THE NEXUS BETWEEN ENTREPRENEURSHIP ORIENTATION AND EMPLOYEES’ CREATIVITY IN SELECTED MICRO-FINANCE BANKS IN PORTHARCOURT

ABSTRACT
This study focused on establishing a link between entrepreneurship orientation and individual creativity. While innovativeness and risk taking were used to measure entrepreneurship orientation, responsive and contributory creativity were considered as the dimensions of individual creativity. The research design for the study was the survey research design and its population consists of 50 entrepreneurs selected across the three geopolitical zone of Imo State. The major instrument for data collection was a five point likert scale questionnaire titled entrepreneurship orientation and individual creativity questionnaire (EIandICQ). The statistical tool used for data analysis was t-test using the 20.0 version of statistical package for social sciences (SPSS). From the findings the study concludes that there is a strong positive link between entrepreneurship orientation and individual creativity. In line with the findings as encapsulated in the conclusions, it was recommended that at organizational level, the recruitment process should be structured to identify creative and innovative individuals in other to place them in positions where they can drive new business initiatives of the organization, while at individual level, it is important for entrepreneurs to develop their creative capacities in other to remain afloat in business.

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I. INTRODUCTION

The flux in the business climate is rising thereby creating a need for an entrepreneurial mindset within the organization. The staffing goal of every organization therefore should be retooled towards building up a large stock of employees who are dynamic and creative enough to easily adapt to the changing work environment and the increasing competition in the general business environment. The import of this is that organizations must be creative to engage employees who have flexible adjustment to work and environmental skills. Entrepreneurial orientation has been conceptualized as the process and decision making activities used by entrepreneurs that leads to entry and support of business activities (Kropp, Lindsay & Shoham, 2006); and as the strategy making processes that provide organizations with a basis for entrepreneurial decisions and actions (Wiklund & Shepherd, 2003).

The study of individual creativity has often been associated with individual motivation. It is a general believe that once an individual is adequately motivated, his creative abilities will be released. Furthermore, this school of thought concentrates on correlating motivation to rewards which incidentally produces a creative workforce. While this believe is not totally false, its interest in rewards may be ambiguous as it consists of diverse tools. The present study therefore is challenged to investigate how the drive for entrepreneurship in employees helps them to explore, power and express their creative abilities on the job.

Statement of the Problems

In Nigeria today, it has become obvious that competition is getting higher, hence, entrepreneurs who is bent on doing business in the usual way are not likely to survive the market pressure. However, entrepreneurs are inhibited from pursuing and expressing their creative ideas as a result of unfriendly business occasioned by government policy instability, poor knowledge or market information and competition from foreign made products. Moreover, failure of government to provide sustainable support through financial and social capital provision has constrained citizens with entrepreneurship orientation from self-expression. The import of this constrain is that innovativeness and risk taking is suppressed in Nigerian entrepreneurs and this hampers both their ability to creatively respond to market changes and contribute meaningfully in bringing about the desired products and services. The core problem of this study therefore is to establish a link between entrepreneurship orientation and individual creativity, using innovativeness and risk taking as measures of entrepreneurship orientation and responsive and contributory creativity as dimensions of individual creativity.

Objectives of the Study

The general objective of this study is to establish a link between entrepreneurship orientation and individual creativity. It shall however pursue the following specific objectives;

i) Examine the link between innovativeness and responsive creativity

ii) Examine the link between risk taking and contributory creativity

Research Questions

The following questions shall serve as a guide to this study;

i) What are the links between innovativeness and responsive creativity?

ii) What are the links between risk taking and contributory creativity?

Hypotheses

H₀₀: there is no significant link between innovativeness and responsive creativity

H₀₁: risk taking does not have significant link with contributory creativity

II. REVIEW OF LITERATURES

Entrepreneurship: Entrepreneurship has become one of the most popular areas of research in management studies (Landstrom, 2005). As mentioned in the introduction, Shane’s (2003) defined entrepreneurship as “an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously had not existed” will be adopted. The reason for choosing this definition is that it can be regarded as supporting the concept and dimensions of EO. As Lumpkin, Brigham and Moss (2010) state, innovativeness can be linked to a firm’s ability to discover potential opportunities, whereas proactiveness refers to the competency to evaluate and exploit them. The whole notion of organizing resources that have not existed before includes the idea of need for risk-taking (Lumpkin, Brigham and Moss, 2010). In addition, Shane’s (2003) definition of entrepreneurship also covers opportunities from discovery to exploitation, which can be seen as the starting point of utilizing the dimensions of EO that is the focus of this study.

Entrepreneurial Orientation: EO has been considered a valid concept in the field of entrepreneurship, because it is an efficient tool for acquiring evidence of entrepreneurial actions and decision-making across multiple organizational and geographic contexts (Kemelgor, 2002). EO as a driving force behind entrepreneurial activities has become a central theme of the discipline of entrepreneurship (Wales, Monsen and McKelvie, 2011). On a general level, EO demonstrates a firm’s organizational processes, methods, and styles that it uses to act. Thus, the process of entrepreneurship is emphasized over the actors behind it, which puts entrepreneurship in a management framework. Despite of the large amount of studies examining EO, there are still various debates about it, the forces driving it, its appearance and about the connection between EO and performance (Miller, 2011).

Lumpkin and Dess (1996), describe EO as the propensity to act autonomously, innovate, take risks, and act proactively when confronted with market opportunities. These definitions represent the two most widely used bases for perceiving an EO at least in terms of the relevant dimensions. Based on the views of Covin and Slevin (1988), EO consists of three dimensions, which are innovativeness, risk-taking, and proactiveness, whereas Lumpkin and Dess (1996) perceive EO to consist of five dimensions, which in addition to the ones above are autonomy and competitive aggressiveness.

Dimensions of entrepreneurial orientation: As stated in the previous section, Covin and Slevin’s (1988) three-dimensional definition of EO is adopted and it is treated as a multi-dimensional construct. Thus, this subsection presents those dimensions of innovativeness, risk-taking and proactiveness in more detail after which it discusses the multi-dimensionality of EO.

Innovativeness: According to Lumpkin and Dess (1996), Schumpeter (1942) was one of the first to highlight the role of innovation in the entrepreneurial process. Schumpeter (1942) describes a process of “creative destruction”, where wealth creation occurs through disruption of existing market structures due to introduction of new goods and/or services that cause resources to move away from existing firms to new ones.
thus allowing the growth of the new firms. Lumpkin and Dess (1996) argue that the process of creative destruction is initiated by an entrepreneur, which makes innovation an important success factor within EO. Furthermore, this link between entrepreneurship and innovativeness is supported by the results of Shane, Kolvereid and Westhead (1991), who found that innovation is among the key motives to start a business.

Lumpkin and Dess (1996), state that innovativeness reflects a firm’s tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products or services, or organizational processes. Innovativeness refers to willingness to move forward from existing technologies or practices and explore beyond the current borders and shows that a firm is putting effort into introducing new products to the market. Thus, innovativeness is vital for maintaining a firm’s viability because it is the source of ideas that lead to improvements and new products and thus helps in sustaining a thriving firm (Lumpkin, Brigham, and Moss, 2010).

Innovativeness is also of high importance because as the markets nowadays change in a rapid pace, maintaining competitive advantage is crucial. Innovativeness can be a key to this, because it can be a source of significant progress and growth for a firm. Dess and Lumpkin (2005) states that innovativeness plays a key role in the construct of EO, its importance in this study becomes even greater. This is due to the fact that, innovativeness is a culturally bound concept, which suggests that its levels and impacts across cultural barriers may differ.

**Risk-taking:** Risk-taking entails the willingness to pursue opportunities that have a substantial likelihood of producing losses or significant performance discrepancies (Morris, Kuratko and Covin, 2008). Risk-taking is normally associated with entrepreneurship because the concept of entrepreneurship in its original form includes the assumption of personal risk-taking (Lumpkin and Dess, 1996). On firm level, risk-taking refers to the tendency to support projects with uncertain expected returns (Walter, Auer and Ritter, 2006). Firms with an EO often engage in risky activities, such as high leveraging and large resource commitments in the desire of gaining high returns by pursuing opportunities in the market. Finally, personal risk is related to a person, normally an executive, who decides to favor a certain strategic course of action. The risk here stems from the influence the executive has on the direction of the company, which can in case of failure also lead to personal consequences. (Dess and Lumpkin, 2005)

**Proactiveness:** Liebermann and Montgomery (1988) state, that first-mover strategy is the best strategy for capitalizing on a market opportunity. If a firm spots an opportunity in the market and is the first to act upon it, it can make abnormal profits and benefit from brand recognition. Thus, proactiveness, which refers to taking initiative, anticipating and carrying out new opportunities, and creating new markets or participating in emerging ones, is also associated with entrepreneurship, and is an important dimension of EO (Walter, Auer and Ritter, 2006).

According to Smith, Ferries and Grimm (2001), proactiveness is significant for EO because of its forward-looking perspective. A proactive firm is able to identify possible emerging problems and find solutions for them. Due to this, proactiveness can be key for competitive advantage, because competitors need to respond to the successful initiatives of the pioneer. The pioneer may also succeed in locking in customers due to high switching costs. Venkatraman (1989) proposes that proactiveness refers to processes aimed at foreseeing and acting on future needs by searching for new opportunities which may relate to present operations or differ from them. Thus proactiveness can refer to the introduction of completely new products and brands before competitors, and also to eliminating those operations which have turned or are turning unprofitable.

**The Concept of Creativity:** Creativity has been examined through multiple perspectives: person, process, product, and context (Runco, 2004). For this reason, understanding creativity within an organizational context requires acknowledging the complexity of the construct. From a person perspective, creativity is viewed as a quality of individual talents and traits (Hennessey and Amabile, 2010) while a process perspective views it as a process with different stages through which ideas are generated. Research that examines creativity from a press (situational influences on creativity) perspective examines situational and environmental influences: cultural, organizational and familial that influence creative person and/or creative process (Hunter, Bedell, and Mumford, 2007). Creativity as a product, commonly defined as novel (original), new ideas about the processes, services, and products that have potential to be valuable (useful, appropriate) to an organization either in the short- or long term (Amabile and Pillemer, 2012). Wang and Netemeyer (2004) adapted this definition to the service delivery context and defined creative sales behaviours as “the amount of new ideas generated and novel behaviours exhibited by a salesperson when performing his or her job activities”. Implicit in this definition is the notion of usefulness because if new ideas are generated and/or novel behaviours performed, it is because they are considered beneficial in solving sales problems. It is important to clarify the “novelty” and “usefulness” aspects of creativity as some authors interpreted that it is challenging to judge ideas based on such criteria.

Indeed, what is original in one field has already been discovered in another field (George, 2007). For instance, methods that have been established in a design firm to develop new products can be very new to the service delivery process in a banking industry. In their earlier review of the creativity literature, Shalley and colleagues (2004) noted that ideas are considered novel if they are unique in relation to other ideas currently available in an organization. Thus, for an idea to be considered creative, it does not necessarily have to be unique within a specific context, but novel for an organization. The question of “useful for whom?” has also been raised by researchers. Ideas are considered useful if they have the potential for direct or indirect value to an organization, in either the short or long term. Furthermore, in addressing these matters, creativity scholars argue that novelty and value of a creative product is a domain-specific and subjective judgment. Amabile and Pillemer (2012) suggest that to assess novelty and usefulness of a creative product, one should be an external observer with a domain-relevant experience and should use his/her own subjective judgments of creativity. One cannot expect to avoid subjectivity in assessing novelty and usefulness of ideas because researchers assign attributes of people, processes, and places as contributors to creative products and acts.

**Types of Creativity:** Unsworth (2001) identified four types of creativity, which are categorized along two dimensions: (i) driver for engagement in creative activity (internal/external) and (ii) type of problem (closed/ open). External driver for engagement in creative activity can be a situation or a specific job that requires an individual to be creative, whereas internal driver can be one’s inner desire to be creative. Open problem in organizational settings is characterized by employees discovering problems themselves, whereas a closed problem is one formulated and presented to employees. Unsworth’s model (2001) represents four major categories: expected, proactive, responsive, and contributory types of creativity, but these dimensions represent a continua rather than defined categories. Expected creativity in organizational settings reflects situations/jobs that by definition require creative solutions to self-discovered problems and entail employee discretion in the choice of
problems. Total Quality Management practices are an example of expected creativity. Responsive creativity is driven by external conditions and closed problems - a person has the least choices over problem. Jobs that by definition require creativity for solving stakeholders’ presented problems fall under this category. For instance, the work of designers, architects, and R&D scientists require creative solutions for specific offered problems. As mentioned above, Unsworth’s types of creativity are context-specific even for the same type of job. For instance, a web designer could work on a customer-specific problem, but in another context will proactively discover problems him/herself and suggest improvements. Contributory creativity is an internally driven (self-determined) response to a formulated problem. It involves voluntary behaviours such as when employees from one department voluntarily help to solve a specific problem in another department. Finally, proactive creativity occurs when individuals are internally driven to search for problems and generate solutions. For instance, in customer contact jobs employees can be internally driven to engage in a creative process to solve self-discovered or stakeholder-presented problems.

Although it is possible for creativity to be required in customer contact jobs in some organizations, it is usually not specified in the job description and therefore it constitutes a discretionary behaviour or an output of an internal drive (Martinaitye and Sacramento, 2013). Customer contact employees constantly deal with challenges their customers face and therefore are motivated to discover problems (open problem) which then need novel solutions. In addition to discovering problems, customer contact employees can also be invited to respond to a framed/proposed problem by their managers or customers. For instance, employees may be asked to suggest ideas for reducing operational costs in their unit. In such a case, employees would be dealing with closed problems. Based on Unsworth’s (2001) taxonomy, this research focuses on proactive and contributory types of creativity, which are internally driven responses to either self-discovered and/or proposed problems. While the extant creativity research has focused predominantly on externally-driven creativity, driven by job requirements or situational demands (Hirst et al., 2009) recent research examines creativity in jobs where creativity may not be a requirement such as sales and customer service (Gong et al., 2009). Given that creativity is a key behaviour in fostering excellent customer experience (Coelho et al., 2011), it is important to extend this line of research by examining creative behaviours in service delivery, and understanding how such behaviours can be facilitated.

Theoretical Review

Classical Theory: The classical theory extolled the virtues of free trade, specialization, and competition. The theory was the result of Britain’s industrial revolution which took place in the mid 1700 and lasted until the 1830s. The classical movement described the directing role of the entrepreneur in the context of production and distribution of goods in a competitive marketplace (Say, 1803). Classical theorists articulated three modes of production: land; capital; and labour. There have been objections to the classical theory. These theorists failed to explain the dynamic upheaval generated by entrepreneurs of the industrial age (Murphy, Liao and Welsch, 2006).

Neo-classical Theory: The neo-classical model emerged from the criticisms of the classical model and indicated that economic phenomena could be relegated to instances of pure exchange, reflect an optimal ratio, and transpire in an economic system that was basically closed. The economic system consisted of exchange participants, exchange occurrences, and the impact of results of the exchange on other market actors. The importance of exchange coupled with diminishing marginal utility created enough impetus for entrepreneurship in the neoclassical movement (Murphy, Liao and Welsch, 2006). Some criticisms were raised against the neo-classical conjectures. The first is that aggregate demand ignores the uniqueness of individual-level entrepreneurial activity. Furthermore, neither use nor exchange value reflects the future value of innovation outcomes. Thirdly, rational resource allocation does not capture the complexity of market-based systems. The fourth point raised was that, efficiency-based performance does not subsume innovation and non-uniform outputs; known means/ends and perfect or semi-perfect knowledge does not describe uncertainty. In addition, perfect competition does not allow innovation and entrepreneurial activity. The fifth point is that, it is impossible to trace all inputs and outputs in a market system. Finally, entrepreneurial activity is destructive to the order of an economic system.

III. METHODOLOGY

The research design for this study is the survey research design. Furthermore, the choice of survey design is appropriate since the number of element (population) under study is known. The population for this study consists of 50 entrepreneurs selected across the three geopolitical zone of Imo states. Due to the smallness of the population under consideration, the researcher used the entire population as the sample size. The major instrument for data collection was a five point likert scale questionnaire titled entrepreneurship orientation and individual creativity questionnaire (ElandICQ). The statistical tool used for data analysis is t-test using the 20.0 version of statistical package for social sciences (SPSS).

IV. RESULTS AND DISCUSSIONS

In this section, we used the t-test to test the two hypotheses stated in this study with the aid of statistical software packages known as the SPSS version 20.00

SPSS Output 1: T-Test

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovativeness</td>
<td>39.9200</td>
<td>50</td>
<td>9.71395</td>
<td>1.37376</td>
</tr>
<tr>
<td>Responsive creativity</td>
<td>50.4400</td>
<td>50</td>
<td>6.32830</td>
<td>.89496</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovativeness &amp; Responsive creativity</td>
<td>50</td>
<td>.120</td>
<td>.406</td>
</tr>
</tbody>
</table>

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Therefore affirms that there is a strong positive link between entrepreneurship orientation, team learning behavior, and innovative creativity. In this study concludes that creativity is a driver of entrepreneurship, i.e., individuals who are creative are more likely to be disposed to entrepreneurship orientation. The findings deduced from the results obtained above, there is significant risk taking has significant link with contributory creativity.

From the SPSS output 1 above, the p-value for responsive creativity is 0.000, which is significant; hence the null hypothesis is rejected. It is therefore concluded that there is a significant link between innovativeness and responsive creativity.

V. CONCLUSION

From the findings deduced from the results obtained above, this study concludes that creativity is a driver of entrepreneurship, i.e., individuals who are creative are more likely to be disposed to entrepreneurship orientation. The study therefore affirms that there is a strong positive link between entrepreneurship orientation and individual creativity.

VI. RECOMMENDATIONS

In line with the findings as encapsulated in the results and the conclusions above, it is recommended that;

i) At organizational level, the recruitment process should be structured to identify creative and innovative individuals in other to place them in positions where they can drive new business initiatives of the organization.

ii) At individual level, it is important for entrepreneurs to develop their creative capacities in other to remain afloat in business.

REFERENCES


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