


EFFECTS OF CREATIVITY AND INNOVATION ON THE ENTREPRENEURIAL PERFORMANCE OF THE FAMILY BUSINESS WITH SPECIAL REFERENCE TO BANKING SECTOR

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 27 January 2023</p> <p>Accepted 21 March 2023</p>	<p>Purpose: The purpose of the study is to examine the roles of the innovation and the creativity in order to improve the performance of the entrepreneur. Along with this the performance of the entrepreneur and its adverse effect on the position of the family business of the company in different market are discussed.</p>
<p>Keywords:</p> <p>Entrepreneur; Innovation and Creativity; Family Business; Banking Sector; Business Strategy.</p>	<p>Theoretical framework: The theoretical framework of the study includes the various studies conducted by various researchers in the Entrepreneurial Performance in the family business with regarding to Banking sector.</p> <p>Design/methodology/approach- In this research article the researcher selects the secondary qualitative data collection method. With the help of secondary qualitative data collection method, the researcher can be able to collect the data from the existing information that are provided in the existing articles.</p>
	<p>Findings: The major findings of the study is that with the help of innovation and creativity, the production level of the organization is improved and along with the employee engagement in the internal work sector of the organization also becomes better after adopting innovation and creativity. And also there is a positive effect of business performance of entrepreneurs in the market position of family business.</p> <p>Research, Practical and Social implications: The main objectives of this study are to analyze the influencing effect of innovation and creativity on entrepreneurship and to highlight all the changes that are observed in an organization after including creativity and innovation. Moreover, this study also aims to estimate the adverse effect of the performance of the entrepreneur on the family business in the current scenario.</p>

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Originality/value: The value of the study is that it provides more insights to the emerging budding entrepreneurs to do family business in an efficient and most effective manner.

Doi: <https://doi.org/10.26668/businessreview/2023.v8i4.996>

EFEITOS DA CRIATIVIDADE E INOVAÇÃO SOBRE O DESEMPENHO EMPRESARIAL DA EMPRESA FAMILIAR, COM ESPECIAL REFERÊNCIA AO SETOR BANCÁRIO

RESUMO

Objetivo: O objetivo do estudo é examinar os papéis da inovação e da criatividade a fim de melhorar o desempenho do empresário. Junto com isto, o desempenho do empresário e seu efeito adverso sobre a posição do negócio familiar da empresa em diferentes mercados são discutidos.

Estrutura teórica: A estrutura teórica do estudo inclui os vários estudos realizados por vários pesquisadores na área de Desempenho Empresarial na empresa familiar com relação ao setor bancário.

Desenho/método/aprovação: Neste artigo de pesquisa o pesquisador seleciona o método secundário de coleta de dados qualitativos. Com a ajuda do método secundário de coleta de dados qualitativos, o pesquisador pode ser capaz de coletar os dados a partir das informações existentes que são fornecidas nos artigos existentes.

Conclusões: As principais conclusões do estudo é que com a ajuda da inovação e criatividade, o nível de produção da organização é melhorado e junto com o engajamento dos funcionários no setor de trabalho interno da organização também se torna melhor após a adoção da inovação e criatividade. E também há um efeito positivo do desempenho empresarial dos empreendedores na posição de mercado da empresa familiar.

Pesquisa, implicações práticas e sociais: Os principais objetivos deste estudo são analisar o efeito de influência da inovação e criatividade no empreendedorismo e destacar todas as mudanças que são observadas em uma organização após a inclusão da criatividade e inovação. Além disso, este estudo também visa estimar o efeito adverso do desempenho do empresário sobre a empresa familiar no cenário atual.

Originalidade/valor: O valor do estudo é que ele fornece mais insights aos empresários emergentes para fazer negócios familiares de uma maneira eficiente e mais eficaz.

Palavras-chave: Empreendedor, Inovação e Criatividade, Empresa Familiar, Setor Bancário, Estratégia de Negócios.

EFFECTOS DE LA CREATIVIDAD Y LA INNOVACIÓN EN EL RENDIMIENTO EMPRESARIAL DE LA EMPRESA FAMILIAR CON ESPECIAL REFERENCIA AL SECTOR BANCARIO

RESUMEN

Objetivo: El objetivo del estudio es examinar el papel de la innovación y la creatividad en la mejora de los resultados empresariales. Junto con esto, el rendimiento del empresario y su efecto adverso en la posición de la empresa familiar de la empresa en diferentes mercados.

Marco teórico: El marco teórico del estudio incluye los diversos estudios realizados por varios investigadores en el rendimiento empresarial en la empresa familiar con respecto al sector bancario.

Diseño/metodología/enfoque: En este artículo de investigación el investigador selecciona el método de recogida de datos cualitativos secundarios. Con la ayuda del método de recogida de datos cualitativos secundarios, el investigador puede recoger los datos de la información existente en los artículos existentes.

Conclusiones: Las principales conclusiones del estudio son que, con la ayuda de la innovación y la creatividad, el nivel de producción de la organización mejora y, junto con el compromiso de los empleados en el sector laboral interno de la organización, también mejora después de adoptar la innovación y la creatividad. Y también hay un efecto positivo del rendimiento empresarial de los empresarios en la posición de mercado de la empresa familiar.

Investigación, implicaciones prácticas y sociales: Los principales objetivos de este estudio son analizar el efecto influyente de la innovación y la creatividad en el espíritu empresarial y poner de relieve todos los cambios que se observan en una organización tras incluir la creatividad y la innovación. Además, este estudio también pretende estimar el efecto adverso de la actuación del empresario sobre la empresa familiar en el escenario actual.

Originalidad/valor: El valor del estudio radica en que proporciona más conocimientos a los empresarios emergentes en ciernes para hacer negocios familiares de la manera más eficiente y eficaz.

Palabras clave: Emprendedor, Innovación y Creatividad, Empresa Familiar, Sector Bancario, Estrategia Empresarial.

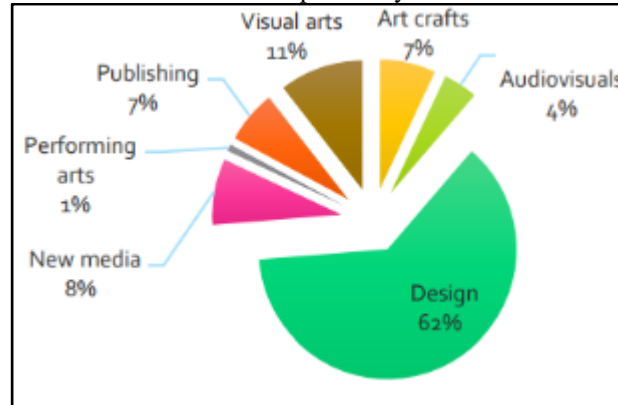
INTRODUCTION

Innovation and creativity are considered important aspects in the case of including new strategies in any business organization. Along with this entrepreneur also be able to improve the already existing and followed strategy in the organization. Moreover, the environment that has been observed in the internal work sector is also improved by the inclusion of creativity and innovation in the workplace. In this research article adverse effect of innovation and creativity has been observed which directly influences all the aspects that are present in a business organization. When the overall business performance of an organization improved then it also affects the individual performance of the entrepreneurs in that organization.

Background

This research article covers all the adverse effect that has been observed in the performance of entrepreneurs after including creativity and innovation. Along with this, the changes in the performance of the entrepreneurs which are observed after adopting innovation and creativity have also affected the market position of the family business (Krueger *et al.* 2021). This is happened because invocation help to improve the performance of the entrepreneurs. In addition to this entrepreneur can be able to think in a new way and also be able to add new things to the business strategy. Such kinds of changes in the business strategy incense the quality of the product and as well the working procedure that is followed in an organization of the family business (Arcese *et al.* 2020). Therefore, all the above-discussed situations help to improve the overall performance of the organization of the family business. This situation results in creating a new standard for the business performance of the organization in the different regional markets as compared with the other competitors of the market.

Figure 1: Factors that can be improved by innovation and creativity



(Source: Elmo *et al.* 2020)

The above-mentioned figure describes the factors that need improvement and this improvement can also be possible through the inclusion of innovation and creativity. Innovations help to change the design of the product that is produced by the company (Yu *et al.* 2019). After changing the design of the product, the company can be able to attract new customers from different markets.

Research objectives

Objectives of the research articles are discussed below

- To analyze the influencing effect of innovation and creativity on entrepreneurship
- To estimate the adverse effect of the performance of the entrepreneur on the family business
- To highlight all the changes that are observed in an organization after including creativity and innovation

Research questions

Questions that are developed on the basis of the research objectives of the research articles are discussed below

- RQ1: How to analyze the influencing effect of innovation and creativity on entrepreneurship?
- RQ2: What adverse effect has been observed on the performance of the entrepreneur in the family business?
- RQ3: What are the changes that are observed in an organization after including creativity and innovation?

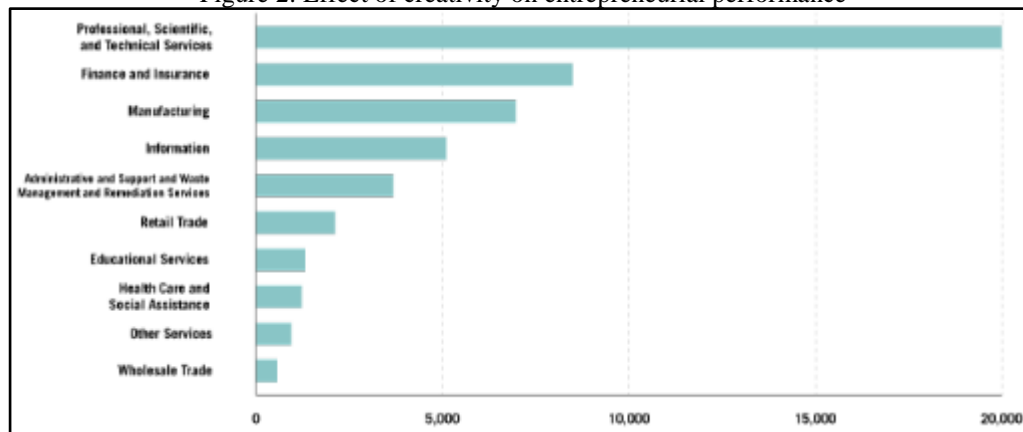
LITERATURE REVIEW

In this section of the research article, a literature review has been developed which covers all the points that are mentioned in the topic of the research article. This research article included all the changes that have been noticed in an organization after including innovation and creativity in different aspects that are followed in the internal environment of an organization.

Role of creativity and innovation in improving entrepreneurial performance

Creativity helps to improve the work patterns that are followed by the employees of an organization (Bujan, 2020). When the work pattern is changed then the quality of the ultimate outcome from those are also become better than before.

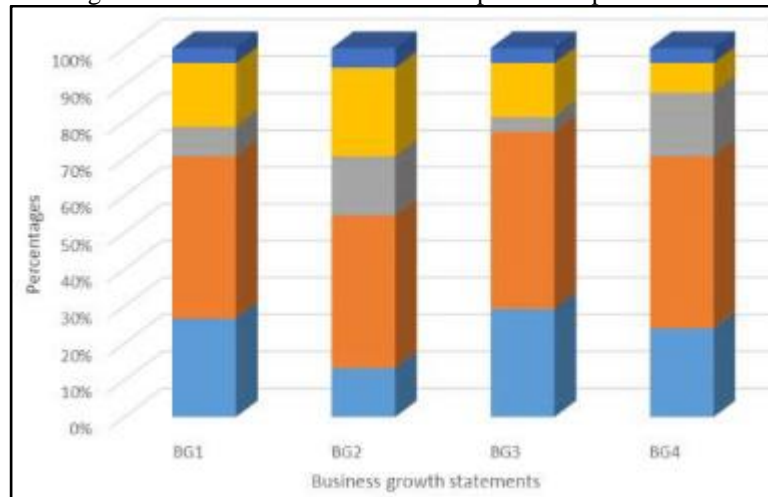
Figure 2: Effect of creativity on entrepreneurial performance



(Source: Mielniczuk & Laguna, 2020)

The above-discussed figure provides an idea that includes all the changes towards the betterment of the final product. Innovation and creativity help to improve the structure of the product and the as well the quality of the product (Acaret *al.* 2019). This help to attract new customers from the different regional market of the company.

Figure 3: Effect of innovation on entrepreneurial performance



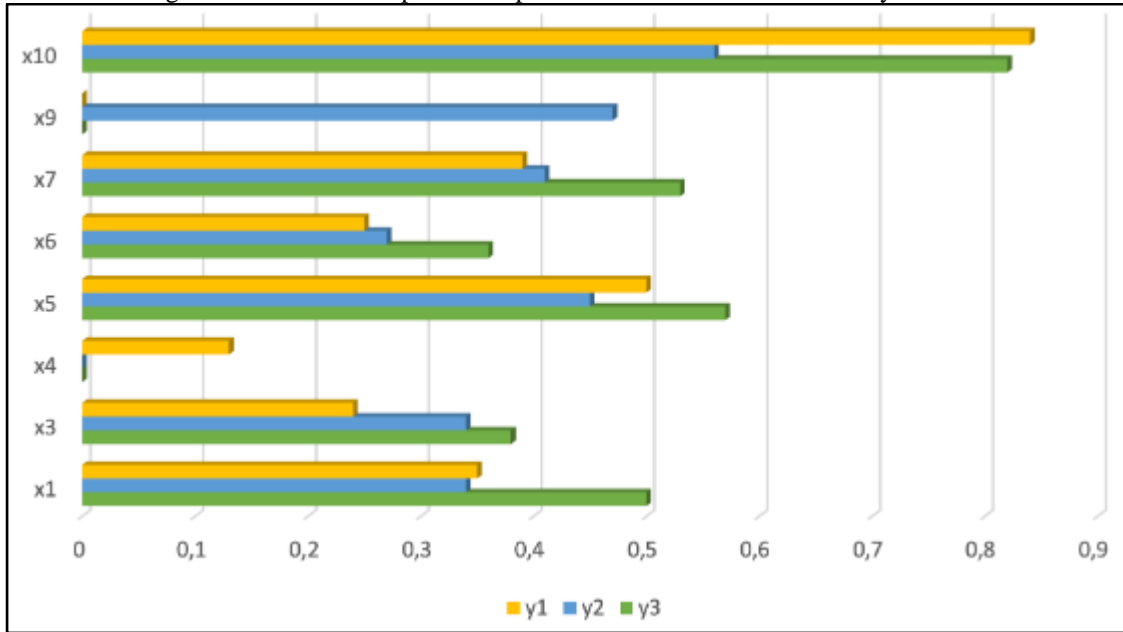
(Source: Ogbeibuet *al.* 2020)

From this above-shown figure, an idea has been developed which consists of all the effects that are observed in the work sector due to the inclusion of innovation. Innovation plays a crucial role in terms of changing the business strategy in a such way that it can impact the business performance of the organization in a positive way.

Importance of entrepreneurial performance in the case of family business

Family business always provides an opportunity to showcase the talent they have in their business. Moreover, entrepreneurs also have the capability to think in a new way as their thinking process includes different types of innovativeness (Ahmed *et al.* 2018). Therefore, innovativeness helps to change the strategy that is used in the family business. The strategies that are followed in the business organization are used for a long period of time and due to an increasing amount of competitiveness in the market the family business is experiencing losses. The main reason for experiencing such a bad situation is because of the usage of old business strategies (Wibowo & Saptono, 2018). With the time flow when the nature of the competitiveness has changed then in order to compete with the rival companies the family business also needs to change the old business strategy.

Figure 4: Effect of entrepreneurial performance in the case of a family business



(Source: Syamet *et al.* 2019)

The above-mentioned figure shows the graphical presentation of the effects that are noticed on the market strategy of a family business due to entrepreneurial performance (Rainone *et al.* 2021). Entrepreneurs provide different strategies that help to achieve the business goal in the different markets by the family business.

Theory

Schumpeter’s Innovation Theory

The innovation theory has been developed by Joseph Schumpeter for the organization. In this theory, the author came to an idea that consist of giving reward to the employees of the organization as well as to the customers of the company. The inclusion of this reward-giving strategy is responsible for the betterment of the performance of the employees of the organization (Fischer *et al.* 2019). Along with this reward-giving strategy to the customer also help to increase the customer retention rate of the company. Therefore, entrepreneurs can be able to increase the quality of their work and at the same time hold the old and consistent customers of the company by only including this reward-giving strategy as provided in this innovation theory.

METHODOLOGY

In this research article, the researcher selects the secondary qualitative method in order to collect the topic-relevant data and information. In the secondary qualitative method, the

researcher can be able to collect the data and information only from the existing data. These existing data are gathered from previous research papers that are already published years ago by other writers. Therefore, the information that is gathered in this research article is based on the result that are get from the research analysts of other writers. With the help of the secondary qualitative method, the researcher can be able to develop themes and analysis those themes for the final outcome.

RESULT

Quality review

Table 1: Quality review

Authors	Study design	Number of resources	Measured outcomes	Result	Quality review
Lee <i>et al.</i> 2020	Primary quantitative method	12	Creativity and innovation influence the leadership strategy of the entrepreneurship	With the help of creativity and innovation entrepreneurs can be able to improve existing leadership strategy of the business organization	High
Lee, Hallak&Sardesh mukh, 2019	Secondary qualitative method	10	Innovation and creativity help to a developed different approach to entrepreneurship	Entrepreneurs can be able to adopt a new business strategy with the help of Innovation and creativity	High
Alonso-Dos-Santos & Llanos-Contreras, 2019	Primary qualitative method	9	Entrepreneurship affects the performance of the family business in the different market	Market analysis of the family business depends on the performance of the entrepreneurs in the different business market	Moderate
Minola <i>et al.</i> 2021	Mixed method		Corporate entrepreneurship and wealth condition of the family business is effectively correlated	Financial condition of the family business is directly affected by business performance of entrepreneurs in	High

				different corporate sector	
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(Source: By learner)

Thematic coding

Table 2: Thematic coding

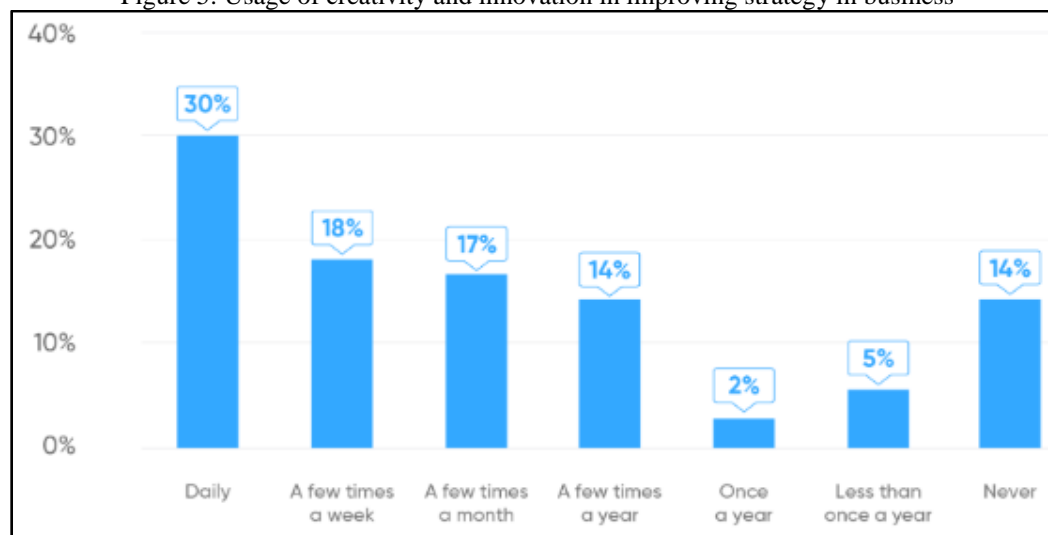
Author	Code	Themes
Lee <i>et al.</i> 2020 Lee, Hallak&Sardeshmukh, 2019	Creativity, leadership strategy, business strategy, innovation, entrepreneurship	Usage of creativity and innovation in improving strategy in business by the entrepreneur
Alonso-Dos-Santos & Llanos-Contreras, 2019 Minola <i>et al.</i> 2021	Entrepreneurs, corporate sector, business market, family business	Effect of business performance of entrepreneurs in the market position of family business

(Source: By learner)

Theme 1: Usage of creativity and innovation in improving strategy in business by the entrepreneur

In this theme, the usage of innovation and creativity has been discussed. Creativity and innovation have been used by the entrepreneur in order to better the existing strategy that is followed in the organization (Lee *et al.* 2020). Inclusion of innovation and creativity are responsible for making a whole new business strategy in place of the old strategy. This strategy helps to improve the problem-solving capability of the organization. This results in a better understanding of each problem that is faced by the organization. When the organization is able to understand each problem then they are able to create a better solution as per the severity of each problem.

Figure 5: Usage of creativity and innovation in improving strategy in business



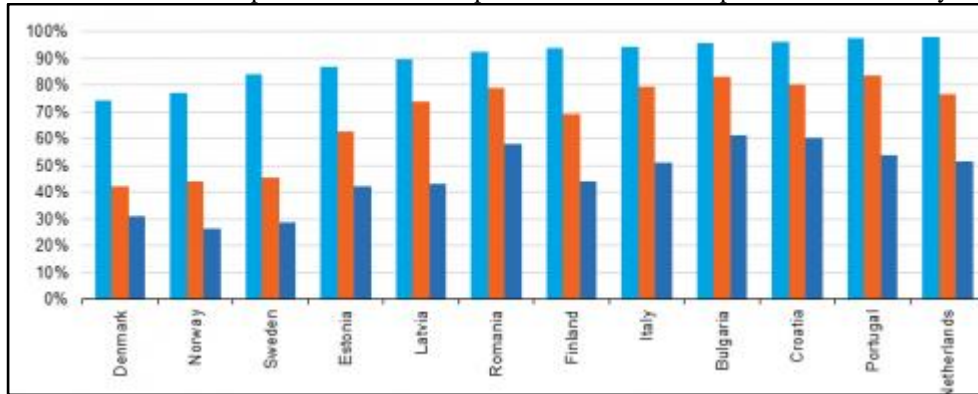
(Source: Lee, Hallak&Sardeshmukh, 2019)

The above-discussed figure shows the time taken for the improvement of the different strategies after including creativity and innovation in the business firm (Lee, Hallak&Sardeshmukh, 2019). With the help of innovation and creativity, the production level of the organization is also improved and along with this employee engagement in the internal work sector of the organization also becomes better after adopting innovation and creativity.

Theme 2: Effect of business performance of entrepreneurs in the market position of family business

Entrepreneurs came to the business with a whole new idea of including different types of strategies in the work sector. These strategies also help to increase employee engagement and employee retention in the internal work sector of the organization. This above-discussed situation helps to motivate the employees and this kind of increasing motivation among the employees help to improve the performance of the employees. Moreover, the better strategies that are proposed by the employees are also helping to develop better working conditions for the employees (Alonso-Dos-Santos & Llanos-Contreras, 2019). This betterment of working conditions is help to increase the attention of the employees while they are engaging in performing any kind of work.

Figure 6: Effect of business performance of entrepreneurs in the market position of the family business



(Source: Minola *et al.* 2021)

The above-discussed figure discusses the effect that has been observed due to the development of different strategies by entrepreneurs in order to hold the number one position in the market (Minola *et al.* 2021). The strategies help to improve the overall business resulting in maintaining the reputation of the family business in the competitive market.

DISCUSSION

The discussion section of the research article contains the crucial role played by innovation and creativity in developing new strategies and changing the old and existing strategy as per the requirement of achieving the goal. The discussion section also contains the strategies that are developed by the organization with the help of innovation and creativity are play important role in order to the overall performance of the company in the different business markets as compared to the other rival companies.

CONCLUSION

Thus, it can be concluded that innovation and creativity play the most important role in case of improving the performance of entrepreneurs in the internal work sector of the organization. The entrepreneurs develop different new strategies and modify the old and existing business strategies as per the requirement of the nature of the competition that is present in the different regional markets. Therefore, the business performance of the entrepreneur helps to improve the position that is held by the family business in the different regional markets.

LIMITATIONS

In this research article, the secondary qualitative method has been followed which has few drawbacks. The secondary qualitative method is a long and time taking procedure therefore while the researcher chooses this method also faces the above-discussed situation.

FUTURE SCOPE

Many areas are not covered in this research article such as the methods to improve the business strategy by using innovation and creativity. Along with this the modification of the business strategies and use of those modified forms of business strategies in improving the infrastructure of the organization is also not covered in this section. Therefore, the above-discussed uncovered area of the research project is known as the future scope.

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