

# Creative Entrepreneurial Culture: An Empirical Study

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**Abstract**—The current context requires entrepreneurs to live and promote a way of thinking and action to address economic problems imaginatively. It seems increasingly clear that the only competitive advantage is creativity, which in turn is based on a culture of initiative and assumption of responsibility. Entrepreneurs must be open to change and innovate continuously, which creates new and significant challenges in Romania too. Bibliographic study on creative entrepreneurial culture was supplemented with a series of in-depth interviews conducted with ten entrepreneurs representing small and medium business in Bihor, western Romania. The results of this study show that we still have much work to develop a culture centered on the individual driven power and on creating internal conditions for successful establishment. Resistance to change is still very strong, contrary to a simple principle of entrepreneurial success, namely flexibility. The success of Bihor entrepreneurs is directly related to the ability to offer customers products they cannot get elsewhere. Essential in the operationalization of this is creating a climate of trust, time allocation and reconsideration of the notion of failure.

**Index Terms**—Entrepreneurial culture, creativity, innovation, performance.

## I. INTRODUCTION

The current context emphasizes the contrast between the rapid advance of world science and technology and stagnant state, sometimes retrograde, of the human management of organizations, which requires understanding their operation on other premises. For new times, new ideas! It requires a new type of entrepreneurs who live and promote a way of thinking and action to address problems with economic imagination, with creativity. The organizational culture problem becomes a study subject, as a prerequisite for success in business. In Romania, "a study by Human Synergetics consultants identified a organizational culture model characterized by a combination of competitive attitudes type, conventional and self-development" [1]. Competitive style is the result of employees' perception that are in fierce competition with colleagues, bosses, inferiors and must demonstrate permanently (that they know, they can, they are the best etc.). The negative component of the competitive style is fueled by a toxic attitude of his followers, who feel (self) justified by showing that others are weaker, less performant, usually make mistakes etc. Either fight continues, often exhausting and without genuine joy serious, damages relations and inhibits creativity as a source of development and achievement of business performance. The same negative effects are generated by

obeying rules without putting them into question - defining part of the conventional style and self-development to the detriment of others. At the limit, we believe that we can talk about deviant competitiveness and our responsibility is not allowing the reach to this stage. Therefore, in this article, we support the idea that it is very important for entrepreneurs in their daily work, to (re) discover the importance of "values, norms of behaviour, models of thought and action", in a word an oriented organizational culture, improvement of people involved and the world around. The competitive world in which we live demands new solutions to problems, claims and suggests remedies grafted onto the approach of the businessman near the school of effort and work centered on the paradigm of the "mind as an individual workshop" and not on the "mind as a funnel." Here it is clear that the only competitive advantage is creativity, which in turn is based on a culture of initiative and assuming responsibility. "If before mankind was concerned predominantly on scientific, technological development etc., it is time that emphasis should be placed on developing better people, on the return to the forefront of fundamental values such as ethics, morality, truth, honesty, integrity, consciousness and so forth." [2]

## II. CULTURE AND ENTREPRENEURIAL SUCCESS

"Culture is a system of shared meanings, models, values, symbols, myths and practices that have evolved over time." [3]. In the case of small businesses, all are orally transmitted, mainly through direct involvement of those who created the company, the founder-entrepreneurs. Significant authors [4], [5], [6] show that "attitude, thinking and their action is seen through the presence, example and involvement in daily work, which requires creativity to be competitive in a good way". It is known that the work climate (immediate living on a personal level) significantly determine creative thinking. The pressure that occurs for any entrepreneur is to be creative and efficient at the same time. Studies [7], [8], show how difficult it is to achieve this. Solutions seem to be related to a climate of trust, encouragement, empowerment. After Zwillling (2011), "elements that help create a creative entrepreneurial culture are: nourishing passion, recognizing the contribution, awarding ideas, reward courage, passing rapidly over failures, discussions in small groups to promote diversity". [9]

One definition of creativity covering all dimensions of this complex phenomenon does not exist yet. There were however identified three types of creativity (Bobircă A. and others, 2011), namely:

- 1) Artistic creativity, based on imagination and ability to generate original ideas and new ways of interpreting phenomena, expressed through text, sound, images;

- 2) Scientific creativity, with the starting point: curiosity, willingness to experiment, to establish new connections / solutions to problems;
- 3) Economic creativity, seen as a dynamic process that leads to innovation in the technology, domain, business practices, marketing etc. and is directly involved in seeking competitive advantages".[10]

In his book, *The Creative Economy: How People Make Money from Ideas*, John Hopkins, who proposed in 2001, the term creative economy, proposes two types of creativity: an individual one, including personal achievements of individuals and a commercial one, resulting in a product"[11]. Individual creativity is defined as "the ability to make unusual associations and provide unique solutions to different problems". The question is about the extent to which creativity identified, measured, will be used thereon, for creating value in real life, in the entrepreneurial activity. Commercial creativity is aimed at improving products, processes and existing products and new solutions to solve problems which entrepreneurs are facing in their current activity. Sometimes improvements or new solutions from one implementation lead to the emergence of innovations. "Entrepreneurs innovate" [12].

In Romania, at present times, entrepreneurs are facing new and significant challenges. To increase understanding of the concept of creative entrepreneurial culture, the bibliographic study presented in the summary was completed with a series of in-dept interviews conducted with ten entrepreneurs representing small and medium business in Bihor county, Western Romania. We use this method supported by direct observation for the chance to obtain information about any doubt.

### III. METHODOLOGY

Semi-structured, personal interviews were conducted in September – November 2011, with ten entrepreneurs from Bihor county, Western Romania, actively involved in developing their own business. The pre-arranged interviews took between 70 and 90 minutes. The questions were derived from several issues which arose in the literature on entrepreneurial culture and creative economy and from previous observations.

Our contacts with a great number of entrepreneurs in the context of the implementation of five projects financed from European funds enables us to systematically and attentively follow the facts in order to draw entering data regarding the creative entrepreneurial culture.

We choose this method because it seems the most fitted for the objective we propose in this article. The advantage of face to face interview, in comparison with other methods of research such as observation, experiment, documents' analysis, or the questionnaire, is that the interviewed person pays greater attention and gives more precise answers. In order to obtain valid answers, we gave to interviewed entrepreneurs the warranty of confidentiality and we assured ourselves that the questions are not perceived as managing or disturbing from the point of view of social desirability promoted in society.

On the base of previous observations, which permitted a direct contact with entrepreneurial culture from Bihor

county, placed in the Western part of Romania, we built a skeleton for the interview, which was the starting point for discussing with the ten entrepreneurs, in conformity with the subject of the study – entrepreneurial creative culture. In ten interviewed entrepreneurs, six were women and four were men which developed business in service sector (eight), building sector (one), agriculture (one). The age repartition is this: a. 20-30 years (34,5%); b.-40 years (22,3%); c. 41-50 years (20,5%); d. -60 years (16,4%); e. over 60 years (6,4%).

The questions covered the following areas:

- 1) The current business perspectives;
- 2) Entrepreneurs understanding of internal competition and its impact;
- 3) Entrepreneurs attitudes regarding creativity, efficiency, innovation;
- 4) Entrepreneurs understanding business problems and recovery solutions;
- 5) View regarding values, norms of behavior, patterns of thought and action that must be cultivated and promoted to create a culture that supports creativity and innovation.
- 6) Interviewees were given the opportunity to reflect on, expand and add any issues.

## IV. STUDY RESULTS

### A. *The Current Business Perspectives*

The respondents argue that the Romanian business environment will not provide, probably never, the opportunities from 1990 and 2000. Basically we are witnessing a narrowing of perspectives. Resources are more expensive, demand is stagnant if not declining, imported products are flooding the market and are offered at lower prices. Economic activity, methods of organization and management of work and personal values are strongly influenced by the economic downturn caused by the crisis that we are crossing. In addition there is a large fluctuation in demand, difficult to manage in terms of efficiency. However, there were mentioned some positive aspects:

- 1) Businesses in the catering and fast food domain "work" as a result of exploitation of niche strategy based on lower prices, the difference to American fast food with a high volume of sales during lunch time (catering) and late evening (oriental fast food);
- 2) The people from Bihor county are willing to spend for their children so that opportunities related events, production and marketing of clothing and other accessories, can be successfully realized;
- 3) The people from Bihor county, like all Romanians, have developed a sense of ownership. As a result opportunities appear in garden planning and maintenance, car maintenances, pet related services;
- 4) The demand is strongly determined by the "novelty attraction". This is the case of restaurants, cafes, teahouses and beauty centers and spas.

### B. *Entrepreneurs Understanding of Internal Competition and Its Impact*

Entrepreneurial culture based on trust, creativity and accountability oriented is a component largely missing,

although there are exceptions. Achievements in the operation on a set of values such as respect and consideration for customers, employees and community through concern for quality products and services through creativity, contribution and involvement, openness and personal development with business development are still modest. Internal competition has become in many cases destructive, attributable especially to young people (so-called "young wolves"). Negative effects of this type of internal competition, which constitutes the spirit manifestation inhibit creativity and innovation, as sources of obtaining competitive advantage are:

- 1) communication difficulties. Information are no longer transmitted safely and in good faith;
- 2) withdrawal from active involvement and an attitude of passivity and disinterest in the fate of the company;
- 3) excessive concern for formal control. Internal models to replace the guidance and disrupt efforts to form at the expense of content;
- 4) decreased job satisfaction, work climate damage.

#### *C. Entrepreneurs Attitudes Regarding Creativity, Efficiency, Innovation*

There is a consensus on the need and usefulness of these capabilities. Interviewees said that, efficiency, creativity and innovation are essential key elements in any attempt to remain competitive. However, in practice, they often face very high demands of efficiency and often have to give up being creative, because they are simply concerned with survival.

- 1) Many entrepreneurs and / or employees choose to stop being creative when pressure is exerted on them to be both efficient and creative;
- 2) We can observe a strong tendency toward conformity, fear, passive adaptability and evasive behavior are evident;
- 3) In the efforts in creativity and innovation, developers often feel alone.

#### *D. Entrepreneurs Understanding Business Problems and Solutions Regarding Recovery*

Problems that appear in a business may be of foreign nature: economic or political crises, significant legislative changes for the operating domain, sharp currency devaluation against the international reference, changes in technology with great impact or of domestic nature: mistakes in customer and or suppliers relationship management, unrealistic estimates of the market or opportunities, too strong diversification of business, too fast growth, failure to create teams, too big call for loans and too burdensome, financial planning and control activity problems.

- 1) We can observe a amplification tendency of the causes of external nature as a source for the problems which have arisen in business development;
- 2) In the vast majority, the interviewed entrepreneurs were quite convinced that the key to recovery lies in themselves. With a few nuances, the answer was: "No one from outside would understand, lead, coordinate better the recovery process of a business than the one that built it." In other words the idea of outside help is not yet supported by Romanian entrepreneurs / Bihor;

- 3) Another issue identified was that of an unhealthy optimism. Most interviewees claimed that they believe the situation will change for the better in future year / years without having any concrete idea or initiative to determine or speed it up.

#### *E. View Regarding Values, Norms of Behaviour, Patterns of Thought and Action That Must Be Cultivated and Promoted to Create a Culture That Supports Creativity And Innovation.*

All entrepreneurs agreed that to survive and grow, business firms must be creative, efficient, innovative, profitable. At a declarative level, everything is in order. At the action level, skeptical attitude prevails. The most common "sins" mentioned by respondents were: lack of appetite for innovation of employees ("if I do nothing, I am not mistaking"), isolation from customers and competitors, taking command of the marketing people, distance (physical and / or psychological) from the innovative process. According to opinions expressed by respondents, of utmost importance is creating a sense of urgency and crisis, liberation of the genius of each employee and winner mentality growing, in a good way.

## V. DISCUSSION AND CONCLUSIONS

The World Bank's Doing Business 2011 Report on business, positioning Romania on the 56th rank beyond the 183 countries analyzed. [13] Unfortunately, the Bihor population, as Romanians in general are hardly proficient in identifying business opportunities. The Global Entrepreneurship Monitor Study, in 2011 ranks us the 22th out of 23 European countries [14]. Our study confirm the scepticism regarding the current business perspectives. We still have much work to develop our culture centered on the individual's driven power, on creating the internal conditions for successful establishment, and our study confirm this.

"A weakness of Romanian entrepreneurs is related to the inability to make decisions quickly. They will always take the best decision"[15]. We align to the view that, a less good decision taken immediately is better than a better decision taken later, often too late; at least, for a rapid less inspired decision making, the entrepreneur will understand as quickly where he made a mistake and learn from that mistake; the lack of a decision is the one that "freezes" the organization.

"The essence of entrepreneurship is beeing different"[16]. This fact leads to the onset of a will stronger than to create something new and thus entrepreneurs become artists. The originality manifests in entrepreneurial activity by presenting ideas in a personal manner. Bihor entrepreneurial success is directly related to the ability to offer customers products they cannot get elsewhere. Essential in the operationalization of this is creating a climate of trust, time allocation and reconsideration for the notion of failure. Seen through the "transformational vocabulary" proposed by Anthony Robbins, when an idea does not provide immediate results, it should not be considered a failure but an experiment. The term used in 2011 by Forbes magazine is "failling forward", which emphasizes that any experiment,

be it bad, is a step towards the solution. They say, rightly, that "any problem can be solved with the same level of understanding with which it was created". The success of any recovery is mainly related to making the necessary decisions; whether the developer has not made them until the problems appeared there are big chances he will not make the good decisions even when they exist and persist.

#### ACKNOWLEDGMENT

Our study has some limits, but open the way for a future enquiry based on a questionnaire, much more complex and regarding the creative antreprenorial culture generally speaking, and from the Western part of Romania, especially.

In the context of an unmanned flexibility and adaptability sprang from the survival reflex in the context of present crisis, the entrepreneurs from Bihor county need creativity, as a strategic resource for their business success.

The weak purchasing power of the population, doubled by a very sharp rise of competition, ask more than before the rise of entrepreneurs and employers' abilities to discover and manage different solutions for their clients, with the aim of obtaining maximum benefits from each interaction with them. This special aim and will be debated in the future extension of present study.

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