a. Test distribution is Uniform.

b. Calculated from data.

### Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

### Result

With Kolmogorov-Smirnon Z – values ranging from  $9.350 < 10.260$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms that the assertion of the most of the respondents that Opportunity evaluation had significant positive effect on the equity of SMEs in Enugu state.

### Decision

Furthermore, comparing the calculated Z- values ranging from  $9.350 < 10.260$  against the critical Z- value of .000 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that Opportunity evaluation had significant positive effect on the equity of SMEs in Enugu state.

### 5.1 Summary of Findings

- i. Idea generation had significant positive effect on sustainability of SMEs in Enugu State, Z (95, n = 319),  $9.980 < 10.750$ , P. <. 05.
- ii. Opportunity evaluation had significant positive effect on the equity of SMEs in Enugu state, Z (95, n = 319),  $9.350 < 10.260$ , P. <. 05.

### 5.2 Conclusion

The study concluded that Idea generation and Opportunity evaluation had significant positive effect on sustainability and equity of SMEs in Enugu State. The process of entrepreneurship involves identification, evaluation and implementation of new business prospects. The process also involves establishment of new business firms and enterprises. The innovation also forms an integral part of the process. The process results in employment generation and improves the living standard of the people and influence the growth and development of the economy. The essence of entrepreneurship lies in the perception and exploitation of new opportunities in the realm of business. It always has to do with bringing about a different use of national resources in that they are withdrawn from their traditional employ and subjected to new combinations.

### 5.3 Recommendations

Based on the findings, the following recommendation was made:

- i. The SMEs should endeavour to have idea generation to facilitate development and communication of new ideas and concepts, which become the basis of our innovative strategies.
- ii. For maximization of potential and create a successful business enterprise there is need to look for Business opportunities as this will enhance business growth and success.

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