

# Creative Dimensions of Entrepreneurship: A Key to Business Innovation

Dr Manpreet Arora

Assistant Professor,  
School of Business and Management Studies, Department of Accounting  
and Finance, Central University of Himachal Pradesh, Dharamshala

## Abstract

Most of the entrepreneurial ventures are based on developing new and innovative products and take the lead in grabbing new opportunities which are risky and based on uncertain market situations. Entrepreneurial ventures are based on seeking and grabbing opportunities and use the potential to transform them into ventures. Thereby entrepreneurship is the key to creativity and innovation. Business environments are ever changing and are dynamic, entrepreneurs have divine inspiration to face such dynamism and uncertainty through their creative thought processes. This paper tries to analyse the importance of communication in entrepreneurial behaviour and proposes a model in entrepreneurship which can promote creativity and innovation.

**Keywords:** Entrepreneurial Ventures, Business Environment, Innovation

---

## Introduction

### Theorising the need of being creative

Most of the emerging economies follow high-growth flight only if they adopt the policy of investing and giving opportunities to private sector which paves way to high entrepreneurial activity. The developing economies have now realised that to join the race of development they will have to open up the new areas which ultimately lead to economic development. India and China have set up an example in the global forefront that adopting the policy of liberalisation is the key to success. As we move towards opening up the new areas and avenues we move more and more towards privatisation and liberalisation leading to flourishing more entrepreneurial activities.

As the economy opens up and gears for a new momentum, new areas of economic activities can be seen to flourish and most of them are catered through entrepreneurial or business regimes. In such circumstances creative thinking, cognition, market innovation, strategic advancements, and attaining market efficiency become tremendously significant for the augmentation of an economy.

Most of the entrepreneurial ventures are based on developing new and innovative products and take the lead in grabbing new opportunities which are risky and based on uncertain market situations.

All such risky endeavours contribute in innovative market situations, that is why they help in contributing towards the growth of an economy. These business ventures are in response to fill the gap for products/services pertaining to a particular market and keep the markets moving towards

sustainability. A creative approach of thinking leads to an innovation in products and service offering is done by entrepreneurs by their visualisation, which ultimately leads to economic growth. The concept is based on the theory of innovation economics. It is a theory which emphasises and focuses on the importance of entrepreneurship and innovation.

This theory focuses on two areas one; that the central objective of any economic policy should be to encourage higher productivity by promoting greater innovation and any market relying on input and price signals alone will not be always effective in stimulating higher productivity thereby promoting economic growth until and unless it paves way to creativity.

Schumpeter (1911) established the concept of "entrepreneur as innovator" who is a key figure and force in driving and fostering economic development. The innovative activities of entrepreneurs fosters a creative "destruction process" (Schumpeter, 1942) by causing regular instability/volatility/disturbance to an economic system in equilibrium, thereby creating and adding opportunities for economic rent. For achieving and reaching again to the state of equilibrium or status quo, other innovations flourish and spur up which add more new entrepreneurs into the economic system. In this way, Schumpeter's theory predicts that an increase in the number of entrepreneurs leads to an increase in economic growth and we can say that entrepreneurial activities foster creativity and innovation.

Any enterprise can grow or sustain only if it plans in a creative manner. Creativity starts with imaginative thinking which should be based on critical analysis of a situation.

Every enterprise wants to create wealth for all the stakeholders. The very first vision of the organisation is to sustain till perpetuity that means dealing and coping with the uncertain. If enterprises are built on the foundation of uncertainty that means the solutions to find the right paths must be unique, creative and well planned.

The efficient utilization of the economic resources like land, labour, capital lies in the efficiency of an entrepreneur. Thereby it becomes imperative for an entrepreneur to be creative which paves way for innovation.

Economies are now hedging towards activities like creativity, innovation and entrepreneurship (van den Broeck et al.2008). In this time of global recessions and slowdown where economies like US, Greece faced high level of uncertainty. Only creativity can lead the basis of innovation and business growth (Bilton 2007). In such scenarios creative solution out of the league will have to be opted to find out the ways for managing the economies in the situation of risk and uncertainty. Creative business ideas can pave way to economic growth and ultimately towards innovation.

Entrepreneurship is as a process which creates value for a business. The entrepreneurial dimensions help the societies and economies to grow and bridge the gaps between what we are and where we want to be. Entrepreneurial activities help to exploit economic, social and cultural advantages to improve productivity and create new products and services. Thereby it becomes imperative to create a creative environment which induces and focuses on thinking out of box. Here leadership and motivation plays a dominant role.

### Objectives of the study

Not much of literature is available exactly on Creative Dimensions of Entrepreneurship which leads to innovation. When resources are found they majorly talk about creativity and innovation separately or at workplaces. Less emphasis was found linking the two concepts with entrepreneurship and its present day need. Therefore the objectives of the current work are to:

1. Find out the need of being creative in entrepreneurial ventures
2. Analyse why creativity is important for innovation
3. Review and find out the creative dimensions of entrepreneurship

### Methodology

The present study has been based on conceptual review of creativity, innovation and entrepreneurship which is qualitative in nature. In fact, the main focus of the paper is to

develop a conceptual framework for the further empirical researches in the less explored area of creative dimensions of entrepreneurship.

### Emphasising on the Critical Dimensions of how to be Creative which leads to Innovation

Creativity is the aptitude to produce innovative ideas/concepts/information and convert them into reality so that it is accessible to the consumers in the form of new products and developments. It constitutes the ability to think, imagine, foresee, visualise and design something novel. It may also include solving problems in new and different ways and to give shape to a raw idea, with a new or unconventional approach.

The term creativity includes human innovation, especially in the arts and sciences. Creative thinking is a cognitive process which involves creative problem solving and discovery of new ideas/new concepts /new ways of looking at the existing available things. It can be regarded as viewing things differently and foresee those in a unique and special manner.

Sometimes it is also regarded as thinking abnormally. Creativity is a mindset leading to create new and innovative. Only few people in real life situations have the potential and aptitude to take risk, think imaginatively, foresee future, rely on their mindset to work on unrealistic situations, and handle high level of uncertainty, such people are regarded as entrepreneurs. The use of existing resources in different and unique manner leads them to innovations which help the economy to grow.

Entrepreneurial ventures are based on seeking and grabbing opportunities and use the potential to transform them into ventures. Thereby entrepreneurship is the key to creativity and innovation.

Business environments are ever changing and are dynamic, entrepreneurs have divine inspiration to face such dynamism and uncertainty thorough their creative thought processes.

“Creativity is most commonly described today as the generation or production of ideas that are *novel* and *useful*” (Amabile, 1988). For achieving the desired objective it is necessary to find out the appropriateness of the creative ideas for a particular problem. The organisational problems could be solved by finding out various combinations of existing or new resources to find creative solutions (James and Drown, 2012).

According to Mumford, Hester, and Robledo (2012) creativity is the "production of high-quality, original, and elegant solutions to problems". They surely emphasise on

the best solutions to the problems which are novel, original and useful. Organisational creativity in entrepreneurial activities can be depicted in decision making, problem solving, gaining strategic advancements, product development, financing activities, marketing activities, building organisational cultures etc. We all think creatively at one point or another but everyone has not the capability of putting the dreams into reality and think out of the box. Here the key role is played by an entrepreneur' and in any business situations entrepreneurs put their creative thinking into action and it becomes innovation.

“Innovation is commonly regarded as the *successful implementation* of creative ideas and its acceptance by various stakeholders in organizations” (Oldham and Cummings,1996). Literature on creativity and innovation supports that innovation is an important end objective of an enterprise in which the creativity of an entrepreneur plays a dominant role. As creativity is based on finding novel, out of the box idea to solve a problem or designing a product, innovation is commercialising that creative idea. Entrepreneurs have the ability to have that insight which helps to live up to a creative idea which is not only dreamt, it is lived, put into action and retained.

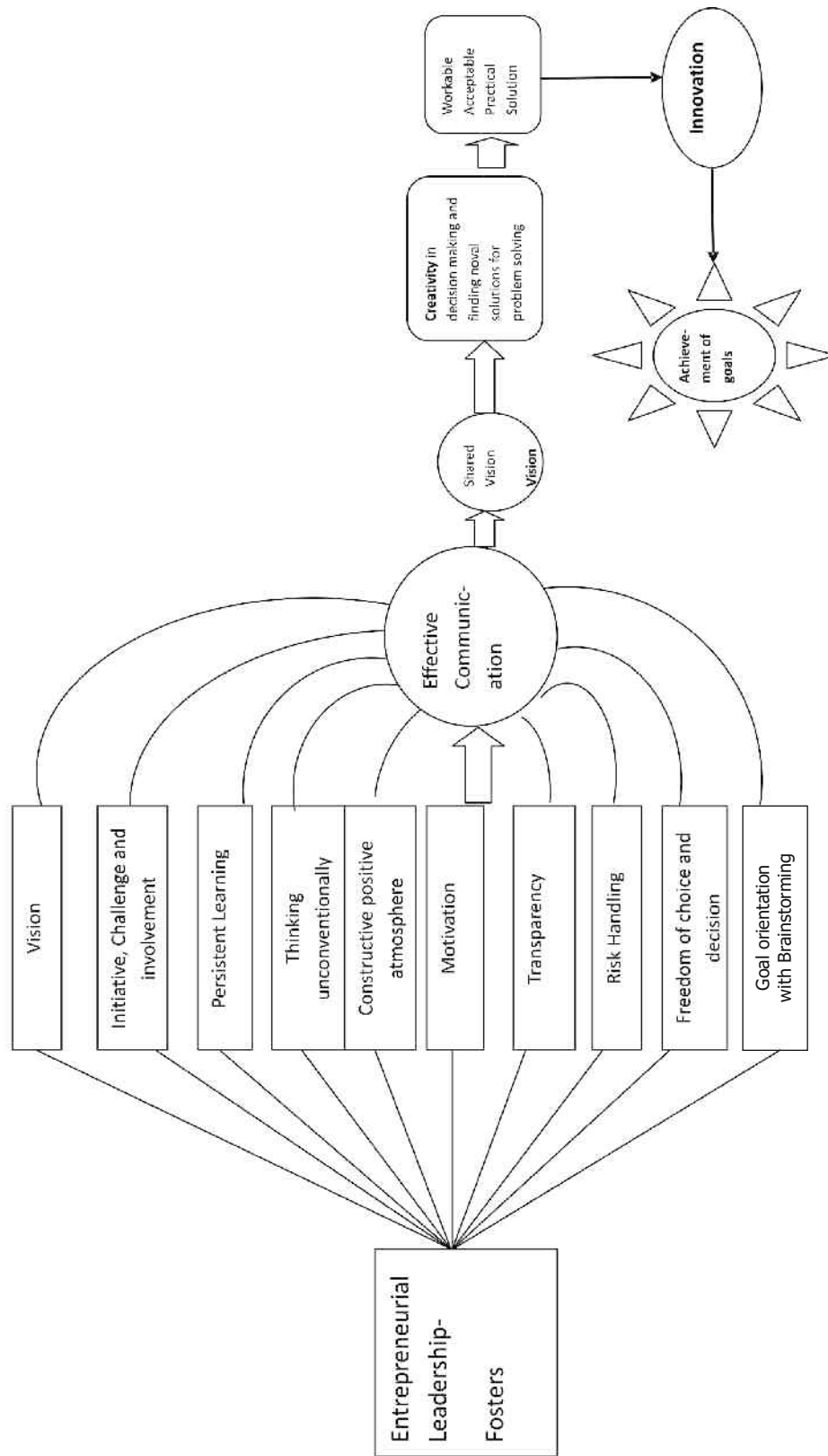
The creative environment of any enterprise is created by entrepreneur. He acts as a leader to influence his followers and that is why he could be regarded as Entrepreneurial Leader. To build up the culture where employees/ followers start thinking in unique ways which are creative on the same hand are workable a strong focus is required. It depends on various factors that followers will initiate thinking about creativity and innovation. A model to promote creativity and innovation as entrepreneurial culture is proposed below. Every individual is derived with the commitment of the Entrepreneurial leader under which he is working. The zeal and commitment level is affected with factors like how far the job is challenging and what degree of involvement is given to him to work with freedom. The working environment or the climate has a very dynamic and long lasting effect on the mindset and perception of followers. People are highly motivated towards their goal if their leader exhibits trust, faith in their capabilities. They ultimately find meaning in their work and are intrinsically motivated to invest their energy and bring out desired results. Most people here strive to do a good job. The level of freedom given to them to take their decisions and day today activities foster a dynamic and creative attitude in them to solve the problems in their own way. When freedom is given to them and they are trusted they feel emotionally safe in relationships at their workplaces. It helps them to think independently without any bias. A level of satisfaction at the workplace helps them to do something new which not only contributes to the organisational growth and development

but it also helps them to grow as an individual. Conflicts are bound to happen in any workplace, how they struggle and how they manage it depends on the working environment. Creativity can only be fostered if their new ideas are listened, encouraged and appreciated. Fault finding style of a leader destructs creativity. Any entrepreneurial leader would always help to enhance the risk taking ability of his team. Thinking unconventionally is always a way to creativity and innovation, for that one has to be open to ideas and be supportive in creating a constructive and positive environment at the workplace. Quite often brainstorming sessions can help which helps to find new and unique ideas/ solutions. Tolerance of uncertain situations and ambiguity in the workplace is built only when new initiatives are taken. Activities like debates can help to find creativity among people and their ideas. Discussions on opposing opinions can always help to make solution more acceptable and practically viable. If it is reached to such a level where the ideas are novel on the same hand they are workable, acceptable and are found to be practical, they become innovations.

The entrepreneur who assumes the role of a leader is regarded as an entrepreneurial leader who helps to create a conducive and creative environment only through his vision and his level of understanding and mutual faith with his followers/ team. Organisations never grow on the bases of sole entrepreneur, it is a team effort. His team will be able to fulfil his dreams only when they are given wings to fly. The creative dimensions of entrepreneurship must be taken care of then only proper communication of ideas will be there. It is very pertinent in decision making that the entrepreneurial leader focuses on communication. If his ideas and visions are not communicated well then the chances of distortions/ failures are high. A proper level of communication in entrepreneurial hierarchy should be there. The ideas should be mutually discussed and debated upon to find out every possible deviation. All the alternatives should be well thought off with the team to find their feasibilities. Practically feasible idea which novel leads to innovation thereby it becomes imperative on the part of the entrepreneurial leader that high level of discussions, brainstorming sessions are carried out to check their practicality.

With the effective communication between both the parties' i.e entrepreneurial leader and his team the vision of entrepreneur becomes a shared vision and through creativity in decision making and problem solving, innovations take place and the prime objective if the organisation is fulfilled.

Model of Entrepreneurial Culture to Promote Creativity and Innovation



### Summarizing the Concept

Creativity matters a lot to every entrepreneur as it is not just the depiction of their ideas, various dimensions of novelty and new solutions of the problems but it is the depiction as well as the capacity of enterprise for sustainability.

For both established organisations as well as new organisations, innovation and change become important as well as imperative in a dynamic, changing environment. The capacity and the ability to manage creativity and innovation is an integral part of entrepreneurial competencies. When an enterprise fails to innovate and find creative solution to the problems its customers, employees and the community at large can all suffer. It depends on the entrepreneurs that what type of values and belief system they want to create in on enterprise. Developing an atmosphere of creativity and innovation primarily depends upon the vision, goals, attitude of the entrepreneur. Creativity is wide spread and can be fostered in an organisation by persistent efforts, knowledge sharing, and exchange of ideas/solutions, encouraging out of the box and novel thinking and respecting new ideas. If the team is motivated and gets good leadership support creative output is bound to occur.

Entrepreneurs must ensure that new ventures need deep support to create a culture of creativity in the workplace. This require that they promote, foster and encourage generation, selection and analysing of different ideas. It also requires guidance to the team in terms of thinking openly, motivation, divergent thinking and giving them an environment of creativity and innovation. Entrepreneurs undoubtedly play a critical role in initiating and ideas to the successful implementation of innovations.

### References

- Schumpeter, J. A. (1911). 1934. The theory of economic development.
- Schumpeter, J. A. (2013). Capitalism, socialism and democracy. Routledge.
- Van Den Broeck, H., Cools, E., & Maenhout, T. (2008). A Case Study of Art economy Building a bridge between art and enterprise: Belgian businesses stimulate creativity and innovation through art. *Journal of Management & Organization*, 14(05), 573-587.
- Bilton, C. (2007). *Management and Creativity: From Creative Industries to Creative Management*, Blackwell Publishing, Oxford.
- Amabile, T. (1988), "A model of creativity and innovation in organisations", In: *Research in Organisational Behaviour*, (Eds.) Staw, B.M. and Cummings, L.L., USA, Greenwich, CT, JAI Press, pp.123-167
- Wong, P., Ho, Y., & Autio, E. (2005). Entrepreneurship, Innovation and Economic Growth: Evidence from GEM data. *Small Bus Econ*, 24(3), 335-350. doi:10.1007/s11187-005-2000-1
- T. Amabile (1998) *Harvard Business Review*, September, 77-87.
- Amabile, (1988); *Res. in Org. Behavior*, Vol. 10: 123-167.
- James, K., & Drown, D. (2012). Organizations and creativity: trends in research, status of education and practice, agenda for the future. *Handbook of organizational creativity*, 17-38.
- Mumford, M. D., Hester, K. S., & Robledo, I. C. (2012). Creativity in organizations: Importance and approaches. *Handbook of organizational creativity*, 3-16.
- Oldham, G. R., & Cummings, A. (1996). Employee creativity: Personal and contextual factors at work. *Academy of management journal*, 39(3), 607-634.
- Baum, J. R., Locke, E. A., & Kirkpatrick, S. A. (1998). A longitudinal study of the relation of vision and vision communication to venture growth in entrepreneurial Firms. *Journal of Applied Psychology*, 83(1), 43.
- Gupta, V., MacMillan, I. C., & Surie, G. (2004). Entrepreneurial leadership: developing and measuring a cross-cultural construct. *Journal of Business Venturing*, 19(2), 241-260.
- Witt, U. (1998). Imagination and leadership—the neglected dimension of an evolutionary theory of the firm. *Journal of Economic Behavior & Organization*, 35(2), 161-177.
- Bird, B., & Jelinek, M. (1988). The operation of entrepreneurial intentions. *Entrepreneurship theory and practice*, 13(2), 21-29.
- Invernizzi, E., & Romenti, S. (2011). Adopting an entrepreneurial perspective to the study of strategic communication. In *Annual ICA Conference*.
- Fernald, L. W., Solomon, G. T., & Tarabishy, A. (2005). A new paradigm: Entrepreneurial leadership. *Southern Business Review*, 30(2), 1-10.
- Gill, R. (2002). Change management--or change leadership? *Journal of change management*, 3(4), 307-318.
- Vecchio, R. P. (2003). Entrepreneurship and leadership: common trends and common threads. *Human resource management review*, 13(2), 303-327.
- Tarabishy, A., Solomon, G., Fernald Jr, L. W., & Sashkin, M. (2005). The entrepreneurial leader's impact on the organization's performance in dynamic markets. *The Journal of private equity*, 8(4), 20-29.