

# The Role of Creativity and Innovation in Women Entrepreneurship Development

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## Abstract

*The emergence of women entrepreneurs and their contribution to economic development of country is visible in India. Today with the growth of the micro enterprises in India, many women have entered into entrepreneurship and are also running their enterprises successfully. Nowadays the key elements of women entrepreneurship development in India are essentially of creativity and innovation. Innovation creates new demand and entrepreneurship brings in innovation to market. Creativity and innovation have been acquiring a central role in women entrepreneurship with respect to new products, new processes, new markets and new technologies. The main objective of this research study is to find out the role of creativity and innovation in women micro entrepreneurship development in the area of Navi Mumbai. The universe of sample is women micro entrepreneurs in the area of Navi Mumbai. For the purpose of the study, enterprises in which women have effective participation in ownership and control are termed as women enterprises. The study will help women micro entrepreneurs to keep themselves and their organizations dynamic by continuous innovation and creation. The study will also help policy makers to refine their strategies w.r.t. micro women entrepreneurs.*

**Key words:** Economic Development, Business Environment, Creativity and Innovation, Women entrepreneurship, Micro enterprises, trends and approaches.

## Introduction

Women entrepreneurship development is one of the development agenda in India. This is because entrepreneurship development has a significant potential to empowering women. Women micro entrepreneurs undertake only traditional activities by following traditional concepts of production and distribution, which leads to high operating cost. With the shift from industrial age to information age, it becomes all the more important for the women micro entrepreneurs to use creative ideas and innovation in business. Competitive advantage comes from creative ideas and innovation. So, women micro entrepreneurs should be self confident, thrive in a challenging environment and be creative and innovative. Creativity and innovation have been acquiring a central role in women entrepreneurship with respect to new products, new processes, new markets and new technologies. Innovation is one of the main factors which influence the success of women micro enterprises.

## Concept of Women Entrepreneurship

Women entrepreneurship is the process where women organise all the factors of production, undertake risks, and provide employment to others.

Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise.

Joseph Schumpeter defined women entrepreneur as “Women who innovate, imitate or adopt a business activity are called women entrepreneurs.”

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## **Women Entrepreneurship in India**

The emergence of women entrepreneurs and their significant contributions to the economy are visible in India and these businesses are ready for continued growth in the future. In India many of the new industries are headed and guided by women. The industrial performance of India propelled by innovations and exports has brought wide range of opportunities to women entrepreneurs.

## **Women Entrepreneurs: Current Scenario**

Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Today women entrepreneurs play important role in creating job, wealth and innovation in India.

## **Micro enterprise Development**

Micro enterprise development projects can serve four major objectives (i) Poverty reduction (ii) the empowerment of women (iii) Employment generation and (iv) Enterprise development as an end in itself. Micro enterprise development contributes to widening the pool of entrepreneurship available to society and it broadens the base of the private sector.

## **Micro enterprise and Women**

Micro enterprise programs can lead to women empowerment in its social as well as economic dimensions. The mobility of women and their access to information is strengthened by the process of participation in various creative and innovative activities. The micro enterprises have led to a certain level of women's empowerment such as physical mobility, economic security, freedom from domination and violence within the family.

## **Creativity and Innovation in Entrepreneurship**

P.F. Drucker pointed out that innovation is the specific instrument of entrepreneurship. It is the act which endows resources with new capacity to create wealth. Joseph Schumpeter took a different approach, emphasizing the role of innovation. According to Schumpeter, the entrepreneur is someone who carries out "new combinations" by such things as introducing new products or processes, identifying new export markets or sources of supply, or creating new types of organization. Mark Casson has expressed his opinion that both creativity and innovation play a specific role in entrepreneurship. Innovation depends on creativity for achieving success. No innovation comes out without creative ideas. D. H. Holt has pointed about that Innovation is the transformation of creative ideas into useful application; but creativity is a pre-requisite to innovation. Van De Ven(1986) states that managing innovation process involves idea, people, transactions and context executed over a period of time.

## **Literature Review**

The whole essence of this research was to get an understanding of the role of creativity and innovation in women entrepreneurship development. In order to get complete understanding of the theory and practice, various studies were analyzed and reviewed. In

2013, Gender Global Entrepreneurship and Development Index (GEDI) produced by the Global Entrepreneurship and Development Institute identifies and analyzes the conditions that foster high potential female entrepreneurship development. The Gender-GEDI focuses on a specific subset of female entrepreneurs, which refer to as 'high potential', female entrepreneurs: women business owners who own and operate businesses that are 'innovative, market expanding and export oriented'. This research is the first index that measures and ranks conditions for high potential female entrepreneurship development in 17 countries, identifying strengths and weaknesses of each. In this study, thirty individual-level and institutional-level dimensions are paired together into fifteen pillars that are further divided into three main sub-indices: Entrepreneurial Environment, Entrepreneurial Eco-System and Entrepreneurial Aspirations. This Index ranked India on 16<sup>th</sup> position.

A study conducted by Veena Rao, Venkatachalm. A. H.G. Joshi (2012), focused to analyze the entrepreneurial characteristics with the success of women entrepreneurs operating micro, small and medium scale fashion and apparel enterprises. The study highlighted the entrepreneurial characteristics i.e., human capital variable and entrepreneurial motivations, and its association with the success of the women entrepreneurs. Study pointed out that in India, micro, small and medium enterprises (MSMEs) helps in industrialization of rural and backward areas by reducing regional imbalances and assuring more equitable distribution of national income and wealth. Study measured the success levels of women entrepreneurs on the two basic parameters- the employment growth and the economic success.

Julian et al.(2011) opined that successful innovations need both bottom-up and top-down effort. Gunduz et al.(2009) conducted a research on 184 manufacturing companies in Turkey. They empirically tested the relationship between innovativeness and the determinants of innovation. They proved that firm culture, market, technology, Intellectual Property(IP), strategies, collaborations, looking for innovations outside the firm, innovation outlay, market dynamism, public incentives and firm size have significant positive effects on the innovative capability of a firm. They also proved that centralization of decision making has a negative effect on the innovative capability firms age and ownership status do not reveal any significant effects on innovativeness.Lalitha Rani (2006) conducted a research study on women entrepreneurs in the city of Visakhapatnam. The findings of the study shows that different women have different attitudes towards entrepreneurship and the growth profitability and survival of the enterprise depend on this attitude or view towards entrepreneurship. Some women consider “business as a challenge” were ambitious “career oriented” and “innovative”. Entrepreneurship was their first priority and they were prepared to take risks. This attitude towards entrepreneurship was categorized on the basis of education.A report published by Economic and Social Commission for Asia and the Pacific(ESCAP) in 2005 titled ”Developing Women Entrepreneurs in South Asia” pointed out that in India, a majority of women entrepreneurs in SMEs fall within the age group 25-40 years. They have a good educational background, with most of them at least graduates, and have an above average record in education and participation in extra-curricular activities. The states of Gujarat, Maharashtra and Karnataka count a greater proportion of entrepreneurs, mostly women from families which are already in business or have service-related and highly educated backgrounds.

Drucker(1998) stresses, innovation can be systematically managed if one knows where and how to manage. He highlights seven sources of innovation: unexpected occurrences, incongruities, process needs, industry and market needs, which exist within the organization and the other three sources like demographic changes, changes in perception, and new knowledge which exist outside the company in its social and intellectual environment.

Several studies have been carried on women entrepreneurship and most of the studies are focused on characteristics, motivation and constraints of women entrepreneurship process and general entrepreneurship. Research in the area of women entrepreneurship is growing in micro sector, but little research has been conducted in that of role of creativity and innovation in women entrepreneurship development. Thus there is a wide scope for further research to study the role of creativity and innovation in women entrepreneurship development.

### **Research Objectives**

1. To understand the Creativity and Innovation concept.
2. To study the role of creativity and innovation in women micro entrepreneurship development in the area of Navi Mumbai.

### **Research Methodology**

This study is used both quantitative and qualitative techniques of data collection. The primary data is collected through quantitative survey. In view of the objective of the study, it was considered necessary to undertake a survey of women micro entrepreneurs from major parts of Navi Mumbai. The information has been collected from the respondents by using questionnaire.

### **Sampling Design**

**Type of Universe:** The Universe of sample is women micro entrepreneurs in Navi Mumbai region.

**Sample size:** The sample size is 50 women micro entrepreneurs in the area of Navi Mumbai region.

**Sampling Unit:** For the purpose of this study, enterprises in which women have effective participation in ownership and control (i.e. Capital and Management) are termed as women enterprises.

**Sampling type:** Stratified Random sample technique is used in this research.

### **Conceptual framework**

The Abernathy and Clark(1985) transilience model combined the market dimension with the technology dimension and categorized the innovation based on their influence on the existing market and technological capabilities. Following Abernathy and Clark model of innovation is used in the study to understand the role of creativity and innovation in women micro entrepreneurship development:

- Regular Innovation: Refers to incremental technical change that conserves both the established technical/production competence and the existing linkages with markets and customers.
- Revolutionary Innovation: Overturns the established technical and production competencies in a radical way, but allows retaining the existing linkages with markets and customers.

Niche Innovation: Opens new market opportunities using the existing technology. It is simply the application of existing technologies to new markets.

- Architectural Innovation: Involves new technology that disrupts the existing systems of production, and the same time opens up new linkages to markets and customers. As a result, it creates new architecture of the industry within which the competition develops.

### Scope and Significance of the study

The study will help women micro entrepreneurs to keep themselves and their organizations dynamic by remain continuously creative and innovative. The study will also help policy makers to refine their strategies w.r.t. micro women entrepreneurs.

### Descriptive analysis

**Table 1: Age of respondents**

Age	No. of respondents	Percent
25–30 years	11	22.00
31– 40 years	27	54.00
41 – 50 years	9	18.00
Above 50 years	3	06.00
Total	50	100.00

Age of the respondents has been used to determine creative and innovative behavior. Percentage distribution for age shows that highest percentage (54%) is in the age group of 31-40 years followed by 25-30 years which is (22%). There was very small (6%) existing in age group above 50 years who venture into entrepreneurship.

**Table 2: Qualification of respondents**

Qualification	No. of respondents	Percent
High School	8	16.00
Under graduation	10	20.00
Graduation	21	42.00
Post Graduation	6	12.00
Others	5	10.00
Total	50	100.00

Above table indicate that out of total 50 respondents, maximum 42% respondents are graduates, 12% respondents are post graduates with engineering and management qualifications. About 20% respondents are undergraduates. 10% respondents had done specialisation courses related to their business diploma in travel and tourism, diploma in fashion design, diploma in hospitality management. This shows that maximum women micro entrepreneurs are literate, which is a good sign to increase creativity and innovation in micro entrepreneurial activity.

**Table 3: Type of entrepreneurial activity**

Type of entrepreneurial activity	No. of respondents	Percent
Manufacturing	5	10.00
Trading	11	22.00
Service	34	68.00
Total	50	100.00

Above table shows the main types of entrepreneurial activity undertaken by the sample respondents. It indicates that out of total 50 respondents, majority 68% respondents are involved in service based entrepreneurial activity followed by trading ( 22%) and with manufacturing (10%).

**Table 4: Type of Innovation in entrepreneurship**

Type of innovation	No. of respondents	Percent
Regular	36	72.00
Revolutionary	4	8.00
Niche	7	14.00
Architectural	3	06.00
Total	50	100.00

Above table reveals that out of 50 respondents, majority 72% respondents adopted regular innovation in their entrepreneurial activity, followed by niche (14%), Revolutionary (8%) and Architectural (6%).

**Table 5: Assessment of women micro entrepreneurs' current income after adopting different types of innovative practices in business**

Income	No. of respondents	Percent
Increase	38	76.00
No change	9	18.00
Decrease	3	6.00
Total	50	100.00

The data show that 76% of the respondents reported an increase in the monthly income, 6% reported decrease and 18% reported no change in come.

**Table 6: Analysis of overall organizational performance**

Organizational performance	No. of respondents	Percent
Improved	41	82.00
No effect	9	18.00
Total	50	100.00

Above table reveals that 82% respondents reported increase of overall organizational performance, 18% respondents reported no effect on organizational performance.

### Research Findings

- Data analysis reveals that majority of women micro entrepreneurs are in the age group of 31-40. This data reflects that younger people are generally more energetic, creative, innovative, willing for change and progressive as compared to the respondents above the age of forty.
- Data analysis shows that majority of women micro entrepreneurs are graduates. Education help to develop analytical skills required for identification of opportunities in the market and equip themselves with market and industry innovation.
- The analysis revealed that women micro entrepreneurs' involvement according to type of entrepreneurial activity skewed towards service sector followed by trading sector.
- Data analysis reveals that majority 72% respondents are adopting regular innovation in their entrepreneurial activity. The main aspect that influences the regular innovation is atomization by a large number of micro women entrepreneurs which are very dynamic, creative and innovative. This type of innovation incrementally leads to cost reduction and improvement of performance or reliability. Analysis reveals that only 6% women micro entrepreneurs are adopting architectural innovation in their business. Major problem of women entrepreneurs is lack of access to information and communication technology and experience.
- Data analysis reveals that monthly income of the respondents had changed after they started implementing creativity and innovation in entrepreneurial activity.

- Data analysis reveals that Organizational performance has positive relationship with creativity and innovate Practices.

### **Recommendations and Suggestions**

In order to be successful in business women micro entrepreneurs need to be educated on information technology. High level of formal education is also essential. Internet and worldwide web have enabled greater connectivity and expanded decision support. State government should ensure the adequate availability of information on market trends and transfer of technology from the research institutes to the women micro entrepreneurs. Programmes such as the Small Business Research Initiatives, development of open innovation network for women micro enterprises by the state government helps to drive innovation.

### **Conclusion**

Creativity and innovation have been acquiring a central role in women entrepreneurship with respect to new products, new processes, new markets and new technologies. The important aspect about types of innovations is that each of the different type requires particular organizational and managerial skills. Women micro entrepreneurs could be trained and educated in order to enhance innovative behaviour. Use of ICT in business can enhance the innovative behaviour of women micro entrepreneurs. Innovation enables an enterprise to reduce the cost of production, maintain consistency in quality, improve productivity and hence improve overall organizational performance. Hence innovation is a route to achieve higher levels of organizational performance.

### **Limitations and suggestions for future research**

1. Study is limited to only Navi Mumbai; Future research may include wide coverage.
2. Study is limited to Sample size of 50 only; larger sample size will give accurate results.

### **References**

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