

# Forecasting Effect of Creativity on Entrepreneurial Sustainability

**Mercy E. Ogbari**

Department of Business Management, Covenant University,  
KM 10, Idi-Iroko Road, Canaan Land, Ota- Nigeria

**David T. Isiavwe**

Department of Accounting, Igbinedion University, Okada, Nigeria.

**Musibau Akintunde Ajagbe**

Center for Entrepreneurship Development Studies, Department of Business Management,  
Covenant University, KM 10, Idi-Iroko Road, Canaan Land, Ota- Nigeria

**Adunola Oluremi Oke**

Department of Business Management, Covenant University,  
KM 10, Idi-Iroko Road, Canaan Land, Ota- Nigeria

DOI: 10.6007/IJARBSS/v5-i7/1715 URL: <http://dx.doi.org/10.6007/IJARBSS/v5-i7/1715>

## **Abstract**

Certain variables are important quest for managers of businesses to achieving high level of success for the benefit of the enterprise. This research investigated creativity as predictor to entrepreneurial success and performance. Creativity strategies needs to be formulated so as to help the entrepreneurs strategize by setting up grand plans that enable them attain competitive advantage in the marketplace. This could be in areas of creating new products to attract more customers. In addition, new process strategy are required by business entrepreneur's managers to boost customer base of the organization and increase the sales volume. Others variables such as new market, new service, new value, new places and needs of consumers should be addressed. However, this study tries to find out the degree of improvement in entrepreneurial firm's performance when creativity is adopted in the operations of the organization. To test the hypotheses for this study, quantitative survey method was used by distributing 350 closed ended questionnaires to entrepreneurs in some selected markets in Lagos state. Data analysis of the 288 completed questionnaires for this study was carried out with the use of Statistical Product of Social Scientists (SPSS 22). The study finds that creativity adaptation has a positive impact on return on investment and customer base of the sampled business enterprises. This study will be relevant to manufacturing firms and business enterprises who do not adequately adopt creativity strategy to operate at optimum capacity.

**Keywords:** Creativity, Innovation, Entrepreneurial Success, Business Entrepreneurs, Firm Performance.

### **1.0 Background of Study**

Scholars have agreed that creativity is the infinite source of innovation, they also mentioned that creativity is important for the long-term survival of any entrepreneurial business organization (Scot and Bruce 1994; Worlu 2007; Bessant and Tidd 2007; Ajagbe and Ismail 2014). Creativity therefore, is a mental process involving the generation of new ideas, concepts, or new associations of the creative mind between existing ideas or concepts (Baldacchino et al. 2008). An alternative conception of creativity is that it is simply the act of making something new (Nonaka 1991). Therefore something is creative if it is new and it meets a need or solves a problem (Vandervert et al. 2007). As the market has changed, competitive landscape has changed, so too has management's responds to those changes. Undergraduate entrepreneurs have now realized that there need to be a paradigm shift. Authors believe that strategic, bottom-line, cost-cutting focus to a renewed top-line focus on revenue growth via organizational creativity and innovation is key to the success of entrepreneurial business ventures (Ford 2002; Ajagbe et al. 2015a). The world is a global village so entrepreneurial ventures are clamoring for creative breakthrough ideas, products and services that provide for entrepreneurial success. Vandervert et al. (2007) opine that creativity as an aspect of physical, social, cognitive and even spiritual developments transcends the individual, group, process, organization learning and performance domains. Ward (2003) added that the issue now is how to recognize creativity when one is seen. The author put forward that creativity is a multidimensional phenomenon that manifests itself in many fields and contexts, from arts and crafts to design, to science, research and entrepreneurship.

Ajagbe et al. (2015b) opine that creativity refers to the situation where an individual creates a new item, product, something, a solution or an artwork that possess some degree of value. In the same vain, what counts as something new maybe in reference to the individual creator, or to the society or domain within which the novelty take place. The said item that counts as "valuable" is similarly referred to in different manner. Universally published studies on creativity widely refers to: the connection between creativity and general intelligence; the mental and neurological processes linked with creative activity; personality type and creative ability; creativity and mental health; creativity in education; and ways of enhancing creativity through training and technology (Amabile 1997; Ogbari 2015; Ogunnaike and Ogbari 2008). However, creativity and creative arts are studied across many subject areas - psychology, cognitive science, education, philosophy (especially in philosophy of science), theology, sociology, linguistics, business studies, and economics. In view of this, there are ample of definitions and approaches. Creativity according to the Webster dictionary is a mental and social process involving the generation of new ideas or concepts, or new associations of the creative mind between existing ideas or concepts. An alternative conception of creativeness is that it is simply the act of making something new. According to Finke et al. (1992) creativity is the ability to illustrate what is outside the box from within the box. From a scientific perspectives, the products of creative thought are often viewed to have both originality and

appropriateness. In the context of organization, creativity is the generation of innovative ideas for products and processes. The generation of innovative ideas as the starting point for innovation, and the implementation of innovative ideas is the first part of innovation (Amabile 1997; Worlu 2011). Creativity describes the entire process, in which ideas are deliberately provoked, actively prompted from the body mind, designed and generated, exploited and actively transformed into new outcomes. New value, new products, new services, new processes and wealth, and made real in entrepreneurial practices.

Ajagbe and Ismail (2014) described entrepreneurship as the process of designing how people can willingly work together, take risks, create a business, and implement ideas, visions and missions, exploiting creative and innovative ideas to create value and wealth. Baum and Bird (2010) added that entrepreneurship describes a process that causes change through innovation, brought about by individuals, teams or organizations who generate or respond to opportunities that create value for both self and society. They regard the entrepreneur as thus a creative person who habitually designs and innovates to build something of recognizable value around perceived opportunities. Hisrich (2005) described entrepreneurship as the dynamic process of creating incremental wealth. He mentioned that the wealth is created by individuals who assume the major risks in terms of equity, time, and/or career commitment or provide value for some product or service. Schumpeter (1934) definition of entrepreneurship placed an emphasis on innovation, such as: new products, new production methods, new markets, new forms of organization. Wealth is created when such innovation results in new demand. Trott (2005) considered this viewpoint and define the function of the entrepreneur as one of combining various input factors in an innovative manner to generate value to the customer with the hope that this value will exceed the cost of the input factors, thus generating superior returns that result in the creation of wealth through a price system. In almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behaviour that includes 1) initiative-taking 2) the organizing and re-organizing of social and economic mechanisms to turn resources and situations to practical account, 3) the acceptance of risk or failure (Hisrich 2005; Ajagbe and Ismail 2014; Ajagbe et al. 2015b).

In view of the above discuss on the concept of creativity, Baldacchino et al. (2008) describes an entrepreneur as one who is embedded in creative thinking, innovative practices, entrepreneurial innovative thinking and creativity. They added that for successful competition, entrepreneurs make use of creative and innovative strategies to compete for performance, productivity, sales volume, profit share and customer base. Omer (2014) posit that organizations take leads among themselves to stand out and be creative in all its dealings. Production activity is a necessity for entrepreneurs, new product are designed and sent into the market to attract old and new customers (Baldacchino et al. 2008; Worlu et al. 2014; Ajagbe, et al. 2015a). But then what is the reaction of the customers to this newly introduced product, will it increase or decrease the customer base? The need for reduction in the way a product is manufactured and distributed cannot be over emphasized as it will lead to improved material utilization, reduction in operating cycle and improved quality of product. Baldacchino et al. (2008) declared that new product is an introduction of something entirely different or similar to what an organization has been into. They mentioned that new product will pave the way for

new process that is an improved way in the production process. Omer (2014) found that new process creates an enabling environment for the entrepreneur to be flexible in its dealings, and this can strengthen the customer base of an organization. The nature of inter-industry relationship can be said to be similar to the relation of an entrepreneur and its environment. Entrepreneurs in newly industrializing countries such as Hong Kong, Singapore, South Korea and Taiwan have all interjected technological upgrading to ensure high competitiveness and increase the global market share (Obayan et al. 2012; Ajagbe 2014; Ajagbe et al. 2015b; Ogbari et al. 2015). The researchers contributed further that this technological feat was attained by adopting several changes such as new product or product innovation and new process or process innovation. Significant impact of new product was documented in literature of these newly industrializing countries, however in developing countries even though it is evident that product innovation affects customer base, return on investment, market share and profitability. The exact composition has not been well studied. Bessant and Tidd (2007) reported that the environment in which the organization exist is a dynamic one where the need of the customer must be met and which is constantly changing. Hisrich (2005) found that the ability of the entrepreneur to adapt to this changes in the demand and new completion is important, entrepreneurs attempt to innovate at its various stages of manufacturing, hence reducing the number of normal or initial stages of manufacturing or production to achieve cost reduction and reduction in material usage.

Ogunnaiké and Ogbari (2008) reported that it is starting small businesses and growing them into large and successful businesses that is the focus of those studying entrepreneurship. In a free market economy the importance of small business as a major job supplier, innovator and source of growth is widely recognized. Given the importance of small business for an economy, the survival, success and performance of these firms is an issue of continuous concern (Ajagbe et al. 2015a; Ogbari 2015). Formal education and previous business experience give a potential entrepreneur the skills needed in forming and managing a new enterprise. Marketing also plays a critical role in forming a new company. In addition to the presence of a market sufficient size, there must be a level of marketing know-how to put together the best total package of product, price, place and promotion needed for successful product launching. Finally, financial resources must be readily available. Ajagbe (2014) reported that most of the start-up money for any new company comes from personal savings, credit, friends and relatives, there is often a need for additional capital. Ajagbe and Ismail (2014) found that risk-capital "availability plays an essential role in the development and growth of entrepreneurial activity.

Innovation and entrepreneurship are applied components of creativity. Amabile (1997) described that creativity is the generative and multiplicative behavior of information in an active self-organizing asymmetric patterning body mind, involving the brain, heart, gut, the immune system and all the cells of the body mind. Gardner (1993) defines creativity in terms of individual problem solving, but with a functional focus: The creative individual is a person who regularly solves problems, fashions products, or defines new questions in a way that is initially considered novel but that ultimately becomes accepted in a particular cultural setting. Amabile (1997) argued that creativity is the process of engagement in creative acts, regardless of whether the resultant outcomes are novel, useful, or creative. McLaren (1999) opine that

creativity has been studied from the perspectives of behavioral psychology, social psychology, psychometrics, cognitive science, artificial intelligence, philosophy, history, economics, design research, business, and management, among others. The studies have covered everyday creativity, exceptional creativity and even artificial creativity. However, workplace creativity is generally framed in the context of organizational products, services, processes, and procedures and focuses on the production of new and useful ideas. Amabile (1997) suggested that creativity has been attributed variously to divine intervention, cognitive processes, the social environment, personality traits, and chance. It has been associated with genius, mental illness and humour. McAuley and Fillis (2005) reported that creativity is of immense importance to the entrepreneurial process. They researchers mentioned that the birth of a new business and the sustainability of same requires a creative spark. This creativity is needed at all stages of the enterprise. Zizlavsky (2012) opine that creativity is a central concept in a number of disciplines, ranging from the fine arts and architecture to psychology, science and management studies. Much of recent studies has concentrated on investigating the entrepreneurial exporter in the arts and craft sector in the UK and Ireland, where creativity may be perceived as paramount to success.

### **Objectives of the Study**

1. To examine the impact of new products on customer base of selected entrepreneurs
2. To determine the effect of new process on the customer base of an entrepreneur
3. To examine the impact of new products on return of investment
4. To determine the contribution of new process on return of investment

### **Research Questions**

1. What impact does new products have on customer base?
2. Is there any effect of new process on the customer base of entrepreneurs?
3. Does new products have an impact on return on investment?
4. Is there any relevant contribution of new process on return on investment?

### **Research Hypotheses**

1. New products has an impact on enlarged customer base
2. There is an effect of new process on enlarged customer base
3. New products has an impact on return on investment
4. An impact exist on new process on return on investment

### **Operationalization of Variables**

Operationalization of variables involves the breaking down of variables into smaller operational components for the purpose of measuring the contribution. It is usually expressed in a mathematical or functional statement.

The following is applicable here:

$$Y = f(x)$$

In which Y is the function of X. This shows Y is the Dependent Variable while X is the Independent Variable

Where Y = Dependent Variable

X = Independent Variable

F= Function

U= Unspecified

Applying the operationalization on this relationship, hence;

Entrepreneurial Success =  $f(C, \dots, U)$

Where;

ES = Entrepreneurial Success

I = Creativity

U = Unspecified

Effectiveness of Entrepreneurial Success is a function of Creativity.

Entrepreneurial Success =  $f(\text{Creativity})$

Entrepreneurial Success can be broken down into;

EP =  $(y_1, y_2, y_3, y_4, \dots, y_u)$

$y_1$  = Material Productivity

$y_2$  = Customer Base

$y_3$  = Performance

$y_4$  = Productivity

$y_5$  = Market Share

$y_6$  = Return on Investment

Creativity can be broken down into;

I =  $(x_1, x_2, x_3, x_4, \dots, x_u)$

$x_1$  = New Products

$x_2$  = New Process

$x_3$  = New Market

$x_4$  = New Services

$x_5$  = New Values

$x_6$  = New Place

The operationalization of the study "Creativity as impact of Entrepreneurial Success" would therefore be (Customer Base, Market Share) =  $f(\text{New Product, New Process})$ .

This can be illustrated thus;

**Figure 1: Research Conceptual Framework**

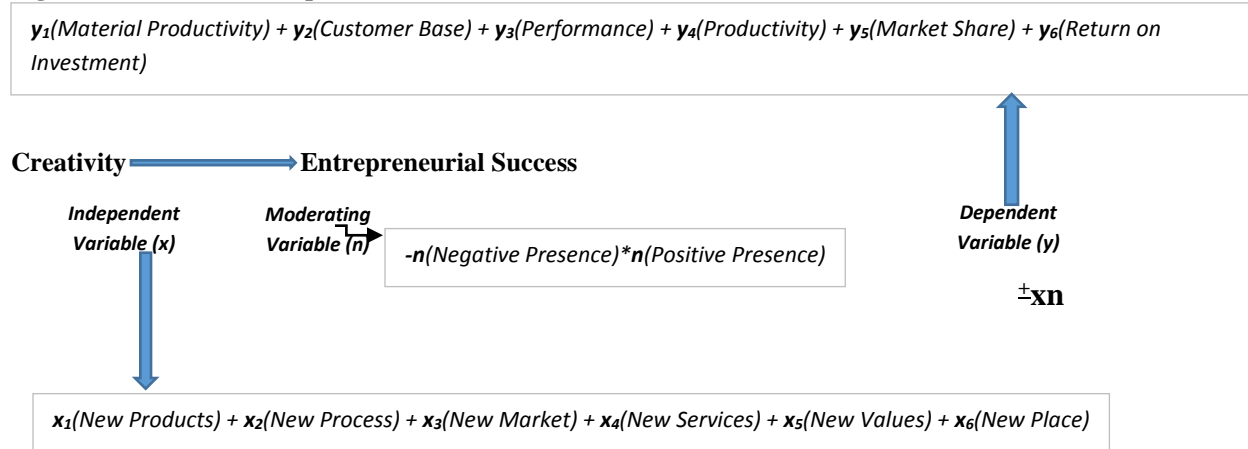


Figure 1 above indicates that Entrepreneurial Success (y) is a function of the interaction between Creativity (x) and Presence ( $\pm n$ );

Positive Entrepreneurial Success is a function of Present Creativity:  $y=x*n$

Negative Entrepreneurial Success is a function of Absent Creativity:  $-y=x*-n$

Figure 1 above indicates that Entrepreneurial Success (y) is a function of the interaction between Creativity (x) and Presence ( $\pm n$ );

Positive Entrepreneurial Success is a function of Present Creativity:  $y=x*n$

Negative Entrepreneurial Success is a function of Absent Creativity:  $-y=x*-n$

## Methodology

This research adopted the survey research method on the basis of the literature reviewed and was carried out in the form of questionnaire distribution to collect the opinions of people aimed at investigating the impact of creativity as a predictor to entrepreneurial success. This section also includes a discussion of the sample and sampling procedure, data collection methods, the research design, the procedure for the design as well as administration of the questionnaires. The sample surveyed for this study are business entrepreneurs from Alaba International and Electronic Market in Lagos State. A sub-group of the entire population sample include those in Alaba Suru, which is located around Orile, followed by the second is Alaba-rago, which is located behind the Alaba International Electronic Market and on the Lagos-Badagary express road. In determining the sample size, different opinions have been expressed by experts on this point, some experts have suggested that the sample size should be 5% of the entire population while others believe that the sample size should be 10% (Patton 2002; Otokiti et al. 2007). The best sample size is a complete census of the population as all the elements of the population are represented (Asika 1991; Ajagbe et al. 2015c). From the first list of enterprises obtained, there are only 350 entrepreneurs. However, in the course of the field survey, 350 questionnaires were distributed to the entrepreneurs but only 288 were returned fully completed. For this study a convenience method was adopted because there is need to

capture only the active entrepreneurs who have successfully operated their enterprise for a period of five years and above and also have at least one employee as full-time staff (Creswell 2012). The sample frame for this study includes entrepreneurs in Alaba suru market who are involved in the sales of packaged food stuffs such as semolina, semovita, wheat, pondoyam and others. As a result of the inability of the entrepreneurs to keep records of sales activities the researcher made use of primary sources of data in order to collect data directly from the respondents. In this research, the face validity was used to determine the extent to which the research instrument, that is the questionnaire, adequately measured that which it was supposed to measure (Otokiti 2010; Yin 2012). In adapting the face validity, the original copy of the questionnaire was moderated and approved by experts. Corrections were made and incorporated into the final copy of the questionnaire. This is an indication of the degree of stability or consistency of measurement. That is, it is the consistency of scores obtained by the same person when they are re – examined with the same test on different occasion on the different set of equivalent items under other variables examining condition. It indicates how much confidence one can place on the result of the test. The next section of this study shows the analysis and discussions of respondent’s demographic profile.

### **Analysis of Respondent’s Data**

This section was designed to analyze the personal data of the respondents for the study. This includes an analysis of data on sex, age, marital status, information about the business enterprise of the respondents. The study participants revealed a total of 218 males in the distribution representing 75.7% and 70 females representing 24.3%. This indicates higher number of males participated in the study. For the age of the participants 184 are between 18-30 years representing 64.1%, 53 are between 30-40 years accounted for 18.4% , 29 participants are between 40-50 years representing 9.7%, 22 participants are 50 years and above representing 7.8%. What this data means is that majority of the traders who participated in this study are between the ages of 18 and 30. The marital status of the participants as shown from the respondents profile revealed that a total of 159 are single representing 55.3%, 73 of the respondents are married representing 28.2%, 44 participants are divorced representing 16.5%. This supports the earlier data that means that the most active participants in the market surveyed are single and between 18 and 30 years old. The educational background of the participants revealed that O/level holders are 78 representing 27.2%, 148 are degree holders representing 51.5% and 62 have other qualifications representing 21.4%. This shows that this study is dominated with respondents that have B.Sc/HND degrees and are moderately educated. Furthermore, among the participants of this study, 218 respondents representing 75.7% were junior shop assistants, and 70 representing 24.3% were shop owners. This implies that majority of the participants were shop assistants. In respect of the age of the businesses surveyed, 78 representing 27.2% had started their businesses between 1-3 years, 62 representing 21.4% had started their business for 3-7 years and 148 respondents representing 51.5% had operated for 7 years and above. From this analysis it is evident that most of the respondents have started their businesses for an appreciable number of years, hence, it is safe to rely on the responses collected from the participants to report the study findings.



**Test of Research Hypotheses**

Three hypotheses were raised for this study. They were tested at 0.05 significant level.

**Hypothesis One**

H1: New products development would significantly affect customer base

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.649	.421	.396	1.93116

a. Predictors: (Constant), new product development

b. Dependent: customer base

To test the first hypothesis, simple regression analysis was chosen so as to regress the independent variable against dependent variable. Table 1 above indicated the model summary of the simple regression equation that predicted customer base. The explanation of the values presented is given in table 2 below.

**Table 2: Analysis of Variance**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	768.5297	1	768.5297	52.621	.003
	Residual	4191.6350	287	14.605		
	Total	4960.1647	288			

a. Predictors: (Constant), new product development

b. Dependent: customer base

The model summary table 1 above provides useful information about the regression analysis. First, the 'multiple R' column is the correlation between the actually observed independent variable (product development) and the predicted dependent variable (i.e., predicted by the regression equation). 'R square' is the square of R and is also known as the 'coefficient of determination'. It states the proportion (percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). In this study, 42% of the variations in the customer base could be accounted for by new product development. The 'adjusted R square' refers to the best estimate of R square for the population from which the sample was drawn. Finally, the 'standard error of estimate' indicates that, on average, observed customer base deviate from the predicted regression line by a score of 1.93116. This is not surprising, since it is already known that the regression model explains just 42% of the variation, it cannot account for the other 58% which most likely represents both measurement error in customer base variable as well as other factors that influence independent variable that

have not been considered. The hypothesis one which stated that new product development would significantly affect customer base was rejected at  $R=.649$ ,  $R^2=.421$ ,  $F(1, 288) = 52.62$ ;  $p<.05$ . This implies that new product development would significantly affect customer base.

**Hypothesis Two**

H2: New product development has no impact on return on investment.

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.562	.3159	.3096	1.5276

- a. Predictors: (Constant), new product development
- b. Dependent: customer base

To test the second hypothesis, simple regression analysis was chosen so as to regress the independent variable against dependent variable. Table 3 above indicated the model summary of the simple regression equation that predicted customer base. The explanation of the values presented is given in table 4 below.

**Table 4: Summary of Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4860.2080	1	4860.2080	143.20	.113
	Residual	9740.7800	287	33.94		
	Total	14600.9880	288			

- a. Predictors: (Constant), new product development
- b. Dependent: return on investment

The model summary table 3 above provides useful information about the regression analysis. First, the ‘multiple R’ column is the correlation between the actually observed independent variable (product development) and the predicted dependent variable (i.e., predicted by the regression equation). ‘R square’ is the square of R and is also known as the ‘coefficient of determination’. It states the proportion (percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). In this study, 31.59% of the variations in the customer base could be accounted for by new product development. The ‘adjusted R square’ refers to the best estimate of R is for the population from which the sample was drawn. Finally, the ‘standard error of estimate’ indicates that, on average, observed customer base deviate from the predicted regression line by a score of 1.93116. This is not surprising, since it is already known that the regression model explains just 42% of the variation, it cannot account for the other 68.41% which most likely represents both measurement error in return on investment variable as well as other factors that influence

independent variable that have not been considered. The hypothesis two which stated that new product development has no impact on return on investment was rejected at  $R=.562$ ,  $R^2=.3159$ ,  $F_{(1, 288)} = 143.20$ ;  $p<.05$ . This implies that new product development has impact on return on investment.

**Hypothesis Three**

H3: New process development would not enlarge customer base.

**Table 5: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.448	.2007	.1989	1.4204

- a. Predictors: (Constant), new product development
- b. Dependent: customer base

To test the third hypothesis, simple regression analysis was chosen so as to regress the independent variable against dependent variable. Table 5 above indicated the model summary of the simple regression equation that predicted customer base. The explanation of the values presented is given in table 6 below.

**Table 6: Summary of Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	396312.6337	1	396312.6337	511.622	.000
	Residual	222315.9400	287	774.62		
	Total	618628.5737	288			

- a. Predictors: (Constant), new process development
- b. Dependent: customer base

The model summary table 5 above provides useful information about the regression analysis. First, the ‘multiple R’ column is the correlation between the actually observed independent variable (product development) and the predicted dependent variable (i.e., predicted by the regression equation). ‘R square’ is the square of R and is also known as the ‘coefficient of determination’. It states the proportion (percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). In this study, 20.07% of the variations in the customer base could be accounted for by new product development. The ‘adjusted R square’ refers to the best estimate of R square for the population from which the sample was drawn. Finally, the ‘standard error of estimate’ indicates that, on average, observed customer base deviate from the predicted regression line by a score of 1.4204. This is not surprising, since it is already known that the regression model explains just 42% of the variation, it cannot account for the other 68.41% which most likely represents both

measurement error in market share variable as well as other factors that influence independent variable that have not been considered. The hypothesis three which stated that new process would not enlarge customer base was rejected at  $R=.448$ ,  $R^2=.2007$ ,  $F_{(1, 288)} = 511.622$ ;  $p<.05$ . This implies that new process development would enlarge customer base.

**Hypothesis Four**

H4: New process development would not have an impact on return on investment.

**Table 7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.612	.3746	.3569	1.7959

- a. Predictors: (Constant), new process development
- b. Dependent: return on investment

To test the forth hypothesis, simple regression analysis was chosen so as regress the independent variable against dependent variable. Table 7 above indicated the model summary of the simple regression equation that predicted customer base. The explanation of the values presented is given in table 8 below.

**Table 8: Summary of Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5210.5140	1	5210.5140	82.12	.000
	Residual	18210.1500	287	63.45		
	Total	23420.6640	288			

- a. Predictors: (Constant), new process development
- b. Dependent: return on investment

The model summary table provides useful information about the regression analysis. First, the ‘multiple R’ column is the correlation between the actually observed independent variable (product development) and the predicted dependent variable (i.e., predicted by the regression equation). ‘R square’ is the square of R and is also known as the ‘coefficient of determination’. It states the proportion (percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). In this study, 37.46% of the variations in the return on investment could be accounted for by new process development. The ‘adjusted R square’ refers to the best estimate of R square for the population from which the sample was drawn. Finally, the ‘standard error of estimate’ indicates that, on average, observed customer base deviate from the predicted regression line by a score of 1.4204. This is not surprising, since

it is already known that the regression model explains just 37.46 % of the variation, it cannot account for the other 62.54% which most likely represents both measurement error in return on investment variable as well as other factors that influence independent variable that have not been considered. The hypothesis four which stated that new process development would not have an impact on market share was rejected at  $R=.612$ ,  $R^2=.3746$ ,  $F_{(1, 288)} = 82.12$ ;  $p<.05$ . This implies that new process development would not have an impact on return on investment.

### **Discussion of Results**

The hypothesis one which stated that new product development would significantly affect customer base was rejected at  $R=.649$ ,  $R^2=.421$ ,  $F_{(1, 288)} = 52.62$ ;  $p<.05$ . This implies that new product development would significantly affect customer base. This is consistent with the findings of Baldacchino et al. (2008) who declared that new product development is an introduction of something entirely different or similar to what an organization has been into. They mentioned that new product will pave the way for new process that is an improved way in the production process, which will eventually enhance entrepreneurial firm's performance.

The hypothesis two which stated that new product development has no impact on return on investment was rejected at  $R=.562$ ,  $R^2=.3159$ ,  $F_{(1, 288)} = 143.20$ ;  $p<.05$ . This implies that new product development has impact on return on investment. This study aligned with that of Omer (2014) who describes creativity as a concept that entrepreneurs adopt to create competing products that sustainable in the market place. They added that for successful competition, entrepreneurs make use of creative and innovative strategies to compete for performance, productivity, sales volume, profit share and customer base. The main interpretation of this is that entrepreneurial firm performance results to high return on investments for shareholders.

The hypothesis three which stated that new process development would not enlarge customer base was rejected at  $R=.448$ ,  $R^2=.2007$ ,  $F_{(1, 288)} = 511.622$ ;  $p<.05$ . This implies that new process development would enlarge customer base. This current findings is in line with that of Omer (2014) who reported that new process creates an enabling environment for the entrepreneur to be flexible in its dealings, and this can strengthen the customer base of an organization. Omer (2014) posit that organizations take leads among themselves to stand out and be creative in all its dealings. Production activity is a necessity for entrepreneurs, new product are designed and new process used to manufacture such products that are sent into the market to attract old and new customers (Baldacchino et al. 2008; Ajagbe, et al. 2015a).

The hypothesis four which stated that new process development would not have an impact on market share was rejected at  $R=.612$ ,  $R^2=.3746$ ,  $F_{(1, 288)} = 82.12$ ;  $p<.05$ . This implies that new process development would not have an impact on return on investment. This is contrary with the report of Omer (2014) who found that new process creates an enabling environment for the entrepreneur to be flexible in its dealings, and this can strengthen the customer base of an organization. The author mentioned that new product will pave the way for new process that is an improved way in the production process which should have an impact of return on investment.

### **Conclusion of the Study**

The main objective of this research was to examine the impact of creativity on business sustainability. This study found that these factors enhance one's ability to produce imaginative work that will ultimately be judged creative by society or some appropriate set of judges. This study also found that creativity involved making new combinations of associative elements such as new process, process innovation. This is because as the study found, creativity involved making new combinations of associative elements that resulted in useful relationships. This study also reported that an individual's ability to formulate these creative associations was dependent on an individual's associative hierarchy or prior knowledge of his ability to make associations or form new relationships. It was gathered that studying the entrepreneurial personality found that certain traits seem to be associated with entrepreneurs. It is evident from this study that entrepreneurs are readily motivated which result to an overwhelming need for achievement and strong urges to build. Findings reveal that adaptation of creativity on entrepreneurial success is not a waste at any point in time. It is vital that the presence of one's ability to produce imaginative work that will ultimately be judged be incorporated into the business. It must be known that since creativity involves making new combinations of associative elements such as new process, process innovation business owners should embrace this opportunity.

In view of the above findings, the study suggests that there is need to provide basic infrastructure with modifications to take account of future development or emergence of business enterprises. Organizations should endeavor to follow regulations that has been put in place so as not to put the organization or business at risk. Creativity should be developed by entrepreneurs to give a sense of direction to the business. Business environment should be made friendlier such that the process of incorporation of business would be less complex. Government should show sincerity and commitment towards the creation of enabling environment, to remove trade barriers and reduce high tax. This research focused on creativity and entrepreneurial success, more variables should be tested such as new market, new services, new values, new place. This study has contributed to knowledge which will lead other scholars as to what decision to take or what direction to go. It has added to the knowledge of creativity and how it has a significant effect on business activities.

### **Acknowledgement**

The researchers wish to thank the Covenant University, Canaan Land, Nigeria for providing some of the facilities that enhanced the compilation of this article.

\*Corresponding Author: Dr. Musibau Akintunde Ajagbe (ajagbetun@yahoo.com or akintunde.ajagbe@cu.edu.ng) is from the Center for Entrepreneurship Development Studies (CEDs), Covenant University, Canaan Land, Nigeria.

## References

Ajagbe, A. M. (2014). Funding Criteria in Technology Based Firms in Malaysia. An Unpublished PhD Thesis Submitted to the Graduate School, Universiti Teknologi Malaysia.

Ajagbe, A. M., Isiauwe, T. D., Ogbari, E. I. M. & Sholanke, B. A. (2015a). Financing Early Staged Technology Based Firms in Malaysia. *Research Journal of Finance and Accounting*, 6(4), 210-221.

Ajagbe, A. M., Ismail, K., Isiauwe, T. D. & Ogbari, E. I. M. (2015b). Barriers to Technological and non-Technological Innovation Activities in Malaysia. *European Journal of Business and Management*, 7(6), 157-168.

Ajagbe, A. M., Sholanke, B. A., Isiauwe, T. D. & Oke, A. O. (2015c). Qualitative Inquiry for social sciences. *Proceedings of the Covenant University International Conference of African Development Issues, CU-ICADI 2015, 11<sup>th</sup> -13<sup>th</sup> May, 2015 Canaan Land, Nigeria.*

Amabile, T. (1997). Entrepreneurial creativity through motivational synergy. *Journal of Creative Behavior*, 31(1), 18–26.

Ajagbe, A. M. & Ismail, K. (2014). Factors Influencing Venture Capital Assessment of High Growth Companies in Malaysia. *International Journal of Entrepreneurship and Small Business*, 21(4), 457-494, 2014.

Baum, J. R. & Bird, B. (2010). The successful intelligence of high-growth entrepreneurs: Links to new venture growth. *Organization Science*, 21(2), 397–412.

Baldacchino, L., Cassar, V. & Caruana, A. (2008). Start-up success in a small island state: A study among entrepreneurs in Malta. *Island Studies Journal*, 3(1), 73-96.

Bessant, J. & Tidd, J. (2007). *Innovation and entrepreneurship*. John Wiley & Sons.

Creswell, J. W. (2012). "Educational Research. Planning, Conducting and Evaluating Quantitative and Qualitative Research." Pearson Publishers, 4th edition Australia: 239.

Davila, T., Epstein, J. & Shelton, R. (2006). *Making innovation work: how to manage it, measure it, and profit from it* Wharton School Publishing, Upper Saddle River.

Fillis, I. & McAuley, A. (2000). Modeling and measuring creativity at the interface. *Journal of Marketing Theory and Practice*, 8-17.

Finke, R., Ward, T. B. & Smith, S. M. (1992). "Creativity cognition: Theory, research, and applications". MIT Press.

Ford, C. M. (2002). The futurity of decisions as a facilitator of organizational creativity and change. *Journal of Organizational Change Management*, 15(6), 635-646.

Gardner, H. (1993). *Multiple Intelligences: The theory in practice*. New York: Basic Books.

Hisrich, P. (2005). *Entrepreneurship*. New York: McGraw Hill Irwin.

McAuley, A. & Fillis, I. (2005). The Orkney based craft entrepreneur: Remote yet global?. *Journal of Small Business and Enterprise Development*, 12(4), 498-509.

McLaren, R. (1993). The dark side of creativity. *Creativity Research Journal*, 6, 137–144.

Nonaka, I. (1991). "The knowledge-Creating Company". *Harvard Business Review*.

Obayan, A. O., Awonuga. C & Ekeanyanwu, N. (2012). *The Idea of a University*; compiled by Covenant University Ota.

Ogbari, M. E. (2015). *Effect of Business and Ownership Structure on Mission Accomplishment of Manufacturing Firms in Nigeria*. An Unpublished Ph. D Thesis Submitted to the School of Post Graduate Studies, Covenant University Ota, Nigeria.

Omer, M. M. (2014). Significance of Entrepreneurship. *European Journal of Business and Management*, 6(14), 243-266.

Otokiti, S. O. (2010). *Contemporary issues and controversy in research methodology*. 3rd edition Dubai Printing Press.

Otokiti, S. O., Olateju, O. & Adejumo, O. (2007). "Contemporary Statistical Methods". Lagos; Walex Printing Press.

Ogunnaike, O. O. & Ogbari, M. E. (2008). "Impact of Entrepreneurship Risk Taking Decision Procees on Investment Objectives. *International Journal of Investment and Finance*, 1(1), 201-215.

Patton, M. Q. (2002). "Qualitative research and evaluation methods" (3rd ed.). Newbury Park, CA: Sage.

Schumpeter, J. (1934). *The Theory of Economic Development*. Cambridge, MA: Harvard University Press.



Scott, S. G. & Bruce, R. A. (1994). Determinants of innovative behavior: A path model of individual innovation in the workplace. *Academy of management journal*, 37(3), 580-607.

Trott, P. (2005). *Innovation Management and New Product Development*, 3rd ed., Prentice-Hall, Harlow.

Vandervert, L. R., Schimpf, P. H. & Liu, H. (2007). How working memory and the cerebellum collaborate to produce creativity and innovation. *Creativity Research Journal*, 19(1), 1-18.

Worlu, E. R. (2007). Impact of Modern Technologies on Entrepreneurial Ventures in Developing Countries. *Journal of Business Administration and Management*, 2(1), 102-107.

Worlu, R., Atayero, A., Owoeye, S. & Amodu, L. (2014). Emerging Trends in Lifelong Learning: The Covenant University Perspective. *EDULEARN14 Proceedings*.

Worlu, E. R. (2011). Consumer–Purchasing Motives in Nigerian Cellular Phone Market: An Empirical Investigation. *Journal of Research in National Development*, 9(1), 33-42.

Ward, T. (2003). Creativity in ed. Nagel, L.” *encyclopedia of Cognition*”. New York: Macmillan.

Yin, K. R. (2012). *"Applications of Case Study Research"*. Sage Publications Ltd. California.

Zizlavsky, O. (2012). The Development and Implementation of Marketing Information System within Innovation: The Increasing of Innovative Performance. *Entrepreneurship–creativity and innovative business models*, 59.