

Print ISSN: 2288-4637 / Online ISSN 2288-4645  
doi:10.13106/jafeb.2022.vol9.no3.0077

# The Impact of Creativity and Innovativeness on Digital Entrepreneurship: Empirical Evidence from Bangladesh

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Received: November 15, 2021 Revised: January 23, 2022 Accepted: February 05, 2022

## Abstract

In Bangladesh, developing students' entrepreneurial intentions have received a lot of attention because of the country's current employment predicament and shifting labor market. Entrepreneurs play a critical part in a country's economic development. This study aims to examine the impact of creativity and innovation on students' intentions toward online entrepreneurship in Bangladesh. The participants in this study were Bangladeshi university students. Based on pre-tested constructs, a survey questionnaire was created. Convenience sampling, which is a common type of non-probability sampling, was used to choose participants for the sample. A total of 150 students from the public university took part in the survey, with 120 replies being accepted as complete, resulting in an 80 percent response rate. Hence, the sample size is 120. Internal consistency was determined using Cronbach's alpha, while correlation and hypothesis tests were analyzed using SPSS version 26.0. The results reveal that creativity and innovation have a statistically significant and positive impact on students' intentions to engage in online entrepreneurship. These two independent factors explained 75% of the variance in intention to engage in online entrepreneurship, resulting in empirical findings and solid information in the present body of knowledge. The study concludes with a conclusion and research implications for the future.

**Keywords:** Creativity, Innovativeness, Online Entrepreneurship, Entrepreneurial Intention, Bangladesh

**JEL Classification Code:** M10, M21, M30

## 1. Introduction

The recent liberalization of the labor market, economic globalization, and rapid technological change have resulted in significant structural, economic, and social changes (Voda & Flora, 2019). Entrepreneurship, on the other hand, is a key generator of job creation and economic growth in the

economy. As a result, an entrepreneur is viewed as a driver of economic growth, a source of job opportunities, and a source of competitiveness and innovation (Tan, 2021). The entrepreneurial intention is considered self-acknowledged persuasion by a person who anticipates setting up a new business venture in the future (Hossain et al., 2021; Hoda et al., 2020).

The emergence of entrepreneurial intentions and activity is the most important phase of online business. It is critical to a country's economic development since it expands employment opportunities, advances technologically, and promotes compensation (Akhter et al., 2020). Bangladesh has been regarded as a developing economy with continuous economic growth (Hossain et al., 2021; Rahaman et al., 2020).

Unemployment is a major issue right now, and students make up a big share of the unemployed population in Bangladesh. Due to the extreme nature of entrepreneurship as a source of employment, increasing entrepreneurial activity in Bangladesh could be a solution to the country's graduate unemployment problem (Barba-Sánchez & Atienza-Sahuquillo, 2018). Online entrepreneurial intention, on the other hand, is the process of a person's motivation and

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preparation to start an online business employing technology. This new technology is crucial in encouraging kids to pursue their dreams of becoming entrepreneurs. As a result, students' online entrepreneurial intent is a developing idea that is being viewed as a new tool for developing personal company activities through the use of current technology.

For an online entrepreneur, the digitalized process helps to lower entry barriers, eliminate company risks, reduce the cost of launching a new business, and reduce raw material waste (Youssef et al., 2021). As a result, assessing students' intentions toward online entrepreneurship would be a suitable sample for examining entrepreneurial intention (EI), as entrepreneurship is seen as a career choice for every student. Previous research has demonstrated that psychological, demographic, and environmental factors influence entrepreneurship intent, and the current study aims to add value to the intention of Bangladeshis to engage in online entrepreneurship. According to prior research, there is a huge research gap in Bangladesh when it comes to investigating the impact of creativity and innovation on students' attitudes about online entrepreneurship. The study's main objective is to determine the impact of creativity and innovativeness on students' intention towards online entrepreneurship in Bangladesh. The paper will seek to follow the questions:

- (i) Does students' creativity affect their entrepreneurial intention to start online entrepreneurship?
- (ii) Does students' innovativeness affect their entrepreneurial intention to start online entrepreneurship?

## 2. Literature Review

### 2.1. Online Entrepreneurship and Entrepreneurial Intention

In reality, digital entrepreneurship is based on the use of digital media and other information and communication technology to accelerate changes in the competitive landscape (Nambisan, 2017). Essentially, digital entrepreneurship uses technical platforms and other information and communication technologies to provide a variety of opportunities (Sahut et al., 2021). As a result, employing novel digital technology, digital entrepreneurship generates new initiatives and transforms current businesses into modern businesses (Hull et al., 2007). The term "digital" or "online" entrepreneur refers to a subset of entrepreneurship in which traditional operations have been transferred to a digitalized system (Ashraf et al., 2021; Esmaeeli, 2011). As a result, the goal of digital entrepreneurship is to transform the business world through technology. The willingness of an individual, which includes behavioral characteristics and mental condition, to start their own business is referred to as entrepreneurial intention (Dutot et al., 2015). It is also recognized as the

most reliable and important predictor of an entrepreneur's planned action (Younis et al., 2020).

### 2.2. Creativity

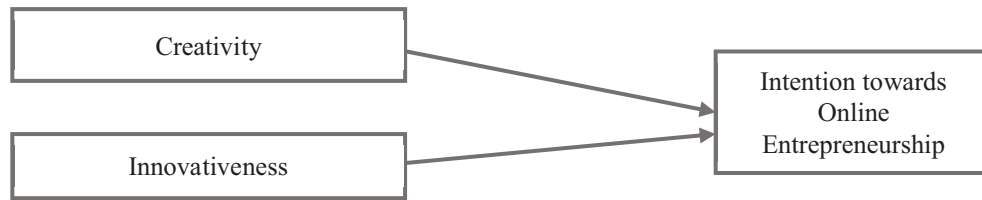
Creativity is the process of transforming new and inventive ideas into reality, practice, and solutions using one's knowledge, skills, and abilities. Furthermore, creativity is acknowledged as an important component of entrepreneurship, where individuals must be inventive to spot and capitalize on opportunities (Anjum et al., 2020). Creativity is the ability to generate new ideas and ways of thinking by altering, merging, or repurposing existing ideas, inventing new forms, and producing inventive abilities and cognition (Dimitriadis et al., 2017). Entrepreneurial creativity is defined as the discovery and utilization of business prospects for the generation and implementation of creative ideas that aid in the establishment of new businesses. Consequently, creativity is considered as the motivation of entrepreneurial intention (Chia & Liang, 2016) and it shows a high level of entrepreneurial desirability (Zampetakis, 2008). Another researcher also suggested that creativity plays a significant role in the process of an entrepreneur intention where the higher creative persons can create and maintain self-confidence in their entrepreneurship (Zhao et al., 2005). Hence, it is proposed that

*H10: Creativity will not positively affect students' intention towards online entrepreneurship.*

*H1a: Creativity will positively affect students' intention towards online entrepreneurship.*

### 2.3. Innovativeness

Innovative thinking and ideas, as well as the realization of opportunities and innovations that lead to entrepreneurial intentions, are all part of the process of innovation (Wathanakom et al., 2020). Innovativeness is defined as the process through which an individual can willingly accept change and contributes to the creation of an idea, object, or practice that allows people to embrace change enthusiastically (Bhagat & Sambargi, 2019). As a result, innovation is described as the process of people participating in transactions with others generating and executing new ideas over time within an institutional framework (Ven, 1986). Furthermore, entrepreneurs' innovativeness is viewed as a crucial issue and success component. Entrepreneurs use it to solve problems, generate new ideas, and find solutions on a regular basis (Law & Breznik, 2017). Previous studies revealed that innovativeness is the key indicator of entrepreneurial intentions (Ozaralli & Rivenburgh, 2016) and it has a positive and significant relationship with entrepreneurial intentions (Ahmed et al., 2010). Hence, it is proposed that



**Figure 1: Research Framework**

**H20:** *Innovativeness will not positively affect students' intention towards online entrepreneurship.*

**H2a:** *Innovativeness will positively affect students' intention towards online entrepreneurship.*

### 2.4. Research Framework

Based on the above null and alternative hypotheses, the paper presents the following research framework model (Figure 1).

### 3. Methodology

Because the precise number of students is unclear, the convenience sample method was used to explain the need for this study. Hence, the study's target group was students at public universities. The primary data was collected, and the study was quantitative and exploratory. Respondents were given a survey questionnaire to help them comprehend the definition of creativity and innovation. In return, 150 responses were received in response emails, with 30 of them being eliminated due to incompleteness. Hence, the study's final sample size was  $n = 120$ . The survey questionnaire in this study has two components. The first section of the questionnaire had demographic information about the respondents (such as gender, marital status, age (in years), and educational level), while the second part contained a Likert-based questionnaire on research variables such as creativity and innovativeness. The Cronbach Alpha ( $\alpha$ ) value of 0.70 or more than 0.70 was considered as an acceptable value for measuring the reliability of the constructs. For study purposes, the item-wise questionnaire was taken from the previously tested concept (Table 1).

### 4. Results and Discussion

Table 2 reports basic demographic information about the students.

Table 2 reveals that the study included 120 students, 60 of whom were male (50.0%) and 60 of whom were female (50.0%). Table 2 also shows that 75 students (62.5%) were between the age of 18 and 20, 30 students (25.0%) were between the age of 21 and 24, and 10 students (8.2%) were

**Table 1: Cronbach Alpha ( $\alpha$ ) Value of the Variables**

Variables	Cronbach Alpha ( $\alpha$ ) Value
Intention towards Online Entrepreneurship	0.776
Creativity	0.809
Innovativeness	0.852

**Table 2: Descriptive Statistics**

Description	Frequency	Percent
<b>Gender</b>		
Male	60	50.0
Female	60	50.0
<b>Age</b>		
18–20 years	75	62.5
21–24 years	30	25.0
25–28 years	10	8.3
More than 28 years	5	4.2
<b>Department</b>		
Business & Commerce	90	75.0
Science	15	12.5
Humanities	15	12.5

\* $n = 120$ .

between the age of 25 and 28. Only 5 students (4.2 percent) in the survey were over the age of 28. Table 2 further shows that 90 students (75.0 percent) were in the business and commerce department, 15 students (12.5 percent) were in the science department, and 15 students (12.5 percent) were in the humanities department at their universities.

The correlation analysis between the dependent variable (intention to engage in online entrepreneurship) and the independent variables is shown in Table 3 (creativity and innovativeness). At the 5% significance level, both independent factors were significantly correlated with the dependent variables.

**Table 3:** Correlations Analysis

Correlations	Intention Towards Online Entrepreneurship	Creativity	Innovativeness
Intention towards Online Entrepreneurship	1		
Creativity	0.447**	1	
Innovativeness	0.393**	0.444**	1

\*\* $n = 120$  (two-tailed correlation analysis).

**Table 4:** Regression Analysis

	Beta-value	t-value	Sig.	Tolerance	VIF	Decision
Creativity	0.623	3.889	0.000**	0.688	1.992	Accepted
Innovativeness	0.553	2.991	0.000**	0.567	1.408	Accepted

Dependent variable: "intention towards online entrepreneurship"; \* $p < 0.05$  ( $n = 120$ ); Durbin Watson Value: 1.503;  $R^2 = 0.75$  or 75.0%.

**Table 5:** Hypotheses Results

Hypotheses	Decision
H10: Creativity will not positively affect students' intention towards online entrepreneurship.	Not Accepted
H1a: Creativity will positively affect students' intention towards online entrepreneurship.	Accepted
H20: Innovativeness will not positively affect students' intention towards online entrepreneurship.	Not Accepted
H2a: Innovativeness will positively affect students' intention towards online entrepreneurship.	Accepted

The latest version of SPSS software was used to examine the null and alternative hypotheses in the research (Tables 4 and 5). The alternative hypothesis: H1 states that creativity will positively affect students' intention towards online entrepreneurship and it is accepted ( $\beta = 0.623$ ,  $p < 0.01$ ). The result is supported by past works of literature (Hu et al., 2018; Laguía et al., 2019). In this case, creativity will have a greater impact on students' intentions to pursue online entrepreneurship. According to this study, to succeed as an online entrepreneur, students must be creative. As a result, creativity has a positive impact on entrepreneurial intent. (Hamidi et al., 2008). Other researches also indicated that creativity has an influence on online entrepreneurship intentions (Mugiono et al., 2020).

The alternative hypothesis: H2 states that innovativeness will positively affect students' intention towards online entrepreneurship, and H2 was accepted ( $\beta = 0.553$ ,  $p < 0.01$ ). The finding is also validated by past results (Syed et al., 2020; Urban, 2017). Hence, according to this study, innovativeness has a positive and significant impact on students' intentions to pursue online entrepreneurship. As a result, students will be motivated to become online entrepreneurs because of their innovativeness. Furthermore, innovativeness stimulates awareness, a positive attitude, and common sense in the

pursuit of becoming an entrepreneur. The survey also found that innovativeness is seen as a key component of human personality when it comes to inspiring entrepreneurs (Oo et al., 2019).

## 5. Conclusion

The purpose of this research is to see how creativity and innovation affect students' intentions to pursue online entrepreneurship. Creativity and innovativeness have been identified as independent variables and key factors influencing online entrepreneurial intention. The study suggested a research model based on previous literature, and data was collected from university students in Bangladesh. The regression analysis was administered to test hypotheses. This study's regression results show that creativity and innovation have a positive and significant impact on students' intentions to engage in online entrepreneurship in Bangladesh. Hence, students could consider becoming online entrepreneurs to alleviate unemployment and improve economic conditions by offering job opportunities. In this study creativity and innovativeness were found to be a strong predictor of intention to pursue online entrepreneurship. There are certain limitations in this study



that future research must consider. First, this study used only a quantitative method, that is, the regression method is used by applying SPSS software, to analyze the data. Hence, future researchers should think of using both quantitative and qualitative research tools to analyze data that will enrich the body of literature. Another drawback of this study is the sample size, which was limited to just public universities in Bangladesh. Hence, the research findings may not be suitable for generalization. Hence, future research may include both private and public academic institutions to provide a more generalizable result.

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