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### A REVIEW OF CREATIVITY IN ENTREPRENEURSHIP LITERATURE

**ABSTRACT** The linkage between entrepreneurship and creativity has been discussed extensively in the literature. Though various relationships between entrepreneurship and creativity have been asserted in the literature, it remains to be seen to what extent this relationship actually exists. Therefore, the main purpose of this study is to identify the role of creativity in the entrepreneurship literature. After reviewing 79 articles, three broad themes surfaced in the literature: personality and motivation, education and training, and globalization and the economy. The implication of this study is that entrepreneurship education is a promising industry for the future, to which more funding, research, and resources should be allocated as the role of the entrepreneur becomes ever more significant in society. Hopefully, this review will also provide a useful reference-point for future researchers seeking to uncover other possible research avenues, as well as inspire educators and entrepreneurs to make more productive use of their creative toolboxes.

#### Introduction

The linkage between entrepreneurship and creativity has been discussed extensively in the literature (DiPietro, 2003; Farahmand, Tagizadeh, & Kheirandish, 2011). Farzaneh et al. (2010) state that “creativity and innovation are considered to be inseparable from entrepreneurship, which is in turn manifested in the act of starting up and running an enterprise” (p. 5372). This is echoed by Miranda, Aranha, and Zardo’s (2009) declaration that “creativity is at the heart of an entrepreneur’s search for meaning” (p. 523). Given this attitude among scholars of entrepreneurship, creativity tends to be viewed as either an implicit or an explicit attribute by which entrepreneurship can be defined. For example, Bruyat and Julien (2001) note that “entrepreneurship is concerned first and foremost with a process of change, emergence and creation: creation of new value, but also, and at the same time, change and creation for the individual” (p. 173). Carland, Carland, and Hoy (1989) define entrepreneurship as “a role that individuals undertake to create organizations” (p. 64). Kao (1993) believes that “entrepreneurship is the process of doing something new and something different for the purpose of creating wealth for the individual and adding value to society” (p. 69). Shane and Venkataraman (2000) attempt to provide a definition of the full entrepreneurship cycle, and argue that the field of entrepreneurship consists of “the study of sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them” (p. 218). While the above-named scholars have embraced the idea of creativity as blending into the

perspective of entrepreneurship or even defining it, several others (e.g., Fontela, Guzmán, Pérez, & Santos, 2006; Rennie, 2008) go even further in equating entrepreneurial behavior to creativity. They assert that entrepreneurship is a creative action. Following this line of argument, some authors propose the notion of *creative entrepreneurship* (De Miranda, Aranha, & Zardo, 2009) or *entrepreneurial creativity* (Penaluna, Coates, & Penaluna, 2010). In creative entrepreneurship—as described for example by De Miranda et al.'s (2009) triple helix model—creativity is viewed as the cornerstone for innovation and entrepreneurial activity. They identify three building blocks (people, environment, and culture) as key elements for creative entrepreneurship, and argue that a creative entrepreneur should possess four characteristics: vision, difficulty in valuing the intangible, relation of intensity and emotion to the soul of the business, and connecting creation and innovation (for a detailed discussion see pp. 527-531). Entrepreneurial creativity, meanwhile, as defined by Amabile (1997), is “the generation and implementation of novel appropriate ideas to establish a new venture” (p. 20). For Amabile, motivation is the driving force for the actualization of entrepreneurial vision. As a consequence, she proposes three aspects of motivation that affect entrepreneurial creativity: intrinsic, controlled extrinsic, and synergistic (informational or enabling) extrinsic motivation.

Though various relationships between entrepreneurship and creativity have been asserted in the literature, it remains to be seen to what extent this relationship actually exists. In statistical terms, the magnitude of this connection in the literature needs further clarification. Therefore, the main purpose of this study is to identify the role of creativity in the entrepreneurship literature. Hopefully, this review will also provide a useful reference-point for future researchers seeking to uncover other possible research avenues, as well as inspire educators and entrepreneurs to make more productive use of their creative toolboxes.

## Method

### Literature Search

To cover the entrepreneurship literature on creativity as exhaustively as possible, several different search strategies were used. First, the *ABI/Inform Complete*, *EBSCOhost*, and *ProQuest Dissertation & Theses* databases were searched to identify studies on the relationship between entrepreneurship and creativity. In addition, searches were carried out within a number of top-tier journals including *Academy of Management Journal*, *Journal of Applied Psychology*, *Journal of Organizational Behavior*, *Leadership Quarterly*, and *Organizational Behavior and Human Decision Processes*. Several keywords were used to this search, including *entrepreneurship*, *entrepreneur*, *creativity*, and *innovation*, while the dates of publication were limited to 1990 to 2012. A preliminary database of 222 articles was established for further inspection.

To further the goal of the current study, the following inclusion criteria were developed. The abstract was first reviewed. Studies were included if they dealt fundamentally with the relationship between entrepreneurship and creativity. If an article mainly addressed entrepreneurship or related issues, but did not incorporate creativity into its analysis, it was excluded—for instance, when the idea of creativity was raised only in the discussion or conclusion section (e.g., Pruett, Shinnar, Toney, Llopis, & Fox, 2009). Addition-



phenomenon, such as cultural entrepreneurship (Hjorth, 2011), social entrepreneurship (Bradley, McMullen, Artz, & Simiyu, 2012), international entrepreneurship (Styles & Seymour, 2006), public entrepreneurship (Klein, Mahoney, Mcgahan, & Pitelis, 2010), corporate entrepreneurship (Kearney, Hisrich, & Roche, 2008), strategic entrepreneurship (Ireland, Hitt, & Sirmon, 2003), and creative entrepreneurship (De Miranda et al., 2009).

*Summary of Characteristics of the 79 Articles*

Category	n (%)
Decade Overview	
1990-1999	5 (6%)
2000-2012	74 (94%)
Methodology	
Empirical study	27 (34%)
Qualitative study	11 (14%)
Theory & literature review	41 (52%)
Topic	
Personality & motivation	25 (32%)
Education & training	29 (36%)
Globalization & economics	25 (32%)

*Table 1*

As far as methodology is concerned, most of the studies were from non-empirical paradigms: with two-thirds being based either on theory and prior literature (52%) or on qualitative approaches (14%). Within this non-empirical category, a number of studies were based on case studies (e.g., Nytch, 2012) or model building (e.g., Turnbull & Eickhoff, 2011). Among the empirical studies, most authors used survey instruments to measure the behaviors associated with entrepreneurship (e.g., Farrington, Venter, & Neethling, 2012). On the whole, it appears from the literature that more emphasis on quantitative methodology is needed.

The studied aspects of the relationship between entrepreneurship and creativity can be divided into three broad groups: personality and motivation, education and training, and globalization and the economy. The following discussion will further elaborate upon these three topics.

**Personality and Motivation.** This category of the sampled research seeks to understand or define who is an entrepreneur and to identify what antecedents contribute to becoming one. This body of literature derives from personality psychology, and focuses on measuring the relationship between entrepreneurial personalities and business performance. Taken together, its findings reveal that several salient traits tend to be present in successful entre-

preneurs: need for achievement, flexibility, creativity, innovation, and courage in the face of risk (Alvarez & Urbano, 2012; Apergis & Pekka-Economou, 2010; Halim, Muda, & Amin, 2011; Hildebrando, 2003). These qualities function as crucial motivation to entrepreneurial activity, affecting the decision-making process, opportunity recognition, and implementation orientation (Kinghorn, 2008; Pretorius, Millard, & Kruger, 2006). In sum, creativity has been found to have a positive association with entrepreneurial behaviors. Most importantly, it appears that entrepreneurs have a tendency to defy norms and a desire to transform conventional ways of thinking into new horizons.

**Education and Training.** This line of inquiry underpins the notion that creativity is an important ingredient in entrepreneurship education, whether for the promotion of *entrepreneurship creativity* (e.g., Sarri, Bakouros, & Petridou, 2010) or *entrepreneurial creativity* (e.g., Chen & Yan-Jun, 2009). On the one hand, it holds that the development of creative competency should be considered an important component in the higher education curriculum, not only for enhancing learning experiences but also for boosting entrepreneurial potential. Therefore, some scholars, operating within the constructivist paradigm, support the use of creativity-enhancing training programs on facilitating learning of nascent entrepreneurs (e.g., Leach, 2009; Lourenço & Jayawarna, 2011; Penaluna, Coates, & Penaluna, 2010; Turnbull & Eickhoff, 2011). On the other hand, entrepreneurship education, for nascent entrepreneurs, can include useful resources for mapping a variety of possibilities and ventures. For example, Antonites (2004) points out that creativity, innovation, and opportunity findings are important issues for entrepreneurship training. Heinonen, Hytti, and Stenholm (2011) found creativity is associated with opportunity-search strategies for generating business ideas. Accordingly, pedagogic approaches and curriculum development underlining the cultivation of creativity have become an important agenda for business schools (Benson, 1993; Boyle, 2007; Penaluna & Penaluna, 2009). Beyond the sphere of education, the design of training interventions surrounding creativity and innovation are also important components of organizational development (Elenurm & Alas, 2009; Sarri et al., 2010). To sum up: the leading concern for educators is how to enhance students' learning fruits. Curriculum design and instruction should be carefully crafted in order to keep a balance between analytical and creative approaches, both of which are suitable to tapping the mind for entrepreneurial thinking (Binks, Starkey, & Mahon, 2006; Kirby, 2004).

**Globalization and the Economy.** In this stream of research, creativity is treated as a mediating or moderating variable between entrepreneurship and economic development. More specifically, this type of research focuses on the linkages between and among entrepreneurship, creativity, and regional, national, and global business operations and marketing (Hall & Rosson, 2006; Hatzikian & Bouris, 2007; Styles & Seymour, 2006; Vliamos, 2008). Gantsho and Karani (2007) argue that supporting entrepreneurship and innovation will enable a society to create incentives for advancing economic development. Monahan, Shah, and Mattare (2011) found that the character of the national economy has a profound effect on entrepreneurship success. DiPietro (2003) argues that the extent to which creativity is emphasized can determine the economic progress of a nation. Part of the reason for this is that creativity is treated as a beneficial vehicle whereby entrepreneurs can overcome unique challenges, especially in the new-venture context (Fillis & Lee, 2011). At the same time, it is presumed that the nation should provide an entrepreneurship-friendly environment to facilitate entrepreneurship activities, which in turn create wealth for the nation by

exploiting visible and invisible resources. More specifically, this triangular linkage between entrepreneurship, creativity, and the economy can be manifested in three dimensions: an entrepreneurial mindset, an entrepreneurial culture, and entrepreneurial leadership (Ireland, Hitt, & Sirmon, 2003). In brief, whether approaching the subject via the lens of micro- or macro-observation, these scholars make a contribution to the critical analysis of the influence of the entrepreneurship phenomenon on national socio-economic development (Imas, Wilson, & Weston, 2012). It is believed that policy-makers and practitioners should also concern themselves with how to create new ventures for the common good. Most importantly, all stakeholders should be drawn to the same platform to discuss the development of industries and related issues.

### Discussion and Implications

A major finding of this meta-analytic review is a possible link between entrepreneurship and creativity. A root the assumption of the entrepreneurship literature, both theoretical and empirical, is that creativity is the prerequisite for entrepreneurship. As we have seen, three broad themes surfaced in the literature: personality and motivation, education and training, and globalization and the economy. Under third torch of analysis, it seems to pave the way for the legitimation of the concept of creativity in the entrepreneurship literature. The specific role of creativity for entrepreneurship has become the center of attention, gaining its status as a serious scholarly research topic, and enjoying much public interest.

Creativity *per se* can be viewed as a spirit of entrepreneurship (Buchholz & Rosenthal, 2005), which is manifested as a mediating or moderating variable for entrepreneurship success and economic development. On the one hand, empirical evidence indicates a positive relationship between entrepreneurial behaviors and creative thinking. This feeds an argument that successful entrepreneurs are more likely to exhibit creative and flexible thinking, which allows them to come up with unique solutions while facing various challenges. On the other hand, it is argued that creativity should be integrated into entrepreneurship education, and more specifically, that the ideas of creativity and entrepreneurship are two key elements for the business curriculum. Therefore, it is held to be beneficial to cultivate entrepreneurial and creative behavior among business students. Taken as whole, entrepreneurs equipped with creativity can attain a high ratio of success amid the turbulence of the global business world.

In terms of the construct of creativity in the entrepreneurship research, it is clear that this domain is still expanding, and indeed remains in a fledging stage. With the trend of globalization, moreover, researchers should be aware of the culturally nuanced feelings of diverse groups toward the idea of entrepreneurship. With regard to empirical research in particular, the causal inference between entrepreneurship and creativity is still weak. The absence of this causal link makes our understanding of the entrepreneurship landscape incomplete. In this review, only two studies (Antonites, 2004; Leach, 2009) utilized experimental methodology. Thus, for future entrepreneurship researchers, pursuing causality more aggressively is needed. A possible focus could be a much more rigorous assessment of the direct or indirect effects of creativity on entrepreneurship. To this end, cross-field, cross-cultural, and cross-methodology approaches should all be considered.

For practitioners and educators, the implication of this review is quite clear: entrepreneurial skills are teachable. Creativity is one of key parameters of entrepreneurial skills.

Thus, it is suggested that building creative competency is necessary for their toolboxes. There are a large number of resources available in the creativity literature and in the market. Entrepreneurs can take advantage of this abundant reservoir in order to maximize their efforts for success. Education is an important means for potential entrepreneurs to cultivate and develop their repertoire. As a result, entrepreneurship education is a promising industry for the future, to which more funding, research, and resources should be allocated as the role of the entrepreneur becomes ever more significant in society.

#### ***Author's Brief Bio***

Kuan Chen Tsai has a Doctor of Philosophy in Organizational Leadership from University of the Incarnate Word. He has over 30 articles and his research interests focus on creativity, adult learning, and organizational behavior. As a social scientist, he has conducted a series of experiments to investigate creativity in children and adults. He can be reached at [tsaikuanchen@gmail.com](mailto:tsaikuanchen@gmail.com)

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