

# CREATIVITY, INNOVATION AND ENTREPRENEURSHIP: POTENTIAL PARTNERS OR DISTANT COUSINS?

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## **ABSTRACT**

*Creativity, innovation and entrepreneurship, have been recognized as important contributors to a nation's economic growth. Creativity plays an important role in the fuzzy front end of a firm's innovation process and also in corporate venturing processes, but the relationship between creativity, innovation and entrepreneurship to a large extent has not explicitly been examined. This exploratory conceptual paper briefly reviews the separate bodies of research on creativity innovation and entrepreneurship, identifying similarities and differences in constructs and applications and identifying implications for business and for management education.*

**Keywords:** Creativity, Innovation, Entrepreneurship, Ideas, Thinking and Business

## **INTRODUCTION**

Drucker (1985) argued that innovation is the tool of entrepreneurship. In addition, both innovation and entrepreneurship demand creativity. Creativity is a process by which a symbolic domain in the culture is changed. New songs, new ideas, new machines are what creativity is about Mihaly(1997). Creativity is the ability to make or otherwise bring into existences something new, whether a new solution to a problem, a new method or device, or a new artistic object or form. Wyckoff (1991) defines creativity as new and useful. Creativity is the act of seeing things that everyone around us sees while making connections that no one else has made. Creativity is moving from the known to the unknown. Culture exerts a negative force on creativity according to Pearce (1974), however, "were it not for creativity, culture itself would not be created." 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 marketplace, "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.

### **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 not ability to create out of nothing (only God can do that), but 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).

### **Creative Thinking**

Every idea is a product of thinking and every product is the manifestation of idea naked in a thinker's mind. These are people who see problems as opportunities to improve and do something new or something better, people who keep these two vital questions on their mind. "What can I do to make things better, or what can I do to make better things? This is the product of thinking. The celebrated discoveries of man are not accidents. The minds of men/women were engaged in creative thinking to deliver the visible products we enjoy today. Name them: Bill Gate and the computer, Graham Bell and the telephone, Michael Faraday and electricity, Isaac Newton and physical law of science, the Wight brothers and Aeroplane, Adenuga and Consolidated oil, Atedo peterside and Investment Banking and Thrust Company, Raymond Depokesi and Dear Communications. The list is endless. You too can join them as you begin to "ponder the path of your feet, that all your ways may be established.

### **The Principles of Creativity**

People become more creative when they feel motivated primarily by the interest, satisfaction, and challenge of the situation and not by external pressures; the passion and interest – a person's internal desire to do something unique to show-case himself or herself; the person's sense of challenge, or a drive to crack a problem that no one else has been able to solve. Within every individual, creativity is a function of three components:

1. Expertise
2. Creative thinking skills
3. Motivation.

Expertise encompasses everything that a person knows and can do in the broad domain of his or her work- knowledge and technical ability. Creative thinking refers to how you approach problems and solutions- the capacity to put existing ideas together in new combinations. The skill itself depends quite a bit on personality as well as on how a person thinks and works. Expertise and creative thinking are the entrepreneur's raw materials or natural resources. Motivation is the drive and desire to do something, an inner passion and interest. When people are intrinsically motivated, they engage in their work for the challenge and enjoyment of it. The work itself is motivating. People will be most creative when they feel motivated primarily by the interest, satisfaction and the challenge of the work itself-“the labour of love”, love of the work- “the enjoyment of seeing and searching for an outstanding solution – a break through.

### **The Entrepreneur and Entrepreneurship**

What are entrepreneurs like? What distinguishes them from other business people? An entrepreneur is the man or woman who is able to actualize his/her innate potentials and develop a character that is not dependent but independent. He/she is that person who undertakes the voyage of creating value by pulling together a unique package of resources to exploit an opportunity. He or She has the capacity and capability to build something from practically nothing – initiating, daring, doing, achieving, and building an enterprise. They genuinely believe they have something new and special to offer, either a product or a service. To them, life will remain a fantasy unless their dreams are actualized. Most importantly, entrepreneurs are the driving force of any nation; they are value adders and represent the wealth of a nation and its potentials to generate employment. The entrepreneur may be a highly educated, trained, and skilled person or he/she may be an illiterate person possessing high business acumen, which others might be lacking. Nevertheless, he/she possesses the following qualities:

1. He/she is energetic, resourceful, and alert to new opportunities, able to adjust to changing conditions and willing to assume the risks in change and expansion.
2. He/she introduces technological changes and improves the quality of his/her product;
3. He/she expands the scale of operations and undertakes allied pursuits, and reinvests his/her profits.

Entrepreneurship means much more than starting a new business. It denotes the whole process whereby individuals become aware of the opportunities that exist to empower themselves, develop ideas, and take personal responsibility and initiative. In a broader sense, entrepreneurship helps young men and women develop new skills and experiences that can be applied to many other challenges in life. Entrepreneurship is therefore a key priority area with the potential to stimulate job and wealth creation in an innovative and independent way. Entrepreneurship instills the enterprise culture into the individuals. Enterprise here is defined as resourcefulness, initiative, drive, imagination, enthusiasm, zest, dash, ambition, energy, vitality, boldness, daring, audacity, courage, get up, and go. Entrepreneurship, therefore, encompasses all the productive functions that are not rewarded immediately by regular wages, interest and rent and non-routine human labour. It is also not investing capital funds along. It is actually, the functions of seeking investment, production opportunity, organizing

an enterprise to undertake new production process, raising capital, hiring labour, allocating resources, and creating new enterprises.

### **The Elements of Innovation**

Innovation is the successful development of competitive advantage and as such, it is the key to entrepreneurship. The entrepreneurs are the “dreamers”, who take hands on responsibility for creating innovation. It is the presence of innovation that distinguishes the entrepreneur from others. Innovation, must therefore, increase competitiveness through efforts aimed at the rejuvenation, renewal, and redefinition of organizations, their markets or industries, if business are to be deemed entrepreneurial.

Fiona Fitzpatrick identified the following elements of innovation:

1. Challenge: What we are trying to change or accomplish-the “pull”
2. Customer focus: Creating value for your customers – the “Push”
3. Creativity: Generating and sharing the idea(s) - the “brain”
4. Communication: The flow of information and ideas –the “life blood”
5. Collaboration: People coming together to work together on the idea(s) – the “heart.”
6. Completion: Implementing the new idea-the “muscle”.
7. Contemplation; Learning and sharing lessons lead to higher competency-the “ladder”
8. Culture: The playing field of innovation includes:
  - Leadership (sees the possibilities and positions the team for action-the role model)
  - People (diverse groups of radically empowered people innovate –the source of innovation)
  - Basic values (trust and respect define and distinguish an innovative organization-the backbone).
  - Innovation values (certain values stoke the fires that make the “impossible” possible-the Spark).
9. Context: Innovation is shaped by interactions with the world.

### **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. The “winning performance” of the entrepreneur and the organization focuses on.

- Competing on quality not prices:
- Domination of a market niche;

- Competing in an area of strength
- Having tight financial, and operating controls:
- Frequent product or service innovation (particularly important in manufacturing).

To grow and prosper, most enterprises need to constantly improve their existing products and services through continuously innovating needed changes: and for survival of the enterprise, must also need to create new products and services to meet yet unfulfilled needs. Enterprises that rely exclusively on innovation will prosper until their products and services “ran out of gases and become obsolete and non-competitive. On the other hand, enterprise that are totally creative will have their new products and services ready to launch, but often too few current products sufficiently up-to-date and competitive to generate the cash needed to fund their creativity. Changes are that the very successful leaders of the future will be more likely to make creativity and innovation a strategic priority in their organization. In today’s environment where competition requires business enterprises to be distinct and meet customer needs with better or never products and organization becomes in critical necessity. The organization that is not creative and innovative cannot survive in the market place. Thus, entrepreneurs and enterprises are continuously creative and innovative to remain relevant to the customers, which is the purpose of every business.

## **CONCLUSION**

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. Creativity and Innovation therefore, trigger and propel first-rate entrepreneurship in steering organization activities in whatever new directions are dictated by market conditions and customer preferences, thereby delighting the customers to the benefit of the stakeholders. Innovation also means anticipating the needs of the market, offering additional quality or services, organization efficiently, mastering details, and keeping cost under control. No doubt, the current economic environment is a volatile and violent one. The new environment demands renewed dynamism of approach. Creativity and innovation is the new name of the game. Only the discerning organizations can manage the changes inherent in the new environment. It is the duty of the entrepreneur to keep his/her organization lean, young, flexible, and eager for new things to continuously delight the customers, which is the purpose of every business.

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