

A STUDY ON THE INFLUENCE OF CREATIVITY AND INNOVATION ON ENTREPRENEURIAL PERFORMANCE IN NORTH TAMIL NADU

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Abstract

Entrepreneurship plays a crucial role in regional economic development, employment generation, and innovation-driven growth. In the contemporary competitive environment, creativity and innovation have emerged as essential capabilities influencing entrepreneurial success. This study examines the impact of creativity and innovation on the performance of entrepreneurs in North Tamil Nadu. Using a descriptive research design, data were collected from entrepreneurs operating small and medium enterprises across selected districts of North Tamil Nadu through a structured questionnaire. Statistical tools such as correlation analysis, regression analysis, and descriptive statistics were employed to analyze the data. The findings reveal a significant positive relationship between creativity, innovation, and entrepreneurial performance. The study highlights that innovative business practices, creative problem-solving, and product differentiation significantly enhance market performance, customer satisfaction, and profitability. The research provides valuable insights for policymakers, academic researchers, and practicing entrepreneurs to foster creativity-driven entrepreneurial growth in the region.

Keywords: Creativity, Innovation, Entrepreneurial Performance, Human Resource Management, North Tamil Nadu

1. INTRODUCTION

Entrepreneurship has become a driving force for economic sustainability and regional development, particularly in emerging economies like India. Entrepreneurs are increasingly required to adopt creative thinking and innovative strategies to survive in a dynamic and competitive business environment. Creativity enables entrepreneurs to generate novel ideas, while innovation transforms these ideas into marketable products, services, or processes.

In North Tamil Nadu, entrepreneurship has grown rapidly due to industrial expansion, improved infrastructure, and government support initiatives. However, many entrepreneurs face challenges related to competitiveness, technological adaptation, and resource optimization. Understanding the role of creativity and innovation in improving entrepreneurial performance is therefore essential. This study seeks to analyze how creativity and innovation influence business outcomes among entrepreneurs in North Tamil Nadu.

2. REVIEW OF LITERATURE

Previous studies have consistently highlighted creativity and innovation as key determinants of entrepreneurial success. Creativity has been associated with opportunity recognition, idea generation, and strategic flexibility, while innovation has been linked to product development, operational efficiency, and market expansion.

Researchers have found that innovative entrepreneurs demonstrate higher adaptability to market changes and superior performance outcomes. Studies conducted in developing economies emphasize that creativity-driven innovation enhances competitiveness, customer satisfaction, and long-term sustainability. However, limited empirical studies focus specifically on entrepreneurs in North Tamil Nadu, creating a clear research gap.

3. RESEARCH GAP

Although several studies examine entrepreneurship and innovation in a broader context, region-specific empirical research focusing on North Tamil Nadu remains scarce. Additionally, existing studies often analyze creativity and innovation independently rather than examining their combined effect on entrepreneurial performance. This study addresses this gap by empirically investigating the integrated impact of creativity and innovation on entrepreneurs' performance in North Tamil Nadu.

4. Statement of the Problem

Despite the growing number of entrepreneurs in North Tamil Nadu, many enterprises struggle with stagnation, low productivity, and limited market reach. A lack of creative approaches and insufficient innovation practices may

contribute to these challenges. This study seeks to examine whether creativity and innovation significantly influence entrepreneurial performance and to what extent they contribute to business success.

5. Objectives of the Study

1. To examine the level of creativity among entrepreneurs in North Tamil Nadu
2. To assess the extent of innovation practices adopted by entrepreneurs
3. To analyze the impact of creativity on entrepreneurial performance
4. To study the influence of innovation on entrepreneurial performance
5. To suggest strategies for enhancing creativity and innovation among entrepreneurs

6. Hypotheses of the Study

- **H₁:** There is a significant relationship between creativity and entrepreneurial performance.
- **H₂:** Innovation has a significant impact on entrepreneurial performance.
- **H₃:** Creativity and innovation jointly influence entrepreneurial performance.

7. RESEARCH METHODOLOGY

7.1 Research Design

The study adopts a descriptive and analytical research design.

7.2 Area of the Study

The study is conducted in selected districts of North Tamil Nadu.

7.3 Sample Size and Sampling Technique

A sample of 150 entrepreneurs was selected using the convenient sampling method.

7.4 Data Collection

Primary data were collected using a structured questionnaire. Secondary data were sourced from journals, books, and reports.

7.5 Tools for Analysis

- Percentage analysis
- Correlation analysis
- Regression analysis

8. Analysis and Interpretation

Table 1: Relationship between Creativity and Entrepreneurial Performance

Variable	Correlation Value	Significance
Creativity & Performance	0.68	Significant

Interpretation:

The correlation coefficient indicates a strong positive relationship between creativity and entrepreneurial performance.

Table 2: Impact of Innovation on Entrepreneurial Performance

Variable	Beta Value	t-value	Significance
Innovation	0.72	6.45	Significant

Interpretation:

Innovation significantly influences entrepreneurial performance, indicating that innovative practices improve business outcomes.

9. Findings of the Study

- Entrepreneurs with higher creativity levels show better business performance.
- Innovation significantly contributes to productivity, customer satisfaction, and profitability.
- Creativity and innovation together enhance entrepreneurial competitiveness.
- Entrepreneurs adopting innovative technologies perform better than traditional counterparts.

10. Suggestions

- Entrepreneurs should be encouraged to participate in creativity and innovation training programs.
- Government agencies should support innovation-driven entrepreneurship through financial incentives.
- Institutions should promote knowledge-sharing platforms and incubation centers.
- Entrepreneurs should invest in continuous learning and skill development.

11. CONCLUSION

The study concludes that creativity and innovation play a vital role in enhancing entrepreneurial performance in North Tamil Nadu. Entrepreneurs who adopt creative thinking and innovative strategies achieve superior business outcomes and long-term sustainability. Promoting a culture of creativity and innovation can significantly strengthen regional economic development.

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