

The Value of Creativity and Innovation in Entrepreneurship

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Abstract

Entrepreneurship is the result of a process that apply both creativity and innovation to capitalize on marketplace opportunities. This paper explores the relationship between creativity, innovation and entrepreneurship. This paper discusses in qualitative form, the concept of innovation, creativity, entrepreneurship. The paper distinguishes between a business man and an entrepreneur. The paper also explores in subheadings, the linkage between creativity and entrepreneurship, innovation and entrepreneurship as well as creative entrepreneurship. The paper concludes by exploring the relationship between creativity, innovation and entrepreneurship. The paper concludes that successful entrepreneurs require an edge derived from some combination of creative ideas, innovation and a superior capacity for execution. The paper recommends that Entrepreneurs should avail themselves the opportunities to learn new knowledge and apply same.

Keywords: Entrepreneur, Creative Entrepreneurship, Business Innovation, Forms of Innovation, Business Man

Introduction

In this age of unprecedented technological development, businesses and organisations, like the people working in them and the societies around them, face challenges as the pace of change increases. Creativity in the workplace has become one of the most in-demand skills – but how can it best be fostered? Evidently, innovation is one of the key sources of firms’ competitive advantage – but what is the surest route from a brilliant idea to bringing a new product to market? As entrepreneurial activity booms in the digital economy, how can sustainable new enterprises, from spin-offs to start-ups, be built? These three interlinked subjects are the focus of the multidisciplinary team that makes up the Creativity, Innovation and Entrepreneurship (CIE) research theme. Its mission is to contribute, via a cross-disciplinary and holistic research agenda, to the adaptive and renewal capacity of individuals and organisations, to support education for today’s and tomorrow’s employees and businesspeople as well as to inform policymakers and practitioners on best practices.

The Concept of Entrepreneurs and Entrepreneurship

Entrepreneurship is broadly described as the “capacity and willingness to develop, organize and manage a business venture and, along with it, its associated risks, for the primary purpose of earning a profit”. Economics has another way to define it, referring to it as the

“process of discovering new ways of combining resources, such as land, labor and various natural resources, and capital, in order to make a profit”. In today’s context, when one is about to engage in business, he or she is said to be practicing entrepreneurship and, as a result, comes to be known as the *entrepreneur*.

There is this general perception that business people are automatically entrepreneurs. It is erroneously said that people who establish and manage business enterprises are referred to as entrepreneurs. That is not entirely and automatically true. An entrepreneur can become a business person, but not all business persons are assumed to be entrepreneurs. An entrepreneur is described as someone who is capable of using his or her “innate potentials” in order to create value by coming up with a package or collection of resources. He is someone who can spot an opportunity from a mile away and can easily think of ways to exploit it. The entrepreneur is also viewed to have the capability to build something out of very little or, sometimes, even from practically nothing.

Entrepreneurship is the result of a process that apply both creativity and innovation to capitalize on marketplace opportunities. Friday (2007) averred that Entrepreneurs are those who marry their creative ideas with the purposeful action and structure of a business. No entrepreneur or enterprise, however successful and big, can continue to hold a place of leadership unless it recognizes that modern business operates in a world of galloping change which creates new problems, risk and opportunities and for which they have to mobilize the enterprise’s resources before changes make their impact felt. To do successfully, the entrepreneur and enterprise should know where this firm is going and how the firm will get there. This in turn requires a clear definition of the company’s business which will enable it to continually adopt operations to the realities of the market place, ‘the very corner stone of survival and growth’ Innovation is defined as adding something new to an existing product or process.

The key words are adding and existing. The product or process has already been created from scratch and has worked reasonably well. When it is changed so that it works better or fulfils a different need, then there is innovation on what already exists. Innovation is the successful exploitation of new ideas. All innovation begins with creative ideas. Creativity is the starting point for innovation. Creativity is however necessary but not sufficient condition for innovation. Innovation is the implantation of creative inspiration (Friday, 2007).

The Concept of Creativity

Creativity is marked by the ability to create, bring into existence, to invent into a new form, to produce through imaginative skill, to make to bring into existence something new. Creativity is the ability to generate new ideas by combining, changing, or reapplying existing ideas. Some creative ideas are astonishing and brilliant, while others are just simple, good practical ideas that no one seems to have thought, of yet (Harris, 1998). Creativity is also an attitude, the ability to accept change and newness, a willingness to play with ideas and possibilities, a flexibility of outlook, the habit of enjoying the good, while looking for ways to improve it, we are socialized into accepting only a small number of permissible or normal things, like chocolate-covered strawberries, for example. The creative person realizes that there are other possibilities like peanut butter and banana sandwiches, or chocolate-covered prunes Harris (1998).

Creativity and Entrepreneurship

True entrepreneurs are often described as possessing a “mix of creativity and irrationality”. Anastasia (2016) opined that they are creative in the sense that they have clear

visions of what they want in the future, and they have the abilities to achieve what they have envisioned, but they are also somewhat irrational, in the sense that they are willing to take risks and face uncertainties. Even when others are going in one direction, they are willing to go against the tide, stubbornly taking another route, in the belief that, by following that route, they can obtain that vision.

Creativity is an ability, an attitude, and a process. First, it means having the “ability to use one’s imaginative skill in order to come up with something new, whether by production, invention, or innovation”. It mostly stems from coming up with ideas and, by manipulating, combining or reapplying with them, being able to generate more ideas than no one has come up with before (Anastasia, 2016).

In order to be able to come up with new ideas, one has to be flexible and become receptive to change. Otherwise, they would not be able to recognize if an idea has a potential to be manipulated into something fresh and new. This is where creativity being an attitude or state of mind is factored in. For the entrepreneur, change is always welcome. Change is normal; change is healthy. Change is inevitable, so they might as well take advantage of it and use it creatively to their own advantage. In fact, entrepreneurs, more often than not, actively seek change. Now when does creativity become a process? Coming up with novel ideas does not come up in a snap; there is a gradual progress from a germ of a thought or an idea to a full-blown solution. Usually, the first step is the identification of a problem. From there, the creative mind will proceed towards thinking of possible solutions to that problem. That, in itself, is a process (Anastasia, 2016).

Entrepreneurial Creativity and Innovation

Creativity, in general, is a precursor to innovation, and Entrepreneurship has always been about innovation. The combination of creativity and an entrepreneurial spirit in the person of the entrepreneur will inevitably end up into innovation in business and value-creation. It goes without saying that creativity is already inherent among entrepreneurs; it is in their make-up. This entrepreneurial creativity is what sets them apart from your usual cardboard-cutout businessman or typical investor (Anastasia, 2016).

The Concept of Innovation

While Creativity is thinking new things, the ability to develop new ideas and to discover new ways of looking at problems and opportunities, Innovation is doing new things, the ability to apply creative solutions to those problems and opportunities in order to enhance people’s lives or to enrich society.

Innovation is the process of bringing the best ideas into reality, which triggers a creative idea, which generates a series of innovative events. Innovation is the creation of new value. Innovation is the process that transforms new ideas into new value- turning an idea into value. You cannot innovate without creativity. Innovation is the process that combines ideas and knowledge into new value. Without innovation an enterprise and what it provides quickly become obsolete. Innovation is fostered by information gathered from new connections; from insights gained by journeys into other disciplines or places; from active, collegial networks and fluid open boundaries. Innovation arises from organizing circles of exchange, where information is not just accumulated or stored, but created. Knowledge is generated a new from connections that were not there before. Wheatley (1994). Innovation requires a fresh way of looking at things, an understanding of people, and an entrepreneurial willingness to take risks

and to work hard. An idea does not become an innovation until it is widely adopted and incorporated into people's daily lives.

Enterprises throughout the world are experiencing what can be legitimately described as a revolution: rising energy and material costs, fierce international competition, new technologies, increasing use of automation and computers. All these are major challenges, which demand a positive response from the entrepreneur and management if the enterprise is to survive and prosper. At a time when finance is expensive, the firm's liquidity is bordering on crisis, the need for creativity, and innovation is more pressing than ever and as competitors fall by the way side, the rewards for successful products and process are greater. According to Anastasia (2016), Creative entrepreneurs are always thinking up of new products or services that are so innovative they have the ability to create or open up new markets. This is probably the most popular and common form of innovation.

Forms of Innovation

In a start-up, the entrepreneur is regarded as the key actor in developing a business idea, marshalling resources, and creating an enterprise to bring a new product or service to the market. In a competitive business environment, the entrepreneur and the enterprise should continue to seek out now opportunities and make the necessary arrangement to convert them into new goods and services. Innovation should, therefore, impregnate the entire enterprise for the creation and invention of competitive edge and relevancy in the market place. Friday (2007) established that Innovation can take several forms:

- i. Innovation in processes, including changes and improvement to methods. These contribute to increases in productivity, which lowers cost and helps to increase demand.
- ii. Innovation in products or services. While progressive Innovation is predominant, radical innovation opens up new markets. These lead to increases in effective demand which encourages increases in investment and employment.
- iii. Innovation in management and work organization, and the exploitation of human resources, together with the capacity to anticipate techniques.

Innovation centres on people, culture, structure, process and technology. Innovation is the process through which the entrepreneur converts market opportunities into workable, profitable, and marketable ideas. Innovation is an application of something creative that has a significant impact on an organization, industry or society. Entrepreneurship is the continuing generation of Innovation in response to perceived opportunities in the business environment. In this approach, entrepreneurship is therefore concerned with newness: new ideas, products, services or combinations of resources aimed at meeting the needs of consumers more efficiently. Entrepreneurship has been described in terms of the ability to create something from practically nothing. It is initiating... and building an enterprise rather than watching one. It is the knack for sensing opportunities where others see chaos, contradiction and confusion. It is the ability to build a "founding team" to complement your own skills and talents. It is know – how to find, marshal and control resources (Friday, 2007).

Creativity and Innovation in an Entrepreneurial Organization

Growth and development cannot be sustained without additional innovations (usually in the product or services or in its marketing) with additional innovations, firms become "glamorous" Introducing new products is usually seen as part of the process of innovation, which is itself seen as the engine driving continued growth and development.

Many organizations and companies have realized the importance of creativity and entrepreneurship. Role of creativity is to the extent that in the West it is called "death or creativity." Accordingly, the following pattern (Akbar & Haitham, 2014) is presented:

In this model, the three factors of innovation, creativity and entrepreneurship together to enhance the educational and career success.

Thread entrepreneurship has always been associated with innovation, creativity and entrepreneurship that is so necessary and interdependent Drucker (2002) believes that entrepreneurship can say without creativity and innovation does not bear any fruits. Results of some studies have pointed to the fact that entrepreneurs choose new businesses or established companies and institutions, not only for economic reasons, but mostly because there are jobs that innovation and creativity will follow. Shine also believes that the true entrepreneurs, the job is likely due to innovation and creativity begins to economic incentives (Kalantarian, Nargesi & Gholami 2012).

Conclusion

Successful entrepreneurs require an edge derived from some combination of a creative idea and a superior capacity for execution. The entrepreneur's creativity may involve an innovation product or a process that changes the existing order. Or entrepreneur may have a unique insight about the course or consequence of an external change. Entrepreneurship is the vehicle that drives creativity and innovation. Innovation creates new demand and entrepreneurship brings the innovation to the market. Innovation is the successful development of competitive edge and as such, is the key to entrepreneurship. Creativity and Innovation are at the heart of the spirit of enterprise. It means striving to perform activities differently or to perform different activities to enable the entrepreneur deliver a unique mix of value. Thus the value of creativity and innovation is to provide a gateway for astute entrepreneurship—actively searching for opportunities to do new things, to do existing things in extraordinary ways.

Recommendations

1. Entrepreneurs should avail themselves the opportunities to learn new knowledge and apply same.
2. Every seeking to go into business should apply creativity and innovation to already existing products and services.
3. Creativity and innovation should be fostered across businesses, to support news ideas and concepts from employees as well.

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