

# Fertilization of Idea and Venture Performance: A Study of Business Incubation Centres in South East Nigeria

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## ABSTRACT

This study examined the relationship between idea nurturing and business expansion using descriptive design. Incubation centres in the South East Nigeria provided the respondents for the study: complete enumeration sampling technique was adopted to elicit data from top Management Staff/ Trainers of the incubation centres. The instrument for the study was a structured five point Likert-Scale, which was subjected to face and content validity. The reliability of the instrument was determined using Spearman Brown correlation coefficient of 0.81. The hypothesis was tested with Pearson Product Moment Correlation Coefficient at 95% confidence interval. The result of the test showed that there exists positive significant relationship between idea nurturing and business expansion. This study concluded that firms need not have stunted growth since ideas come to one and all and if fertilized could provide the way to innovative expansion. This work recommended that governments everywhere and non-governmental institutions should collaboratively provide the necessary infrastructure for idea fertilization for micro, small and medium enterprises to reduce unemployment, improve the people's standard of living and increase its internally generated revenue from thriving businesses.

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## INTRODUCTION

Ideas are like eggs, unless they are fertilized they become non-viable for procreation. Ideas come from what is seen, heard, experienced or imagined. They come to everyone. They are usually vague or concrete, sub-consciously or consciously. They come and go. For ideas to be turned to real tangible products or services they must be caught, fertilized and hatched. Fertilization of ideas requires an addition to make it viable. Just as unhatched eggs become waste as far as reproduction is concerned, even so ideas need to be fertilized and hatched through ideas hatching process. Every business owner or investor invests in a venture to reap there from. Investors are entrepreneurs. They consider risk profile, feasibility and viability of an investment before investing for a venture to yield the expected level of bottom line, it must perform and the performance must be sustainable. Performance of ventures have different shapes and dimensions. Performance of a venture may be measured in terms of volume of business, proactiveness, innovativeness, expansion, risk taking, profitability and so on.

Business ventures established as going concern are generally expected to be profitable, increase in volume of business, expand, innovate, take risks and be proactive. In the South east of Nigeria and indeed all over Nigeria are business ventures that have stagnant or stunted growth, that are not innovative as they remain in the same line of business without increase in the volume of business and without expansion nor improvement as a result for years on end. Yet ideas flow in and out of their minds. But why? Are they not taking advantage of the ideas that flow in and out their minds? Is it that they are unaware of how to catch, fertilize and hatch their ideas for improvement of their ventures? This study will examine the relationship between fertilization of Idea and venture performance proxied by idea nurturing and business expansion. The objective of this study is to examine the relationship between idea nurturing and business expansion. The research question is, what is the relationship between idea nurturing and business expansion? The hypothesis is,

there is no significant relationship between idea nurturing and business expansion.

## Review of Related Literature

### Fertilization of Ideas

Fertilization of idea describes the beginning of the idea hatchery process. Just as the sperm and the ovum meet, join among other biological processes to kick start pregnancy, even so ideas meet; complement each other to become viable. This is commonly described as cross fertilization of ideas. Amadeus (2020) opined that cross fertilization of ideas as applied to business and management is about importation and mixture of ideas from diverse places, markets or people to produce market satisfying goods and services. This corresponds to idea finding of Rue and Byars (2000). The concept of cross fertilization of ideas connote the processes of different original ideas shedding parts and taking up parts of other ideas to yield an opportunity. Timminons and Spinelli (2004) noted that ideas are not opportunities till cross fertilization occurs. For the duo, ideas are vague until cross fertilized to be a potential opportunity. This agree with Hage (2019) who opined that cross fertilization of ideas involve interchange and interaction as between different ideas, cultures between different points of view represented in the diverse team to arrive at learning. According to Gunasekaran, Ahmad, Mostafa and Tang (2016) the processes of cross fertilization as applied to business include importation of ideas, mixture of ideas through fruitful discussions using argumentation and negotiation to synthesize ideas and feelings to create shared meaning. These steps as defined by Gunasekaran et al described and denote the nurture of ideas from initial conception to its actualization in marketable goods and services. Zimmerer and Scarborough (2005) described ideas fertilized and processed as the key to innovative products or services which is a goldmine to be protected by copyright or patent rights.

### Nurture of ideas

Ideas are nurtured through a process. Ideas come in vague forms. Ideas left alone at first conception level are vague and may be considered mere rubbish ideas most be captured, screened, tested, before they become useful. Patel (2015) listed eight steps to nurturing ideas namely as

1. Start for the right reasons.
2. Brainstorm like crazy.
3. Pick one idea at a time.
4. Test market it (then try some more).
5. Make a business plan.
6. Secure fund or bootstrap.

7. Build a team and
8. Don't be afraid to the try again.

He noted that ideas nurturing develops a culture of innovation for an enterprise. Shan (2020). Intimated that idea nurturing requires an environment conducive to creative thinking. Shan (2020) insist that the point of the idea nurturing for every entity must include; idea screening system. Idea nurturing comprises the processes of capturing, banking, screening and transforming vague ideas to exchangeable products or service. The process according to include doing a research to validate the idea, create a business plan, get the right team, raise capital, launch your business and grow your business. Duncan (2007) noted that idea nurturing tools are a must to nurture new ideas. For him, nurturing tools include: S.U.N- suspend judgment, understand and nurture.

Great firms institutionalize idea generation to develop a culture of innovation through idea nurturing. Libby (2008). According to Whetten and Cameron (2007), Nurturing idea to yield innovative products and services may require idea champion, ideas sponsor or mentor, idea orchestrator or facilitator and organizational rule breaker.

### Venture Performance:

Business Venture is established and risks it's capital with expectation that financial gain will follow as venture outcome. Venture performance describes the outcome of a business venture which might be positive or negative. Business ventures are specific strategies maneuvers attempted to contribute meaningfully to achievement of the enterprise goals. Wheeler and Hunger (2010) Conceptualize venture performance as the outcome of strategic management process. Entrepreneurial venture generally see venture performance as outcome of risky advantage. Strategic management process attempt to achieve firms strategic goal which include vision, purpose, mission, core values and objectives within a timeframe. There are various dimensions to venture performance. Hisrich and Peters (2002) list sales growth and profitability as elementary venture performance, while Solymossy and Hisrich (2000) include income, employee growth and satisfaction. Boone and Kurtz (2005), Pride, Hughes and Kapoor (2002) include volume of business, expansion, customer satisfaction, Robbins (2000) flexibility and social acceptance.

### Business Expansion:

Business entities are goal directed and operate as going concern, as such are driven by passion for profit in a socially accepted manner, Onwuzuligbo and Osisioma (2018). Two broad elements of business entity's goals are survival and growth,

Onwuzuligbo and Nwobodo (2022). As firms survive and grow, they shows business expansion. Business expansion is a type of growth. Business growth can be a firm becoming among its rivalries, spread intensive or extensive or both. Business expansion may show geographically, increase in number of new products or clients served, volume of business or provision of next level service to existing customers or clients. Chop(2014) described the methods of business expansion as follows; introduction of new products, license the products for others to make, taking existing products into other markets, starting a chains of businesses, turning the business into a franchise, growing through acquisitions and mergers, and seeking foreign markets. Compared to others methods of business expansion, it is clear that business expansion can take myriads of shapes. Take it or leave it, business expansion describe growth either intensively or extensively, and growth is a positive development to a firm small, medium or large.

### Theoretical frame work

This study is anchored on Bounded ideation theory of Briggs and Reinig (2010). The Bounded Ideation theory states that ideation function is the relationship between good ideas and the number of ideas generated or contributed. It states that finding good ideas during generation is limited by factors; understanding, attention, resources, goal congruence, mental and physical stamina and solution space, that primary relationship between individual ability and idea quality yielding an idea function with on inflected curve.

Longstanding assumption in business management that the sole objective of a firm is to maximize shareholder's wealth. Rather, proponents such as Freeman (2010), opine that a firm's objective is to optimize stakeholders' wellbeing to create strategic and competitive advantage (Laplume, Sonpar, & Lutz, 2008).

For instance, Jensen (2001) postulate that a firm cannot maximize its value if it ignores the interests of its stakeholders. The theory intends to address three problems (1) the problem of value creation and trade; (2) the problems of the ethics of capitalism; and (3) the problems of a managerial mindset (Freeman, Harrison, Wicks, Partmar, & De Colle, 2010). Stakeholder theory ‘‘ looks at corporate governance beyond the spectrum of just shareholders and directors’’ (Poundel,2015), by taking into consideration the importance of other stakeholders – for example, employees, creditors, local communities, environmental groups and government (Mallin, 2010)

### Methodology:

This work adopted descriptive design to determine the relationship between idea nurturing and business expansion. Four Technology incubation centres in the South East Nigeria located at Aba, Enugu, Nnewi and Okigwe which are owned by the Federal Government of Nigeria and supervised by the Federal Ministry of Science and Technology with headquarters in Abuja Federal Capital Territory. The entire top management Cadre/ Trainers of the incubation centres constituted the population of the study as well as the sample size.

**Table 1: Technology Incubation Centers in the South East Nigeria**

S/N	NAME AND LOCATION OF INCUBATION CENTRE	NO OF STAFF/ TRAINER
1	Technology Incubation Centre, Industrial Rd. Aba	33
2	Technology Incubation Centre, (IMT Industrial Center Enugu)	24
3	Technology Incubation Centre, Ontisha -Okigire Rd. Nnewi	30
4	Technology Incubation Centre, 9Ministry of works) Owerri	25
	Total	112

Source Field work 2021.

Data for analysis and testing of the lone hypothesis were collected using five points Lickert Scaled instrument. The instrument was subjected to spearman- Brown correlation coefficient test which scored 0.81 to confirm the reliability, while face and content validity were utilized to establish its usefulness fit.

The data collected were analyzed Pearson's Products Moment correlation coefficient at 95% confidence interval.

$$r = \frac{N(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n(\sum x^2) - (\sum x)^2][n(\sum y^2) - (\sum y)^2]}}$$

Where: R= Product Moment Correlation Coefficient variable observed X= Independent Variable Observed  
Y= Dependent Variable Observed

$r_{xy} > 0.50$ .



**Table 2 Data Presentation**

S/N	Technology Incubation Centre	No Disturbed	No Reformed	No Analyzed
1	T. I. C Aba	33	31	31
2	T. I. C Enugu	24	24	23
3	T. I. C Nnewi	30	30	29
4	T. I. C Owerri	25	23	23
	Total (Percentage %)	112 (100%)	108 (96%)	106 (95%)

**Table 3 Descriptive Statistics of the Relationship between idea nurturing and business explosion**

S/N	Idea Nurturing	Mean	STD Deviation	Decision
1	We have standard system for Nurturing new ideas	3.5205	1.36915	Accept
2	We assemble experienced personnel to nurse ideas	3.4840	1.20529	Accept
3	We work with others to collect and nurture ideas	3.2922	1.42600	Accept
4	We engage business coach to aid venture sustainability	3.2922	1.39304	Accept
	<b>BUSINESS EXPANSION</b>	<b>Mean</b>	<b>STD Deviation</b>	<b>Decision</b>
1	Our completed favorably	3.4429	1.47150	Accept
2	Our business adapts well to changing business environment	3.4384	1.32013	Accept
3	Our firm regularly concept with new products	3.8082	1.27060	Accept
4	We have been able to go through hurdles doing business with idea nurturing	3.3973	1.45646	Accept

**Source:** Field work 2021

The descriptive statistics above answer the research question positively indicating the mean value with in acceptance region. Mean score above 3 is in the acceptance region, while mean score below 3 is in the rejection region. The average mean score of the idea nurturing and business expansion show 3.397 and 3.521 with standard deviation of 1.348 and 1.379 indicating that there exists a relationship between the variables of study.

**CORRELATION RESULTS FOR HYPOTHESIS**

**H<sub>i</sub>:** There is a positive relationship between idea nurturing and business expansion.

**CORRELATION**

		IN	VS
W	Pearson's correlation	1	.976
	Sig. (2 -tailed)		.000
	N	106	106
VS	Pearson's correlation	.976	1
	Sig. (2 -tailed)	.000	
	N	106	106

**Correlation is significant at 0.05 level (2 tailed)**

The correlation coefficient for idea nurturing and business expansion indicates existence of positive relationship between the variables with 0.976 correlation coefficient.

**TEST FOR HYPOTHESIS**

N	CAL. R	DF	CRIT. R	REMARK
106	0.976	104	.148	Significant

**Field Work 2021**

The result of the hypothesis test, the critical value r at 0.05 level of significance, 106 degree of freedom is 0.148 and the calculated r is .976. The calculated r at .976 is greater than the critical r .148 (Cal. r. 976 > Crit r.148). The hypothesis is accepted.

**Test for significance**

The test for significance is expressed in probability level of significance at 0.05

$$Z_{Cal.} = x = \frac{\sqrt{N-2}}{\sqrt{1-R}} = \frac{\sqrt{106-2}}{\sqrt{1-.9762}} = \frac{\sqrt{104}}{\sqrt{.0238}} = 14.7570.00$$

The observed test of significance level is 70.00 which is higher than the critical value of .148 at 106 degree of freedom. This proves that there is a positive significant relationship between idea nurturing and business expansion.

## Discussion of Finding

The result of this study is that there is a significant positive relationship between idea nurturing and business expansion from the hypothesis tested. This collaborates the work of Fidelis, Waseu, Ngu and Akuraun (2017) showing that businesses that expand generate lots of good ideas, nurture them to innovatively grow and expand.

## Conclusion:

Businesses do not need to decline or be stunned. Rather than with ideas which come to one and all, can be harvested, banked/ stored, nurtured, tested and innovatively implemented for expansion and growth of the enterprise.

## Recommendation:

This study recommends that both governments and non-governmental institutions sponsor and establish infrastructures that provide coaching services, idea fertilization services to Micro, Small, and Medium Enterprises to reduce the quantum of business decline and unemployment, meet the needs of MSMEs while improving the internally generated revenue payable by thriving firms, who otherwise would have been stunted or declined.

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