CHAPTER ONE

INTRODUCTION

1.0 Background to the Study

Innovation is an important element in today's world of globalization, as products, services and technologies are moving faster to have a place in customers' hearts. The level of innovation is reflected mainly in a high rate of development of new products and technologies, but the changes are not just about tangible things. Organizations are increasingly involved in administrative innovativeness which contributes to the achievement of sustainable competitive advantages (Ploypailin&Pongsutti, 2020). In this contemporary world, there is need for rapid change, which is affecting all organizations and managers. Organizations are trying to be more decentralized by strategically differentiating themselves in order to survive in the market and achieve growth. More specifically, many Small and Medium Enterprises (SMEs) are embracing innovation development in order to improve their position

Small and Medium Enterprises (SMEs) are recognized as agents of economic growth and employment generation in both developed and developing nations.Bayarcelik, Tasel, and Apak, 2014)observed that SMEs significantly contribute to innovations which support the nations' economic development across the globe. OECD (2018) further posited that innovation is crucial in determining productivity and long-term growth. Researchers support the notion that SMEs that engage in innovation activities are better performance (Soni, Litienb &Willson, 1993). Furthermore, the presence of competition in the modern-day business environment has been a factor compelling businesses to look for an imaginative and more improved ways to survive. Therefore, innovation has become widely recognized as a key to competitive advantage. Firms can achieve competitive success by creating superior value for customers through innovation (Drucker, 2013). Firms would be able to obtain long term success only if they can continually create new products, systems and service items to meet the demands of the customer.

The goal of innovation is to create business value by developing valuable ideas to customers. The ability to innovate is considered as an important organizational capacity to secure long term competitive position and is influenced by external and internal factors to the organization

1.2 Statement of the Research Problem

Like every other business organization, an entrepreneur in manufacturing firm is to maximize profit and minimize cost as well as satisfying their customers. One of the strategies to achieve

this set goal lies in the ability of the entrepreneurs to be innovative. However, it has been observed among features of entrepreneurship innovation in the manufacturing firms operating within the frontier of Ilorin include product, process, market and administrative innovation which are aimed at improving financial performance of the industries in term of market and production performance. However, due to high and stiff competition within the manufacturing firms coupled with the dynamism in technological advancement globally; it seem that innovation on daily bases becomes outdated in the sense that one innovation wear out as soon as new innovation come to and diffuse in the market, making it difficult for any entrepreneur in the manufacturing firms to determine in the long run the nexus between innovation and performance. Meanwhile, it worthy to note that the survival of every business organization including manufacturing firms in Ilorin depend on the ability to track and measure their financial performance at a given point in time. Unfortunately, this is an enormous task for the manufacturing firms who faces both exogenous (external) and endogenous (internal) challenges ranges from problems emanating from product, process, market and administrative innovation competition, low capital to implement new idea, replacement of old technology and adaptation to new invention which center on change.

This is a subject of debates among the academia and stakeholders in the manufacturing firms. Hence, to answer this foregoing question there is need to empirically investigate the nexus between entrepreneurship innovation and performance of manufacturing firms in Ilorin. In the meantime elsewhere there are previous studies on the impact entrepreneurship innovation has on the performance of business enterprises with mixed outcome. For instance, studies like Ukpabio, Siyanbola and Oyebisi(2017);Ndesaulwa, and Jaraji (2016); Olughor, (2015); Adegbite (2012); Gunday, Ulusoy, Kilic, and Alpkan (2011) in their findings revealed that innovation affects business performance positively and significantly. On the other hand, Namusonge, Muturi and Olawoye, (2016) concluded that innovation is yet to have positive relationship with returns on assets and returns on equity in Nigeria. However, no study has been carried out on the impact of product, process,market and administrative innovation on performance of manufacturing firms in Ilorin. Therefore, the foregoing suggests that there is gap in contextual literature which needs to be filled.

1.3 Research Questions

i. How product innovation does affect business growth of Lubconin Ilorin Kwara State?

ii. In what way does process innovation affect profitability of Lubcon in Ilorin Kwara State?

iii. To what extent does product innovativeness affect profitability of Ilorin in Kwara State?

iv. In what ways does process innovation affect business growth of Ilorin in Kwara State?

1.4 Objectives of the Study

The main objective of the study will be to examine the effect of innovation and Performance of Lubricants Manufacturing Company specifically with Lubcon Nigeria Limited in Ilorin, Kwara State, Nigeria. Specific objectives are as follows;

i. To examine the impact of product innovation on business growth of in Lubcon in Ilorin Kwara State.

ii. To determine the effect of process innovation on profitability of Lubcon in Ilorin Kwara State.

iii. To examine the effect of product innovation on profitability of Lubcon in Ilorin in Kwara State,

iv. To analyze the impact of process innovation on business growth of Lubcon in Ilorin in Kwara State

1.5 Research Hypotheses

The general hypotheses that will be tested in the course of the research is as follows:

Ho_1: Product innovation does not have significant effect on business growth of Lubcon in Ilorin in Kwara State,

Ho_2: there is no significant effect of process innovation on profitability of Lubcon inIlorin in Kwara State,

Ho_3: Product innovation has no significant effect on profitability of Lubcon in Ilorin in Kwara State,

Ho_4: there is no significant effect between process innovation and business growth of Lubcon in Ilorin in Kwara State,

1.6 Significant of the Study

The study will shed more light and advance knowledge on effect of innovation on Lubcon performance in Ilorin. It will also, benefit Lubcon oil employees, the owners and even the customers in the following ways;

It will help managers with the insight of adding value and improve on existing products.

It will serve as a competitive edge and advantage for Lubcon oil over its competitors

It will also, help to improve the profitability of Lubcon inIlorin in Kwara State and Nigeria at large.

It will also, help to provide meaningful differentiation and capture opportunities

Further justification of this study could also be seen from the perspectives that the research work would contribute to the existing body of knowledge by trying to bridge the literature gap which other studies have failed to consider and possibly neglected. The theory and the instruments of the research work were tested in Africa, particularly Nigeria, as opposed to other studies that were conducted in different parts of the world most especially in a developed country.

1.7 Scope of the study

The study will cover the effect of innovation on organizational performance inIlorin Kwara State using Lubcon oil and Lubricant Company Limited. The study will cover the period of 2017-2025.

1.9 Definition of Terms

Innovation: This is the process of translating an idea or invention into a goods or services that create value or for which customers will pay.

Small and Medium Scale Enterprises:

Product Innovation: This is the creation of subsequent introduction of a goods or services either new or improved version of previous goods or services

Process innovation: This is the implementation of a new or significantly improved production or delivery method

Profitability: This is the state or condition of yielding a financial profit or gain.

CHAPTER TWO
LITERATURE REVIEW

2.0 Preamble

This chapter will consist of four sections which are; conceptual, theoretical; empirical and gaps in literature. The first segment will deal with the review of literature from several authors and scholars in the fields of innovation and Performance of SMEs in particular. Furthermore, the second section will discuss various related theories; the third section will review numerous research works done on similar topic which has to do with the empirical studies and recent researches. Lastly concluding part will explain the gap in literature.

2. 1 Conceptual Review

2.1.1 Innovation

Schillo (2011) stated that innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. Innovation in its modern meaning is "a new idea, creative thoughts, and new imaginations in form of device or method" (Merriam, 2016). Innovation is often also viewed as the application of better solutions that meet new requirements, unarticulated needs, or existing market needs (Maranville, 1992). Such innovation takes place through the provision of more effective products, processes, services, technologies or business models that are made available to markets, governments and society. An innovation is something original and more effective and, as a consequence, new, that "breaks into" the market or society (Frankelius, 2009).

According to Thornhill (2006) innovation is a process of idea creation, a development of an invention and ultimately the introduction of a new product, process or service to the market. Robbins and Coulter (2006) assert that innovation is the process of taking creative ideas and turning them into useful products or work methods. However, innovation is the process of totally undergoing new business activities aside existing practices. Innovation is broadly conceived as ability to develop new product, processes, supply sources, market and ways of organizing business activities (Otero-Neira, Lindman& Fernandez, 2009).Innovation can be classified into four according to NdeseulweandKikale (2016) as product innovation, process innovation, marketing innovation and organizational innovation.

2.1.2 Overview of SMEs

It's sufficient the swiftest attempt to study SMEs to understand that there is no specific definition of them that may be taken as a reference by all economies, statistical agencies or researchers of economy. Despite the lack of universality of the definition and the lack of alignment in the criteria, the importance of SMEs definition is inalienable. The definition of small and medium enterprises is important and useful: in the preparation of statistics and the monitoring of the health of the sector over time; in benchmarking against other economies and between regions within an economy; in providing arbitrary thresholds for imposition of tax or other regulations; in determining eligibility for particular forms of public support (UNIDO OECD: 2004). Small and medium enterprises are named by adjectives indicating size, thus economists tend to divide them into classes according to some quantitative measurable indicators. The most common criterion to distinguish between large and small businesses is the number of employees (Hatten: 2011). One of the first attempts to provide a definition of SMEs is that of the Bolton Report 1971 (Carter and Jones-Evans: 2006). This report suggests two approaches to the definition: quantitative approach and qualitative approach. Academics, policymakers, international institutions and statistical agencies mainly apply quantitative criteria in defining SMEs.

European Commission promotes "the criterion of the number of staff as the main criterion, however, introducing a financial criterion is nonetheless a necessary adjunct in order to grasp the real scale and performanceof an enterprise and its position comparedto its competitors"(European Commission: 2003, item 4). European Commission through a guide determines the criteria for defining enterprises: number of employees, annual turnover and annual balance sheet (European Commission: 2005). It is determined that meeting the criteria of the number of employees is mandatory, while filling another from the two financial criteria is a choice of the enterprise. The World Bank uses three quantitative criteria for defining SMEs: number of employees, total assets in U.S. dollars and annual sales in U.S. dollars (IEG: 2008). A business must meet the quantitative criteria of number of employees and at least one financial criterion to be categorized as micro, small or medium business.

2.1.3Product Innovation

The term product innovation according to Polderet, Polder, Leeuwen, Mohnen and Raymond (2010) is introducing the new products/services or brining significant improvement in the

existing products/services. The product must either be a new product or significantly improved with respect to its features, intended use, software, user-friendly or components and material. Atalay et al. (2013) referred product innovation to the ability of an organization to introduce different products or services that are new or significantly developed with reference to their features or intended purpose of usage. Likewise, Hoonsopon and Ruenron (2012) conceptualized product innovation as the creation of new products that have added values as compared with previous products to satisfy market needs. They further indicated that it is important for organizations to know about the expectations of their customers to make better decisions in terms of differentiation positioning tools. Johne (1999) described product innovation as the process of determining innovative unfulfilled customer needs and fixing new technologies in differentiated product attributes. Product innovation is widely recognized as an important strategic factor for driving brand success, however, despite the importance of product innovations in helping firms to develop their brands (Ponnam, &Balaji, 2015)

According to OECD (2005) change in design that brings significant change in the intended use or characteristics of the product is also considered as product innovation. The objective of product innovation is to attract new customers (Adner & Levinthal, 2001). Similarly, Gunday, Ulusoy, Kilic, and Alpkan (2011) considered innovativeness as one of the main strategies to drive organizational growth through entering new markets and to maximize the current market share. Advantages of product innovation include added values to customers and the manufacturing brand, continuous advancement in organizational survival, rapid growth, efficient performance, and higher profitability (Atalay et al., 2013). For these reasons, it has become vital to note that innovation represents a primary goal for many organizations (Lipit, 2006).

2.1.4 Process Innovation

Process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software (OECD: Oslo Manual, 2005). According to Polderet, Polder, Leeuwen, Mohnen and Raymond (2010) process innovation is the improvement in production and logistic methods significantly or bringing significant improvements in the supporting activities such as purchasing, accounting, maintenance and computing.

2.1.5 Business Growth

In 21st century, developments all around the world spread very fast thanks to the globalization movements and information technologies. These changes and developments force businesses to grow and overtop their competitors. Growth is, in fact, a part of natural process of businesses, yet it has become a necessity in today's conditions of competition. Businesses need to develop new products and services, find new market places and consequently grow (Durmaz & Ilhan 2015).Business growth is the process of improving some measure of an enterprise's success. It can be achieved either by boosting the top line or revenue of the business with greater product sales or service income, or by increasing the bottom line or profitability of the operation by minimizing costs. Growth can be defined in terms of revenue generation, value addition, and expansion in terms of volume of the business. It can also be measured in the form of qualitative features like market position, quality of product, and goodwill of the customers (Gupta, 2013).

Brush (2009) defined growth as "geographical expansion, increase in the number of branches, inclusion of new markets and clients, increase in the number of products and services, fusions and acquisitions". According to the author, growth is above all a consequence of certain dynamics built by the entrepreneurs to construct and reconstruct constantly, based on the assessment made on their firms and on the market. Growth is a vital indicator of a flourishing enterprise. There are many factors like characteristics of the entrepreneur, access to resources like finance, and manpower which affects the growth of the enterprise and differentiates it from a non-growing enterprise (Kruger 2004).Growth is an important phenomenon in small enterprises. In fact, their survival essentially depends on their power to participate in the market with other big companies. Growth decreases the possibility of closing small businesses (Rauch &Rijskik, 2013).According to Penrose (2006), growth is the product of an internal process in the development of an enterprise and an increase in quality and/or expansion. "Growth is defined as a change in size during a determined time span" (Dobbs & Hamilton, 2007).

According to Janssen (2009), a company´s growth is essentially the result of expansion of demands for products or services. "It first results in a growth in sales and consequently in investments in additional production factors to adapt itself to new demands".

Davidsson (2010) reported that growth may be related to new markets, especially in the case of technology firms, with reference to diversification. He is also of the opinion that growth may occur alternatively as an integration of part of the value chain, a sort of vertical growth, or when

a firm introduces itself within a market not related to the technology in which it works, which would be a non-related diversification.

2.1.6 Profitability

It is the degree to which a business or activity yields profit or financial gain. It is the metric used to determine the scope of a company's profit in relation to the size of the business. Profitability is a measurement of efficiency and ultimately its success or failure. It is the ability of a company to use its resources to generate revenues in excess of its expenses. In other words, this is a company's capability of generating profits from its operations. Profitability looks at the relationship between the revenues and expenses to see how well a company is performing and the future potential growth a company might have.

Profitability is the primary goal of all business ventures. Without profitability the business will not survive in the long run. So measuring current and past profitability and projecting future profitability is very important.Profitability is measured with income and expenses. Income is money generated from the activities of the business. For example, if crops and livestock are produced and sold, income is generated. Expenses are the cost of resources used up or consumed by the activities of the business. For example, seed corn is an expense of a farm business because it is used up in the production process(Ann Johanns, 2019).

Profitability is measured with an "income statement". This is essentially a listing of income and expenses during a period of time (usually a year) for the entire business. An Income Statement is traditionally used to measure profitability of the business for the past accounting period. However, a "pro forma income statement" measures projected profitability of the business for the upcoming accounting period. A budget may be used when profitability is to be projected for a particular project or a portion of a business.

2.2 Theoretical Review

2.2.1 Diffusion of innovation (DOI) theory

Diffusion of innovation (DOI) theory, was developed by E.M. Rogers in 1962. The theory originated from communication in explaining how over time a new idea or product (innovation) gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product. Adoption is a production of innovation which means that a person does something differently than what they had previously this include, purchase or use a new product, acquire

and perform a new behavior. The central point of adoption is that person must perceive the idea, behavior, or product as new or innovative. It is through this that diffusion is possible.

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

Innovators - people who want to be the first to try the innovation. They are venturesome and interested in new ideas. These people are very willing to take risks, and are often the first to develop new ideas. Very little, if anything, needs to be done to appeal to this population.Early Adopters - people who represent opinion leaders. They enjoy leadership roles, and embrace change opportunities. They are already aware of the need to change and so are very comfortable adopting new ideas. Strategies to appeal to this population include how-to manuals and information sheets on implementation. They do not need information to convince them to change.

Early Majority - people are rarely leaders, but they do adopt new ideas before the average person. That said, they typically need to see evidence that the innovation works before they are willing to adopt it. Strategies to appeal to this population include success stories and evidence of the innovation's effectiveness. Late Majority- people are skeptical of change, and will only adopt an innovation after it has been tried by the majority. Strategies to appeal to this population include information on how many other people have tried the innovation and have adopted it successfully.

Laggards -people are bound by tradition and very conservative. They are very skeptical of change and are the hardest group to bring on board.

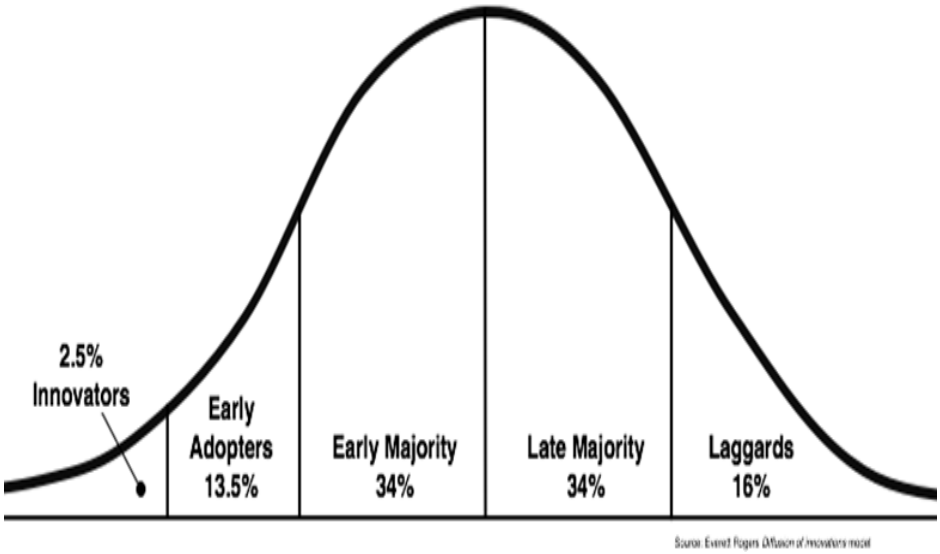

Figure 1: Five established adoption of the innovation

Source: http://blog.leanmonitor.com/early-adopters-allies-launching-product/

The stages, by which a person adopts an innovation, and whereby diffusion is accomplished, include awareness of the need for an innovation, decision to adopt (or reject) the innovation, initial use of the innovation to test it, and continued use of the innovation. There are five main factors that influence adoption of an innovation, and each of these factors is at play to a different extent in the five adopter categories.Relative Advantage - The degree to which an innovation is seen as better than the idea, program, or product it replaces.Compatibility - How consistent the innovation is with the values, experiences, and needs of the potential adopters. Complexity - How difficult the innovation is to understand and/or use.Triability - The extent to which the innovation can be tested or experimented with before a commitment to adopt is made. Observability - The extent to which the innovation provides tangible results.

2.2.2 Schumpeterian Theory of Innovation

Ever since the late 1880s, it has been reported that the use of the term innovation to mean something unusual, none of pioneers of innovation have been as influential as the Schumpeter. According to him, consumer preferences are already given and do not undergo spontaneity. It implies that consumer preferences cannot cause economic change. Moreover, in the process of economic development consumers play a crucial role.

According to Schumpeter, innovation is the application of new ideas to products, processes or other parts of the activities of an organization that cumulates into an increment in 'value.' This value is defined in a wider way to include higher value added for the company and benefits to

consumers or other firms. Schumpeter identifies two vital definitions. Product innovation: the introduction on an entire new product or incorporating more value to an existing product. Process Innovation: the introduction of a total new process or modifying the existing process of producing or delivering goods and services.

Schumpeter argued that innovation and technological change of a country originates from its entrepreneurs, or wild spirit. He developed the term Unternehmer Jeist, in German which means "entrepreneur-spirit", and claimed that "the doing of new things or the things that are already being done in a new way" stemmed directly from the efforts of entrepreneurs. The acknowledgement that SSEs play an important role in innovation has led to a variety of insights about the mechanisms by which SSEs improve and introduce new products and services. SMEs can have an innovative advantage as a result in different management structures.

The bureaucracy in big firms is not conducive to engage in risky Research and Development (R&D), as decisions must survive several organizational layers of resistance, where an aversion to risk results in a bias against undertaking new projects. In SSEs, process of decision making is neither rigid nor follows a strict hierarchy; but decision to innovate is made by a little people. Innovative activity also succeeds in environments free from bureaucratic constraints. Several SSEs have gained from the exodus of researchers thwarted by the managerial constraints of larger firms. Lastly, larger firm also tend to promote successful researchers to management positions, while SSEs can lace innovative activity at the centre of their competitive strategy.

Justification of Schumpeterian Theory of Innovation- This study will be anchored on Schumpeterian Theory of Innovation. Since Schumpeter theory of innovation sees innovation has a wider way to include higher value added for the company and benefits to consumers or other firms.

2.3 Empirical Review

Mugogo (2020) examined innovation and firm performance: what must SMEs learn from the experience in Zimbabwean Manufacturing SMEs.The result shows that Zimbabwean SMEs have only fairly adopted innovation in their operations. There also were significant correlations between the process and product innovations. The study recommended that Zimbabwean SMEs should formally adopt innovation as part of their business strategies, particularly product and process innovations.

JamiluBaita, &DattijoAdhama (2020), examined the effect of innovation on SME firm's performance in Nigeria. The population of SMEs in Nigeria is 73081, comprising of 71288 (97.5%) small enterprises and 1793 (2.5%) medium enterprises. Parametric model of data analysis was used to determine the effects of the independent and control variables on SME performance. Ordinary least square (OLS) model was used in parametric model. The study recommended that quantile regression model should be adopted. Ukpabio, Siyanbola and Oyebisi(2017) investigated the impact of technological innovation on the performance of manufacturing firms in Nigeria. The study employed survey research. Data collected were analyzed using correlation analysis and hierarchical regression analysis. The result revealed that product innovation and process innovation had significant positive relationship with firm performance.

Nwosu, Awurum, and Okoli (2015) examined the effect of technological innovation on performance of Nigeria manufacturing firms. The study used descriptive survey design. The Findings of the study revealed that Process innovation has significant positive effect on the performance of manufacturing firms; also, product Innovation has significant positive effect on the performance of manufacturing firms; more so, Organizational structure has significant positive effect on the performance of manufacturing firms; and that employee development significantly affect firm's performance positively.Olughor (2015) investigates how innovation affects business performance in small and medium-sized enterprises (SMEs) in an up-and-coming market, like Nigeria. The study employed survey research method. Descriptive statistics was used to analyze quantitative data using ANOVA (Analysis of variance). Finding of the study revealed that there is a high correlation among factors used to measure innovation. Also, innovation was found to be positively influence business performance.

Mohammad, Shehnaz and Constance (2018) examined the impact of entrepreneurial innovativeness on SMEs' performances. The population of the study was 450 SMEs in Malaysia, the method of data analysis was structural equation modeling partial least square (SEM-PLS). The results revealed that there was a significant positive impact of entrepreneurial innovativeness on three types of business performances namely perceived non-financial, perceived business growth, and perceived performance relative to competitors. Meanwhile, Rajapathirana and Hui(2018) found that innovation (product, process, administrative/organizational) has positive

and significant effect on organizational performance in terms of financial, growth, customer, and internal process.

YuSheng and Ibrahim (2020), examined the effect of innovation adoption on performance of banks in Ghana. Data were obtained from 450 respondents comprising bank employees and customers in the Kumasi metropolitan area in Ghana. An exploratory factor analysis, confirmatory factor analysis, and structural equation modeling were used to analyze the data via Smart PLS and SPSS. The result revealed that innovation dimensions contributed to bank innovation are organizational, product, process, and marketing innovations. The study also, revealed that there is a direct and positive relationship between innovation dimensions (product, marketing, and organizational innovations) and bank performance. Also, their findings showed a positive relationship between innovation capability and the four dimensions of innovation (organizational, product, process, and market innovations).

Musa and Adamu (2018) examined the determinants of a firm's innovation in Nigeria. The study employed survey data developed by the World Bank. The data were analyzed with probit and tobit regression models. Findings of the study showed that investing in research and development (R&D), formal training, a firm's size, exporting status, competitors, location, type and sector, or activity of firms all positively drive the propensity of a firm to innovate.Ukpabio, Siyanbola and Oyebisi(2017) investigate the impact of technological innovation on the performance of manufacturing firms in Nigeria. The study employed survey research. Data collected was analyzed using correlation analysis and hierarchical regression analysis. The correlation result shows that product innovation and process innovation had significant positive relationship with firm performance.

Namusonge, Muturi and Olawoye, (2016) examined the role of innovation on performance of firms on the Nigerian Stock Exchange. The study used mean, standard deviation, and Pooled, Random and Fixed regression models. Findings of the study revealed that relationship between entrepreneurial orientation dimension - innovation, and performance of firms listed in the Nigerian Stock Exchange exists, with returns on assets and returns on equity as proxy revealed a negative relationship between innovation and returns on assets and innovation and returns on equity. Ajani and Oluyemi (2016) examine the effect of entrepreneurial characteristics on the performance of small and medium scale enterprises in Lagos state. The study employed survey research design. The descriptive statistics were used to analyzeddata collected. Finding of the

study revealed that entrepreneurial characteristics, entrepreneurial competency and orientation and the level of education of an entrepreneur all have a significant effect on the performance of small and medium scale business in Nigeria.

Nwosu, Awurum, and Okoli (2015) examined the effect of technological innovation on performance of Nigeria manufacturing firms. The study used descriptive survey design. Structured questionnaire was used to generate the primary data while, t-statistics was adopted for hypotheses testing. Findings of the study revealed that Process innovation has significant positive effect on the performance of manufacturing firms; also, product Innovation has significant positive effect on the performance of manufacturing firms; more so, Organizational structure has significant positive effect on the performance of manufacturing firms; and that employee development significantly affect firm's performance positively. Olughor, (2015) investigates how innovation affects business performance in small and medium-sized enterprises (SMEs) in an up-and-coming market, like Nigeria. The study employed survey research method. Descriptive statistics was used to analyze quantitative data using ANOVA (Analysis of variance). Finding of the study revealed that there is a high correlation among factors used to measure innovation. Also, innovation was found to positively influence business performance.

Atalay, Anafarta, and Sarvan, (2013) examine the relationships between innovation and firm performances in the Turkish automotive supplier industry. The study adopted survey research. Finding of the study demonstrated that technological innovation (product and process innovation) has significant and positive impact on firm performance, but no evidence was found for a significant and positive relationship between non- technological innovation (organizational and marketing innovation) and firm performance.Akande and Oladejo (2013) assessed whether participation in technological entrepreneurial development programmes has positive impact on the performance Lubcon oil. The study employed non-parametric statistical test to analyzed data collected. The result of the analysis and the hypotheses tested showed that innovation has positive impact on the performance of business growth.

2.4 Gap in the Literature

There is little or no literature in this area of studythat focuses on effect of innovation on Lubcon oil in Ilorin. It was also observed from the review of past research work that are related to this study that studies have been conducted on innovation but they are not related to Lubricant company in Nigeria context as this study will focus on.

CHAPTER THREE

METHODOLOGY

3.0 Preamble

This section of the study described the methodology that will be used in attaining the stated objectives of the study which will include the research design that will be adopted, the study population and sample size, sampling techniques that will be used, sources of data, the procedure and instrument that will also be used to answer the research questions of the study.

3.1 Research Design

This study used cross sectional survey, by analyzing empirical data without too much reliance on preconceived theories. Survey method will be adopted through a self-administered questionnaire to enable the study to determine the opinions, attitude, and features of target beneficiaries on the effect of innovation on the performance of Lubricants manufacturing company in Kwara state. Survey techniques assisted the researcher in describing the characteristics of the large population needed for the research work and also protect the anonymity of the respondents

3.2 Research Approach

This study will use inductive techniques, the justification of this inquiry is the use of quantitative approach which gave a more understanding of human resources planning as it relate to organizational performance. The adoption of this method for this research investigated and recommended the effective framework for effective innovative ideas with a view of enhancing organizational performance Lubcon oil in Ilorin, Nigeria.

3.3 Data Collection Methods

The study adopted the primary method of data collection; structured questionnaires will be used to collect the information from the respondent. The primary data for this study will be collected directly from the employees of the company through questionnaire for quantitative survey. The adapted questionnaire contained close-ended structured questions to simplify analysis. Closed-ended questions are easy to make and more suitable for computer analysis. The questionnaires will be apportioned into sections to cover issues on the socio-economic characteristics of the respondents, and questions that are relevant to the variables.

3.4 Population of the study

A population is any group of individuals that have one or more characteristics in common and that are of interest to the researcher (Best and Kahn, 2006).The study will basically covered the employees of Lubcon oil in Ilorin. The justification for this is that the data required for this research can only be collected from Lubcon Oil. The population of employee of Lubcon oil in Ilorin is 257 as at 2023 January verification exercise

3.5 Research Sample size and sample techniques

Purposive and convenience sampling techniques was employed to select the respondents who are employees of Lubcon oil in Ilorin, since the target population remains homogenous. Purposive sampling technique allowed the study focus on infrastructural facilities in this sector. The total sample size for this research is157 workers which was calculated using Yamane's sampling formula

The sample size was determined using Taro Yamane formula:

The total sample size for this research is157workers which was calculated at using Yamane's sampling formula

$$\frac{N}{1+ N *e^2}$$

Where N = Population size =150

e = Acceptable sampling error = 0.05

n = Sample size

$$= \frac{257}{1+257*(0.05)^2} = 157$$

Therefore 157 questionnaires will be administered to staff of Lubcon oil Ilorin, Kwara State.

3.6 Instrument of data collection

The instrument for data collection will be close ended questionnaire. The quantitative data will be collected with the aid of multiple choices of self-administered questionnaires using the five (5) likert scale. A likert scale is an orderly scale from which respondent will chose the option that will be their best supports opinion.

3.7 Method of Data Analysis

The data analysis technique is the process of research analysis using the statistical instrument to establish the relationship between the independent and dependent variables. The data for the study will be analyzed through SPSS version 26. The study will screened110 copies of the questionnaire using statistical package for social sciences (SPSS). The questionnaire's data will be analyze with the aid of descriptive and inferential regression analysis.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter is concerned with the presentation, analysis and interpretation of data gathered from the responses to administered questionnaires. It also includes an empirical testing of hypothesis made about this study and each of their interpretations. It should be noted that Statistical Package for Social Science (SPSS) was used for analysing frequencies and testing research hypotheses.

4.1 Presentation of Data

A total of Three Hundred (174) copies of questionnaire were distributed to selected respondents for this study. Of this lot, one hundred and sixty nine (169) copies of questionnaire representing 97.1% were completed and returned, and five (5) copies of the questionnaire representing 2.9% were not returned.

TABLE 4.1.1 Analysis of Response Rate

Valid/Returned	157		100%
Invalid/Unreturned	0		0%
Total	157	100%	

Source: Author's Fieldwork Computation, 2025

Table 4.1: Demographic Characteristics

Gender	**Frequency**	**Percent**
Male	105	67
Female	52	33
Total	157	100.0
Age of the respondents'		
21 - 30 years	25	15.9
31 - 40 years	70	44.58
41 - 50 years	54	34.39
51 - 60 years	8	5.09
Total	157	100.0
Marital Status		

Single	25	15.92
Married	125	79.61
Divorced	5	3.18
Widowed	2	1.27
Total	157	100.0
Educational Qualification		
No formal Education	06	3.82
WAEC/SSCE/NECO	21	13.37
OND/NCE	49	31.21
BSc/MBA	81	51.59
Total	157	100.0
Number of years of experience		
1-5 years	12	7.64
6 - 10 years	20	12.73
11 - 14 years	30	19.10
15 -19 years	51	32.48
20 - 24 years	20	12.73
25 - 29 years	9	5.73
30 years and above	15	9.55
Total	157	100.0

Sources:2025

4.1 Socio-Demographic Characteristics of Respondents

Table 4.1 reports the socio demographic characteristics of the respondents. The result shows that about 67% of the respondents were male while 33% were female. . The distribution of the respondents shows that majority were married, while few were single. 79.6% of the respondents were married and 15.92% were single. 3.18% of the respondents were divorced and 1.27% lost their spouseThe age distribution of the respondents shows that 15.9% of the respondents felt

between the age of 21 to 30 years, 44.56% felt between 31 to 40 years of age. 41 to 50 years of age was 33.49% while the least age range among the sampled respondents was between 50 to 60 years of age. It was observed that majority of the respondents felt between 31 to 40 years, this implice that majority falls in their active years. On the qualifications of the respondents 3.82%, of the respondents had no formal education, 13.37% had WAEC/SSCE, 31.21% had either OND/NCE while majority of the respondents had (51.59%) minimum of HND/ BSc/MBA, this indicated that majority of staff in LUBCON oil are educated enough to understand the questionnaire given to them. In addition to their qualifications, it also showed that the majority (32.48%) of the respondents had spent 15 - 19 years inlubcon oil. This was closely followed by those who had spent a range of 11-14 years with 19.10%. Also, 12.73% of the respondents had spent of 25-29 years and 6 to 10 years respectively while 9.55% of the respondents had spent 30 years and above in lubcon oil in Ilorin. About 7.64% of the respondents had spent 1 -5 years and 5.73% had spent 25 to 29years of experience in Lubcon oil showing that the respondents of this study had enough experience in the business. .

TABLE 4.2: Lubcon does innovation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	51	32.48	32.48	32.48
	Agree	70	44.58	44.58	77.06
	Undecided	02	1.27	1.27	78.33
	Disagree	16	10.19	10.19	88.52
	Strongly Disagree	18	11.46	11.46	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.2 shows whether Lubcon Oil make use of innovation. It shows that 51 (32.48%) of the respondents strongly agreed, 70(44.58%) agreed, 02(1.27%) are undecided, 16 (10.19%) disagreed while 18 (11.46%) strongly disagreed that Lubcon oil does innovation. Majority of the respondents agreed which indicates that adequate innovation practice has contributed to survival and growth of their organisation.

Table 4.3: Organisation practice process innovation that is appropriate to boast their performance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	56	35.66	335.66	35.66
	Agree	74	47.13	47.13	82.79
	Undecided	04	2.54	2.54	85 .33
	Strongly disagree	10	6.36	6.36	91.69
	Dis agree	13	8.2	8.28	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.3 shows that 35.66% of the respondents strongly agree that management formulate quality strategy that is appropriate to expand process innovation, 47.13% of the respondents agreed, 2.54% of the respondents were undecided, .6.36% strongly agreed and 8.2% of the respondent disagreed. This shows the effort made by the management on process innovation to boast their performance as agreed by majority of the respondents. The better the innovation the more market and customer's which will boast the profitability of the organization.

TABLE 4.4: Innovation practice positively impacts organisational Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	99	63.05	63.05	63.05
	Agree	45	28.66	28.66	91.71
	Undecided	02	1.27	1.27	92.98
	Disagree	06	3.82	3.82	96.8
	Strongly Disagree	05	3.18	3.18	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.4 above shows whether innovation practice positively affects the performance of the

organisation. It shows that 99 (63.05%) of the respondents strongly agreed, 45 (28.66%)agreed, 02 of the respondents (1.27%) are undecided, 06 (3.82%) disagreed while 05 (3.18%) strongly disagreed that innovation practice affects the performance of their organization. Majority of the respondents strongly agreed which indicates that innovation practice positively affects Lubcon oil in performance.

Table 4.5: We constantly introduce new and upgrade existing products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	51	32.48	32.48	32.48
	Agree	82	52.22	52.22	84.7
	Undecided	5	3.18	3.18	87.88
	Strongly disagree	12	7.64	7.64	95.52
	Disagree	07	4.45	4.45	100
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.5 shows that 51(32.48%)of the respondents strongly agree that management introduced new and upgrade existing products in the organization, 82(52.22%) agreed with the statement5 (3.18%)undecided,12 (7.64 %) disagreed while 07(44.9%)disagreed. This shows that management introduced new and upgrade existing products as one of the responsibility of management commit everyone in the organization to work towards the achievement of innovativeness objectives, increase the ability of the organization to make more profit.

Table 4.6We encourage experimental and creativity in all our Marketing

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	58	36.94	36.94	36.94
Agree	74	47.13	47.13	84.07
Undecided	03	1.91	1.91	85.98
Strongly disgree	14	8.91	8.91	94.89
Agree	08	5.09	5.09	100.0
Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.6 shows that 58(36.94%)of the respondents strongly agree that there is experimental and creativity in all their Marketing, 74(47.13%) agreed, 03(1.91%) of the respondents were Undecided, 14 (8.91%) strongly disagreed while 08(5.09%) disagreed with the statements. This analysis indicates that there is experimental and creativity made by the management to provide andenhance adequate profitability for the organization through innovation.

Table 4.7: organization uses modern equipment for smooth running of the production process

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	57	36.30	36.30	36.30
	Agree	79	50.31	50.31	86.61
	Undecided	03	1.91	1.91	88.52
	Strongly disagree	07	4.45	4.45	93.03
	Disagree	11	7.00	7.00	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.7 shows that 57 (36.30%) of the respondents strongly agreed that organization uses modern equipment for smooth running of the production process, 79(50.31%)agreed, 03(1.91%) were undecided, 07(4.45%) strongly disagreed while 11(7.0%)disagreed. This shows that the employees of Lubcon oil agreed with the fact that organization uses modern equipment to ensure free flow production process and service delivery.

Table 4.8:Products and processes Innovation are thoroughly supervised by the supervisor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	52	33.12	33.12	33.12
	Agree	69	43.94	43.94	77.06
	Undecided	01	0.63	0.63	77.69
	Strongly disagree	20	12.73	12.73	90.42
	Disagree	16	10.19	10.19	100.0
	Total	158	100.0	100.0	

Source: Field Survey, 2025

Table 4.8 shows that 52(33.12%) of the respondents strongly agree that products and process innovation are thoroughly supervised by the supervisor as saved for consumption of the customers, 69(43.94%) agreed, 01(0.63%) undecided, 20(12.73%) strongly disagreed while 16(10.19%)disagreed. This analysis indicates that products and processes innovation are given thorough supervision by the inspection team or supervisor which ensure quality products and services.

Table 4.9 The organisation keep researching to attain the highest quality products and process to keep abreast with modern trends in the global market

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	63	40.12	40.12	40.12
	Agree	72	45.85	45.85	85.97
	Undecided	04	2.54	2.54	88.51

	Strongly disagree	12	7.64	7.64	96.15
	Disagree	06	3.82	3.82	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.9 shows that 63(40.12%) of the respondents strongly agreed that organization keep researching to attain the highest quality products and process to keep abreast with modern trends in the global market, 72(45.85%) agreed to the statement 04(2.54%) were undecid4ed, 12(7.6% y) strongly disagreed while 06(48.7%) disagreed to the statements. This shows that quality products and process innovation is put in place to keep abreast with modern trends in the global market to improve the performance of the organization.

Table 4.10: organization regularly evaluate and upgrade products and process innovation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	47	29.93	29.93	29.93
	Agree	82	52.22	52.22	82.15
	Undecided	5	3.18	3.18	85.33
	Strongly disagreed	15	9.55	9.55	94.88
	Agreed	8	5.09	5.09	100.0
	Total	158	100.0	100.0	

Source: Field Survey, 2025

Table 4.10 shows that 47(29.93%) of the respondents strongly agree that organization regularly evaluate and upgrade products and process innovation that can improve their performance, 82 (52.22%) agreed t0 the statement, 5 (3.18%) were undecided, 15(28.5%) stronglydisagreed while 8(5.09%) agreed. This shows that organization regularly evaluate and upgrade their product and process innovation. This assessment is done to upgrade and improve their organizational performance.

TABLE 4.11:The Process innovation adopted increase your profitability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agre	44	28.02	28.02	28.02
	Agree	87	55.41	55.41	83.43
	Undecided	04	2.54	2.54	85.97
	Disagree	12	7.64	7.64	93.61
	Strongly Disagree	10	6.36	6.36	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.11 above shows whether process innovation adopted by Lubcon management increases their profitability. It shows that 44 (28.08%) of the respondents strongly agreed to the statement, 87 (55.41%) agreed, 04 (2.54%) are undecided, 12 (7.64%) disagreed while 10 (6.36%) strongly disagreed that process innovation in Lubcon oil does not increase their profitability. Majority of the respondents agreed which indicates that process innovation that is put in place at Lubcon oil increase their profitability. This improves the organisational performance in terms of profitability and business growth.

TABLE 4.12:Your product lines has become acceptable by your customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	58	36.94	36.94	36.94
	Agree	71	45.22	45.22	82.19
	Undecide	04	2.54	2.54	84.76
	Disagree	15	9.55	9.55	94.31
	Strongly	09	5.73	5.73	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.12 above shows whether Lubcon product lines has become acceptable by your customers. It shows that 58 (36.94%) of the respondents strongly agreed, 71 (45.22%) of the respondents agreed

with the statement, 04 (2,54%) of the respondents are undecided, 15 (9.55%) disagreed while 09 (12.4%) of the respondents strongly disagreed that product lines has become acceptable by their customers. This indicates that majority of the respondents agreed with the statement which has increased their profitability and business growth.

TABLE 4.13:Your product quality through innovation as allow growth in your organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	71	45.22	45.22	45.22
	Agree	67	42.67	42.6	87.82
	Undecided	02	1.27	1.27	89.09
	Disagree	10	6.36	6.36	95.39
	Strongly Disagree	07	4.45	4.45	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.13 above shows whether innovation allow product quality and business growth in Lubcon Oil It shows that 71 (45.22%) of the respondents strongly agreed, 67 (42.7%) agreed to the statement, 2 (1.27%) are undecided, 10 (6.36%) disagreed while 07 (74.45%) strongly disagreed that innovation allow product quality and business growth in Lubcon Oil. This indicates that product and process innovation has brought about product quality and business growth in Lubcon oil, Ilorin.

TABLE 4.14: Your Organisational culture encourages new idea generation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	57	36.30	36.30	36.30
	Agree	64	40.76	40.7	77
	Undecided	02	1.27	1.27	78.27
	Disagree	14	8.92	8.9	87.17
	Strongly Disagree	20	12.73	12.7	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.14 above shows whether Lubcon Oil culture encourages new idea generation .It shows that 57 (36.30%) of the respondents strongly agreed to the statement, 64 (40.7%) agreed to the statement, 02 (1.27%) are undecided, 14 (8.92%) disagreed while 20 (12.73%) strongly disagreed that Lubcon Oil culture encourages new idea generation. Majority of the respondents agreed which indicates that Lubcon Oil encourages new idea generation that lead to innovativeness

.**TABLE 4.15: Process innovation has help to improve your efficiency**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	54	34.39	34.39	34.39
	Agree	65	41.40	41.40	41.40
	Undecided	03	1.91	1.91	1.91
	Disagree	20	12.73	12.73	12.73
	Strongly Disagree	15	9.55	9.55	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.15 above shows whether Process innovation has helped to improve your efficiency. It shows that 54 (34.39%) of the respondents strongly agreed that Process innovation has help to improve your efficiency, 65 (41.40%) agreed with the statement, 03 (1.91%) are undecided, 20 (12.73%) disagreed while 15 (9.55%) strongly disagreed that Process innovation has helped to improve the efficiency of Lubcon Oil, Ilorin in. This indicates that Process innovation has helped to improve their performance.

TABLE 4.16:Your sales volume has increased has a result of process innovation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	55	35.03	35.03	35.03
	Agree	70	44.58	44.58	79.61
	Undecided	05	3.18	3.18	82.79
	Disagree	15	9.55	9.55	92.34
	Strongly Disag	12	7.64	7.64	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.16 above shows whether sales volume has increased has a result of process innovation. It shows that 55 (35.03%) of the respondents strongly agreed that process innovation has increased their sales volume, 70 (44.58%) agreed, 05 (3.18%) are undecided, 15 (9.55%) disagreed with the statement while 12 (7.64%) strongly disagreed that t sales volume has increased has a result of process innovation in Lubcon Oil. Majority of the respondents agreed with the statements which indicates that process innovation increases the performance of Lubcon Oil.

TABLE 4.17: You develop new products that meet the needs of your customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	52	33.12	33.12	33.12
	Agree	74	47.13	47.13	80.25
	Undecided	05	3.18	3.18	83.43
	Disagree	18	11.46	11.46	94.89
	Strongly Disagree	08	5.09	5.09	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.17 above show whether the new products that Lubcon oil develop meet the needs of your customers It shows that 52 (33.12%) of the respondents strongly agreed that the new products that Lubcon oil develop meet the needs of your customers , 74 (47.13%) agreed with the statement, 05 (3.18%) are undecided, 18 (11.46%) disagreed while 08 (0.59%) strongly disagreed that new products developed by Lubcon oil meet the needs of their customers This indicates that majority of the respondents agreed that new products developed by Lubcon Oil has improved the performance of the organization.

TABLE 4.18: : We stimulate innovation practices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agreed	49	31.21	31.21	31.21
	Agree	75	47.77	47.77	78.98
	Undecided	03	1.91	1.91	80.89

	Disagree	15	9.55	9.55	90.44
	Strongly Disagree	15	9.55	9.55	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.18 above shows whether innovation practice is stimulated in their organization. It shows that 49 (31.21%) of the respondents strongly agreed with the statement, 75 (47.77%) agreed, 03 (1.91%) are undecided, 15 (9.55%) disagreed while 15 (9.55%) strongly disagreed with the statement that innovation practice is stimulated in their organization.

Table 4.19 We constantly introduce new and upgrade existing products .

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	49	31.21	31.21	31.21
	Agree	67	42.67	42.67	73.88
	Undecided	08	5.09	5.09	78.97
	Disagree	20	12.73	12.73	91.7
	Strongly Disagr	13	8.28	8.28	100.0
	Total	258	100.0	100.0	

Source: Field Survey, 2025

Table 4.19 above shows whether Lubcon oil constantly introduced new and upgrade existing products. It shows that 49(31.21%) of the respondents strongly agreed, 67 (42.67%) agreed, 08 (5.09%) are undecided, 20 (12.73%) disagreed while 13 (8.28%) strongly disagreed that Lubcon oil constantly introduced new and upgrade existing products. This indicates that majority of the respondents agreed which implies that Lubcon oil constantly introduced new and upgrade existing products in other to improve their business growth and profitability.

Table 4.20We have a strong emphasis on research and development.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agr	33	21.01	21.01	21.01
	Agree	64	40.76	40.76	61.77

	Undecided	15	9.55	9.55	71.26
	Disagree	21	13.37	13.37	84.63
	Strongly Disagree	24	15.28	15.28	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.20 above shows whether Lubcon oil has a strong emphasis on research and development. It shows that 33 (21.01%) of the respondents strongly agreed, 64 (40.76%) agreed, 15 (9.55%) are undecided, 21 (13.37%) disagreed while 24 (15.28%) strongly disagreed that Lubcon oil has a strong emphasis on research and development. This indicates that majority of the respondents strongly agreed which implies Lubcon oil engaged in research and development to improve on their performance.

TABLE 4.21: We insist on offering both quality products and process that are capable of improving our profitability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	45	28.66	28.66	28.66
	Agree	61	38.85	38.85	67.51
	Undecided	12	7.64	7.64	75.15
	Disagree	23	14.64	14.64	89.79
	Strongly Disagree	16	10.19	10.19	100.0
	Total	157	100.0	100.0	

Source: Field Survey, 2025

Table 4.21 above shows if whether quality products and process that are capable of improving our profitability. It shows that 45 (28.66%) of the respondents strongly agreed, 61 (38.85%)agreed, 12 (7.64%) are undecided, 23 (14.64%) disagreed while 16 (10.19%) strongly disagreed that quality products and process are capable of improving their profitability This indicates that majority of the respondents agreed that the organisation offers quality products and process that are capable of improving their profitability. Therefore, product and process innovation increases their performance.

TABLE 4.22: Product and process innovation ensure that we achieve an increased profitability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	55	21.3	21.3	21.3
	Agree	90	34.9	34.9	56.2
	Undecided	41	15.9	15.9	72.1
	Disagree	58	22.5	22.5	94.6
	Strongly Disagree	14	5.4	5.4	100.0
	Total	258	100.0	100.0	

Source: Field Survey, 2015

Table 4.22 above shows whether employees are motivated to work when they have a fair and equitable reward system in their organisation. It shows that 55 (21.3%) of the respondents strongly agreed, 90 (34.9%) agreed, 41 (15.9%) are undecided, 58 (22.5%) disagreed while 14 (5.4%) strongly disagreed that employees are motivated to work when they have a fair and equitable reward system in their organisation. This indicates that majority of the respondents agreed that employees are motivated to work when they have a fair and equitable reward system in their organization which means that workers work well when their pay and benefit is the same or more compared to their colleagues in other organisation.

TABLE 4.23: Organisational growth is always informed by constantly putting in place appropriate and innovation practices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	11	4.4	4.4	4.3
	Agree	94	36.4	36.4	40.8
	Undecided	38	14.7	14.7	55.5
	Disagree	15	5.8	5.8	61.3

	Strongly disagree	100	38.8	38.8	100.0
	Total	258	100.0	100.0	

Source: Field Survey, 2015

Table 4.23 above shows whether the reward system in the hospital have positive effect on healthworkers' performance. It shows that 11 (4.4%) of the respondents strongly agreed, 94 (36.4%) agreed, 38 (14.7%) are undecided, 15(5.8%) disagreed while 100 (38.8%) strongly disagreed that the reward system in the organisation positively impact employee productivity and performance. This indicates that majority of the respondents strongly disagreed that the reward system in the organisation positively impact employee productivity and performance which means the pay and other benefits received by health workers does not motivate them to improve their performance and quality service delivery.

Table 4.24We achieves a high profit on investment based on innovation practices that we put in place. **.**

		Frequency	Percent	Valid Percer	Cumulative Percent
Valid	Strongly agree	45	17.4	17.4	17.4
	Agree	53	20.3	21.3	38.7
	Undecided	38	14.7	14.7	52.8
	Disagree	53	20.5	20.5	78.7
	Strongly disag	67	26.0	26.0	100.0
	Total	258	100.0	100.0	

Source: Field Survey, 2025

Table 4.24 above shows whether the hospital pay policy helps to attract and retain quality employees. It shows that 45 (17.4%) of the respondents strongly agreed, 53 (20.3%) agreed, 38 (14.7%) are undecided, 53(20.5%) disagreed while 67 (26%) strongly disagreed that the hospital pay policy helps to attract and retain quality employees. This indicates that majority of the respondents strongly disagreed that the hospital pay policy helps attract and retain quality employees which means that the pay and other benefits received by health workers is not enough motivate them to improve their performance and quality service delivery.

Table 4.25Our robust and comprehensive implementation of innovation has greatly provided us with competitive advantage and improved profitability

		Frequency	Percent	Valid Percent	Cumulative Percent
Va	Strongly agree	60	23.3	23.3	23.3
	Agree	42	16.3	16.3	39.6
	Undecided	10	3.9	3.9	43.5
	Disagree	80	31.0	31.0	74.4
	Strongly disagr	66	25.6	25.6	100.0
	Total	258	100.0	100.0	

Source: Field Survey, 2025

Table 4.25 above shows whether the employee benefits and allowances paid by the hospital management are commensurate with the service provided by health workers. It shows that 60 (23.3%) of the respondents strongly agreed, 42 (16.3%) agreed, 10 (3.9%) are undecided, 80 (31%) disagreed while 66 (25.6%) strongly disagreed that the employee benefits and allowances paid by the hospital management are commensurate with the service provided by health workers. This indicates that majority of the respondents disagreed that the employee benefits and allowances paid by the hospital management are commensurate with the service provided by health workers which means that the benefits and allowances received by health workers from the hospital management does not commensurate with the service they render.

4.21 HYPOTHESES TESTING

Test of hypothesis 1:

Product innovation does not have significant effect on business growth of SMEs in Kwara State,

Table 4.21: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.873a	.762	.747	.57599

a Predictors: (Constant), Product innovativeness

b. Dependent variable; Business growth

Source: Field Survey, 2025

The model summary as indicated in table 4.21 shows that the coefficient of multiple determination

(R Square) is 0.762; this implies that 76% of variation in the organisational performance was explained by innovativeness while the remaining 24% is due to other variables that are not included in the model. This mean that the model formulated is useful for making predictions since the value of R^2 is close to 100%. Therefore there is a significant relationship between product innovation and business growth.

Table 4.22:ANOVAb

Model		Sum Squares	Df	Mean Square	F	Sig.
1	Regression	84.993	7	16.999	51.237	.000a
	Residual	26.541	250	.332		
	Total	111.535	257			

a. Predictors: (Constant), product innovation

b. Dependent Variable: business growth

Source: Field Survey, 2025

Table 4.22 above shows the result of analysis of variance between dependent variables and independent variable. It gives the test of significance of the fitted model through the ANOVA table to be .000 which is less than .05 (i.e. $p<0.05$). This indicates that the relationship between product innovation and business growth is significant meaning that applying innovation to the organisation will lead to improved organizational performance. Therefore, the null hypothesis which states that Product innovation does not have significant effect on business growth was rejected.

Table 4.29: Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1352	.881		1.535	.000
	Product innovatic	.451	.067	.559	6.768	.000

a Dependent Variable :business growth

Source: Field Survey, 2025

Table4.29 present the coefficient of the impact of product innovation on business growth, the result shows that product innovation has positive effect on business growth of Lubcon oil, Ilorin. The positive impact of each of this variable is found to be statistically significant. This is evidence from each of its probability value (Sig.) being less than 0.05(i.e5% level of significance). A unit increase in product innovation lead to 0.451 unit increase in business growth

Test of hypothesis 2:

HYPOTHESIS 2: To determine the effect of process innovation on profitability of Lubcon oil Ilorin in Kwara State

Table 4.27: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	.629	.371	.367	.33962	1.599

a Predictors: (Constant), process innovation

b. Dependent variable; profitability

Source: Field Survey, 2021

The model summary as indicated in table4.27 above shows that R-squared is 0.371; this implies that 37.1% of variation in dependent variable (profitability) was explained by constant variable (profitability) while the remaining62.9% is due to other variables that are not included in the model. This means that the regression (model formulated) is useful for making prediction.

Table 4.28: model summary ANOVAa

Model		Sum Squares	Df	Mean Square	F	Sig.
1	Regression	3.398	2	1.699	14.730	.000b
	Residual	44.176	383	.115		
	Total	47.574	385			

a Predictors: (Constant), process innovation

b Dependent Variable: profitability

Source: Field Survey, 2025

Table 4.28 present the analysis of variance (ANOVA) in the dependent variable with value regression sum of square of 3.398 and residual sum of squares with value of 44.176(this value indicated that the model does not fail to explain a lot of the variation in the dependent variables. In addition, F-statistic value is 14.730 as given in the table above with significance value of 0.000; which is less than p-value of 0.05 which means that the and probability value 0.000 indicating the reported F-statistic is significant. This implies that the overall model is significant, in other words, process innovation has significant impact on profitability of Lubcon oil, Ilorin.

Table 4.29: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.626	.212		12.363	.000
	Product innovati	.187	.051	.187	3.661	.000

a Dependent Variable :profitability

Source: Field Survey, 2025

Table4.29 present the coefficient of the impact of process innovation on profitability, the result shows that process innovation has positive effect on profitability in Lubcon oil, Ilorin. The positive impact of each of this variable is found to be statistically significant. This is evidence from its probability value (Sig.) being less than 0.05(i.e5% level of significance). A unit increase in process innovation lead to 0.187 unit increase in profitability.

Test of hypothesis 3:

To examine the effect of product innovation on profitability of Lubcon oil Ilorin, Kwara state

Table 4.24: Model Summary

Model	**R**	**R Square**	**Adjusted R Squar**	**Std. Error of Estimate**

1	**.528a**	**.279**	**.272**	**1.943**

a Predictors: (Constant), process innovation

b. Dependent variable: profitability

The table above presents the model summary of the effect of process innovation on profitability of Lubcon oil. The table shows R-squared to be 0.279 and 0.272 respectively.

Table 4.25: model summary ANOVAa

Model		Sum Squares	Df	Mean Square	F	Sig.
1	Regression	45.126	1	45.126	14.469	.000b
	Residual	352.439	113	3.119		
	Total	397.565	114			

a Predictors: (Constant), process innovation

b Dependent Variable: profitability

Source: Field Survey, 2021

Table 4.25 present the analysis of variance (ANOVA) for the model. F-statistic is shown with value 14.469 and probability value 0.000 indicating the F-statistic is significant. This implies that the overall model is significant, in other words, process innovation has significant impact on profitability.

Table 4.26: Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.785	.660		7.246	.000
	process Innovation	.189	.050	.337	3.804	.000

a. Dependent Variable: profitability

Source: Field Survey, 2025

Table4.23 presents the coefficient of the impact of process innovation on profitability, the result shows that customer intensity has a positive impact on Lubcon profitability. The positive impact of each of this variable is found to be statistically significant. This is evidence from each of its

probability value (Sig.) being less than 0.05(i.e5% level of significance). A unit increase in customer intensity lead to 0.189 unit increase in Lubcon profitability.

Test of hypothesis 4:

To analyze the impact of process innovation on business growth of Lubcon oil, Ilorin in Kwara State

Table 4.27: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	.559a	.312	.305	1.78187	1.698

a Predictors: (Constant), process innovation

b. Dependent variable; business growth

Source: Field Survey, 2021

Table 4.27 presents the model summary of the effect of process innovation on business growth. The table shows R-squared and Adjusted R-squared to be 0.312 and 0.305 respectively. This implies that process innovation explains about 31% of variation of business growth by Lubcon oil in Ilorin. Durbin=Watson statistic value stood at 2.018, and this indicates this model to free from serial correlation, as its vale surrounds 2

Table 4.28: model summary ANOVAa

Model		Sum Squares	Df	Mean Square	F	Sig.
1	Regression	145.436	1	145.436	45.806	.000b
	Residual	325.681	101	3.175		
	Total	466.117	102			

a Predictors: (Constant), process innovation

b Dependent Variable: business growth

Source: Field Survey, 2025

Table 4.28 present the analysis of variance (ANOVA) for the model. F-statistic is shown with value 45.805 and probability value 0.000 indicating the reported F-statistic is significant. This implies that the overall model is significant, in other words, process innovation has significant impact on growth of Lubcon oil, Ilorin.

Table 4.29: Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1352	.881		1.535	.000
	Process innovation	.451	.067	.559	6.768	.000

aDependent Variable :business growth

Source: Field Survey, 2025

Table4.29 present the coefficient of the impact of process innovation on business growth, the result shows that process innovation has positive effect on the growth of Lubcon oil, Ilorin. The positive impact of each of this variable is found to be statistically significant. This is evidence from each of its business growth value (Sig.) being less than 0.05(i.e5% level of significance). A unit increase in process innovation lead to 0.451 unit increase in business growth.

Discussion of Findings

This section reports the discussion of findings based on the outcomes of the results from data analysis presented in the previous section. The discussion is reported in line with the research objectives, formulated research questions and hypotheses drawn from the problem statement.

Objective one revealed that product innovation significantly affects business growth. The study found that product innovation increases the likelihood of the business growth. The findings align with what was found in the study ofMusa and Adamu (2018) it was discovered that product innovation increases the business growth.

Objective two examined process innovation on profitability of organizational performance in Lubcon oil, Ilorin. The study revealed that process innovation has significantly effects on profitability of Lubcon oil. The findings of this study were supported by YuSheng and Ibrahim

(2020) that process innovation revealed a statistical positive and significant impact between process innovation and organizational performance.

The research also revealed the effect of product innovation on profitability in Lubcon oil in ilorin.The study revealed effect of product innovation on business growth in Lubcon oil in Ilorin. Findings of this study that Innovation was found to have a positive relationship with firm performance

The forth objective is to analyze the impact of process innovation on business growth of Lubcon oil, Ilorin in Kwara State. The study found out that there is significant effect between process innovation and performance which process innovation has a direct and positive effect on performance of Lubcon oil and firm performances was found to be significantly positive.

5.3CONCLUSION

The study concluded that Lubcon oil employees in the sampled area were aware of the innovation at all levels of the organization. However, despite the high level of the awareness examined the impact of innovation on entrepreneurial onorganisationperformance ofLubcon oil, Ilorin. Findings of the research on all the variables supported the study hypotheses and answered the research questions. The study concluded that when Lubcon oil engaged in both product and process innovation in their organization, it will improve and increase their performance.

In addition, it was concluded that when there is product and process innovation, there is business growth and profits increases which boost the performance of the organization.

The findings concluded that innovation has significant effect on organizational performance.

Finally, the study concluded that there is significant relationship between innovation and performanceofLubcon oil. Ilorin.

5.4 Recommendation

This study has established that innovation has significant impact onorganisational performance of in Ilorin. The study has therefore proffered the following recommendation for better performance.

1. Lubcon Oil in Ilorin should engaged in innovation to thrive their businesses.
2. Government agency who are the regulatory body should formulates a policy that will enhanced entrepreneurship innovation such as reward for creativity and providing conducive business environment for the entrepreneurship innovation to thrive.

3. Busines owners should also, engaged in product innovation so as to improve their performance
4. Owners of Lubcon Oil should also try to improve their process innovation so as to competitors and have edge over their competitors.

5.5 Contribution to Knowledge

This study provides information for the importance ofinnovation onorganisatioal performance of the Lubcon oil, Ilorin. It also highlighted the level of importance of product and process innovation to the organization. This research has been to be the remedy to this challenge by giving adequate information on the essence of innovation on performance of Lubcon oil, Ilorin.

5.5 Contribution to Knowledge

The research is conducted in Nigeria to examine the impact of human resource management practices on organizational performance using Nigeria Health Industry as a case study. The research has added to the literature on human resource management, and to help the general public understand the concept of human resource management practice and its impact on organizational performance in Nigeria Health Industry. This study has provided information on how human resource management contributes to the success of organisations through its practices. The study also identified performance index that should not be under-emphasized in an organisation which are employee performance and quality service delivery. There has been scanty existing research in the impact of human resource management practices on hospital performance in Nigeria. This research has been to be the remedy to this challenge by giving adequate information on the essence of human resource management to hospital performance. This study has been able to identify common factors that make human resource management germane to th

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KWARA STATE UNIVERSITY MALETE

INNOVATION AND ORGANISATIONAL PERFORMANCE IN LUBCON OIL AND LUBRICANT MANUFACTURING COMPANY, ILORIN,KWARA STATE

RESEARCH QUESTIONNAIRE

Dear Entrepreneur,

This research is aimed at assessing the **Effect Of Creativity And Innovation On Organizational Performance In Lubcon Oil And Lubricant Manufacturing Company, Ilorin,Kwara State,** with a view to making policy recommendation that would enhance the provision and utilization of infrastructural facilities of employee development.

The questionnaire form part of the research study leading to the award of a Bachelor of Science(B.Sc.) in Business Administration and Entrepreneurship at Kwara State University, Malete, Kwara State, Nigeria

As amanufacturer, kindly respond to the questionnaire. The information will be used for academic purposes only and will be treated as confidential. Provision of accurate information by you would immensely contribute to the success of the study. Please tick in the boxes or write in the spaces provided as may be appropriate.

Thank you in great anticipation for your kind assistance in this regard.

SECTION A

(Demographic profile of respondents, **please mark x** for the appropriate option that is applicable to you).

1. Gender: a. Male ( ) b. Female ( )
2. Educational Qualification: a. M.Sc./M.Ed. ( ) b. B.Sc./B.Ed./HND ( ) c. ND/NCE ( )
3. Year of Graduation: a. 2014 ( ) b. 2015 ( ) c. 2016 ( ) d. 2017 ( ) e. 2018 ( ) f. 2019 ( )
1. What are the challenges facing your business?
    a. Inadequate capital ( ) b. Lack of business interest ( ) c. Inability to access credit ( ) d. Having flair for something else ( ) e. lack of infrastructure ( )

Composite variables that denote Innovation

Please mark X under the response code that correctly approximate your view.

Guide: 1= Strongly Agree 2= Agree 3= Neutral 4= Disagree 5= Strongly Disagree

SECTION C

Composite variables that denote Innovation

Please mark X under the response code that correctly approximate your view.

Guide: 1= Strongly Agree 2= Agree 3= Neutral 4= Disagree 5= Strongly Disagree

	Innovation	**Response code**				
S/No	**Statement/Description**	1	2	3	4	5
1	We normally engaged in innovation.					
2	We encourage experimental and creativity in all our organisation					
3	organization uses modern equipment for smooth running of the production process					
4	Products and processes Innovation are thoroughly supervised by the supervisor.					
5	Our organisation keep researching to attain the highest quality products and process to keep abreast with modern trends in the global market					

6	**Product innovation**					
7						
		Response code				
		1	2	3	4	5
1	We usually engaged in product innovation					
2	We upgrade on our existing products					
3	We normally carried out research to improve on our products					
4	We regularly improve on creativity and innovation to upgrade on existing and new products.					
5	Our organization regularly evaluate and upgrade products and process innovation					
5						
7	**Process Innovation**					
		Response code				
S/No		1	2	3	4	5
1	The Process innovation adopted increase your profitability					
2	We engaged in process innovation					
3	**product lines has become acceptable by your customers**					
4	Process innovation has help to improve your profitability					
5	Your sales volume has increased has a result of process innovation					
	Business Growth					
1	Organizational growth is always informed by constantly putting inplace appropriate and innovation practices					
2	Product quality through innovation as allow growth in your organisation					
3	Our robust and comprehensive implementation of innovation has greatly pr allow organizational growth					
S4	Product and process innovation ensure organizational growth					
5	We insist on offering both quality products and process that are capable					

	of organizational growth					
	Profitability	**Response code**				
S/No	**Statement/Description**	1	2	3	4	5
1	Our profit keep increasing because of the constant innovativeness					
2	The quality of electricity received improved our productivity.					
3	We insist on offering both quality products and process that are capable of improving our profitability					
4	Product and process innovation ensure that we achieve an increased profitability					
5	We achieve a high profit on investment based on innovation practices that we put in place.					