

## Entrepreneurial Creativity: Can it Be A Strategy For Entrepreneurial Development in Rural Indian Context?



### Management

**KEYWORDS :** creativity, entrepreneurial creativity, strategy

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### ABSTRACT

*Entrepreneurs agreed that creativity was very important in identifying business opportunities. 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 strives as a strategy to entrepreneurship development. Entrepreneurship Development refers to the process of enhancing entrepreneurial skills and capabilities through structured training and institution building programmes. Creativity is the starting point for innovation. Entrepreneurial creativity has been defined as the generation and implementation of novel, appropriate ideas to establish a new venture. Entrepreneurial creativity, however, exists before, during and after the lifetime of a particular business since it is shaped in part by the social world and by the individual decision maker. The purpose of the study is to find whether entrepreneurial creativity can be a definite course of action for entrepreneurial development. Non-Probability Convenience sampling was administered on a sample of 250 entrepreneurs from the district of Cuddalore, Tamilnadu was included in the main study. To prove the hypotheses chi-square test was employed to analyze the primary data. The results of the study proves that among the factors of entrepreneurial creativity, creative self efficacy and intrinsic motivation can be influenced by EDPs.*

### 1. Introduction

The entrepreneurship process involves thinking, analyzing, and operating. It is the set of activities performed by an entrepreneur. Entrepreneurship is viewed as a creative and innovative response to the environment and an ability to recognize, initiate and exploit an economic opportunity. Entrepreneurship is the ability to create and build something from practically nothing. It is initiating, doing, achieving and building an enterprise or organization, rather than just watering, analyzing or describing one. Entrepreneurs agreed that creativity was very important in identifying business opportunities. 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 is the starting point for innovation. There was a perception that creativity and innovation are major factors in individuals being entrepreneurial and meeting the changing needs that offer new opportunities. (Hills and Shrader, 1998). Creativity, knowledge and new ideas have become essential in an era where innovative business models enable organizations to get ahead of competitors (Leibold, Voelpel & Tekie, 2004) This is also reported by Van Vuuren (1997).

#### 1.1 Entrepreneurial Creativity

Entrepreneurial creativity was viewed as “a value relates to entrepreneur who has a vision and mission, maximizes his capable, profit oriented, and a good planner, strategic in time consuming, innovative, has quality, and can take opportunities from outside who is good business” (Halim and Mat, 2010). Entrepreneurial creativity has been defined as the generation and implementation of novel, appropriate ideas to establish a new venture (Amabile, 1997). Entrepreneurial creativity, however, exists before, during and after the lifetime of a particular business since it is shaped in part by the social world and by the individual decision maker (Fillis and Rentschler 2006). Amabile (1997) described entrepreneurial creativity as a combination of intrinsic and extrinsic motivation, such that the generation and implementation of novel and suitable ideas can achieve a new venture.

#### 1.3 Entrepreneurial Development

The term entrepreneurial development has been defined in various dimensions (Ndechukwu, 2001, McOliver, 1998, Ameashi, 2006). The development of an entrepreneur refers to inculcate the entrepreneurial skills into a common person, providing the needed knowl-

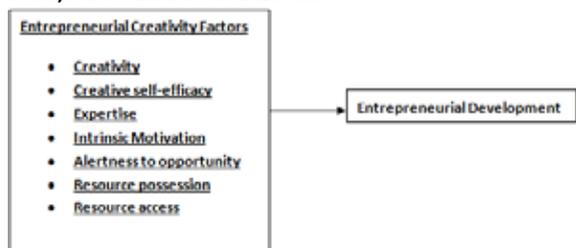
edge, developing the technical, financial, marketing and managerial skills, and building the entrepreneurial attitude. The concept or entrepreneurial development involves equipping a person with the required information and knowledge used for enterprise building and polishing his entrepreneurial skills. Researchers have identified intelligence, motivation, knowledge and opportunity as the prerequisites for entrepreneurial development. Entrepreneurship Development refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution building programmes. Entrepreneurial Development aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created. This accelerates employment generations and economic development. Entrepreneurial development ‘focuses on the individual who wishes to start or expand a business. Furthermore, entrepreneurship development concentrates more on growth potential and innovation. (Monday Osemeke, 2012)

### 2. Literature review

**Muhammad Abi Sofian Abdul Halim and Azman Che Mat (2010) in Craftermakers: A Significant Study on Entrepreneurial Creativity and Competitive Advantage comes out** as, embracing of entrepreneurial creativity also can bring a business more growth, competitive advantage, productivity improvement, job and wealth creation, and ultimately a better quality of life for all. As well as this paper concerned, entrepreneurial creativity is the key values for craft-makers to make them go far in a business development. Currently, craft industries represent a dynamic cluster of emerging creativity and economic activities. These industries considered as SMEs industry which is contributed a source of economic value, providing new employment and business opportunities. Therefore, the purpose of this study is to measure the relationship between entrepreneurial creativity toward competitive advantage among craft-makers in a small and medium business in Terengganu. The results indicates that the multiple correlation coefficient (R) which using all the predictors simultaneously is 0.531 and R-square is 0.281 which means that 28.1 percent of the variance in a competitive advantage can be predicted from the factors of entrepreneurial creativity. The result of this study becomes as a direction to the SMEs in Terengganu to develop the entrepreneurship training program, in a context of entrepreneurial creativity development and competitive advantage. **Jasmina Lukić (2012) in her Creativity and innovation as the driving power of entrepreneurship** to introduce the entrepreneurial process and its components, analyze the contribution of creativity and innovation in this process as well as determining the techniques and methods to stimulate creativity

and innovation. The author also opines that entrepreneur must be creative and innovative in order to identify the true entrepreneurial opportunities and adequately use them. In this sense, entrepreneurial creativity and innovation are seen as two sides of the same coin. For the realization of the entrepreneurial idea into a successful business venture it is necessary to balance creativity and innovation with entrepreneur's abilities.

**3. Objective and Research model**



Source: Adapted from Mumin Dayan et.al (2013)

The objective of this study is to identify whether entrepreneurial creativity can be a definite course of action for entrepreneurial development in rural Indian context.

Proposed Hypothesis Ho: Entrepreneurial creativity cannot be a strategy for entrepreneurial development in rural Indian context

**4. Research methodology**

Descriptive research design has been selected for the present study. The study uses both primary and secondary data. Secondary data have been collected from books, journals, internet, published and unpublished papers. Primary data have been collected with the help of well designed structured questionnaire on the basis of literature. The questionnaire was adapted and designed on the basis of the research article titled "An Exploratory Study of Entrepreneurial Creativity: Its Antecedents and Mediators in the Context of UAE Firms(Mumin Dayan et.al (2013)).The questionnaire was pre-tested on a sample of 35 and necessary changes were incorporated. For the present study non-probability convenience sampling was administered on a sample of 250 entrepreneurs from the town of Chidambaram in the district of Cuddalore, Tamilnadu. To prove the hypothesis, chi-square test was employed to analyze the primary data.

**5. Analysis and Discussion**

**Table 1: chi-square test showing the association between Entrepreneurial Creativity and entrepreneurial development**

Factors	Variable	Chi-square value	P value
Entrepreneurial creativity	Entrepreneurial Development	12.533	0.005**
Creative Self- efficacy		7.463	0.281
Expertise		12.321	0.037*
Alertness to opportunity		22.171	0.021*
Resource Possession		11.227	0.015*
Resource access		12.317	0.011*
Intrinsic Motivation		4.318	0.313

\*denotes significance at 0.05, \*\*denotes significance at 0.01

Table 1 showed that the obtained significance value 0.005 was less than 0.01 and the proposed hypothesis was rejected for the factor entrepreneurial creativity. The obtained significance value for expertise (0.037), alertness to opportunity (0.021), resource possession (0.015) and resource access (0.011) were less than 0.05, this implies that the proposed hypothesis was rejected for all these factors. The other two factors creative self efficacy (0.281) and intrinsic motivation (0.313) have the significance value higher than 0.05, indicates that the proposed hypothesis is accepted

Being stated as a process that enhances entrepreneurial skills and knowledge through structured training programs, entrepreneurial development can be achieved through enhancing entrepreneurial creativity of the rural entrepreneurs. The results of the study indicates that, creativity, expertise, alertness to opportunities, resource possession and resource access are factors of entrepreneurial creativity those can be trained to entrepreneurs, whereas the creative self-efficacy and intrinsic motivation were factors cannot be trained and inculcated through training. Thus the study emphasis that entrepreneurial development process can be designed to enhance the entrepreneurial creativity of rural entrepreneurs through planned efforts. When entrepreneurial creative ability got trained and imparted, entrepreneurs will be able to identify, grasp and rejuvenate their business ideas and opportunities. This study endorses the research ideas of Halim and Mat, (2010) and Jasmina Lukic, (2012).

**Conclusion**

An individual who leads and manages the entrepreneurial process is called an entrepreneur. Entrepreneurs differ among themselves, but successful entrepreneurs are characterized by hard work, perseverance in their work, determination and flexibility. To be always in business loom light, entrepreneurs must continually exhibit entrepreneurial creativity. Entrepreneur must be creative and innovative to exhibit entrepreneurial creativity. Entrepreneurial Creativity is the ability of an individual to turn out an idea or an opportunity to commercially successful in market. Individuals who are able to express entrepreneurial creativity in initiating, growing and running an entrepreneurial venture groom to be a successful entrepreneur. Entrepreneurial creativity can be adopted as an efficient strategy to develop entrepreneurial development in rural context. Entrepreneurial creativity can be embedded in entrepreneurial development training programs.

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