The Management University of Africa

Sponsored by the Kenya Institute of Management

POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS ADMINISTRATION

DBE 904: ADVANCED ENTREPRENEURSHIP AND INNOVATION

DATE: **7TH DECEMBER 2023**

DURATION: 3 HOURS

MAXIMUM MARKS: 50

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory.**
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the Case Study below carefully and, answer the questions that follow:

The Roles of Creativity and Innovation in Entrepreneurship

In today's environment, entrepreneurship is no longer exceptional in society especially amongst the graduates. For the entrepreneurs, they can use a purposeful action and structure of a business that connect their creative idea to become more innovative. Career entrepreneurship nowadays has become more competitive and it is because one who is involved in this field need to embark their skill in order to survive. Entrepreneurship should not only be called self-employment and hard work but it is a platform to tap its full potential in which one's need to put emphasis on the generation and development of idea. In entrepreneurship field there is a need in risk-taking, research and development of new ideas and work hard to drive a new innovation in business. At present, rapid change in many aspects need the entrepreneur to be more alert on the changes that occurred. The survival and competition between entrepreneur need one to launch their creativity and innovation product and services. Hence, the requirement that creativity and innovation is a vital strategy in entrepreneurship. Innovation is the instrument in entrepreneurship and both entrepreneurship and innovation need creativity by which it is a symbolic domain in the culture. Creativity is a means by which entrepreneurship is capable to produce, bring into existence, to create into a new form, to create through imaginative skill, to make to bring existence something new. Companies get recognized on their innovation as it is their ultimate source of competitive advantage point due to the new reality in today's global business.

Generally, entrepreneurs are required to have the ability to create, to invent into new form or to bring existence into something new. This ability is rather not inherited nor naturally in one's but it is something that needs to be learnt. According to Akbar Fadaee (2014), it is proved that creativity is common among the human species and all at birth have talent in varying degrees. The definition of creativity can be defined in different and numerous ways. Entrepreneur's primary concern is developing new product, processor market and the ability to break through the tough market. According to Amabile (1998) quoted from Ian Pillis (2010), entrepreneurial creativity

has been defined as the generation and implementation of novel, suitable ideas to establish new venture. Creativity is a continuous process in which one is required to work hard and continually improve ideas and solutions. Creative person will work hard by making gradual alteration and refinements to their work. Creativity in entrepreneurship also implies the organizational environment such as team climate, teamwork and others. Creativity in entrepreneurship includes the management in the organization that will lead to successful company.

The process of creating new venture is inherently to be dynamic and versatile. Preparation is a basic step that need to be taken care off. It is a process to prepare your mind to be in creative thinking. The basic starts with identifying a problem and looking out for related information. Get your mind ready by study and research more on the field of expertise. Take more time to involve in professional or trade association to gain more experience and knowledge. The second step require entrepreneur to go beyond the comfort zone. The phrase thinking outside the box is often used to create the creative problem solution and expression that has been used in psychology, business and marketing. Step 3 invoves the ability to generate, reapplying, changing or combining between new and existing ideas. The simplest way to obtain new idea is by combining the ideas and existing elements. Step 4 involve a lot of works in order to achieve the main goal that is to find a solution. Evaluating the existing project can help to generate potential idea. Step 5 which is illumination leads to the knowledge of some practical ideas that can be put to work. Step 6 validates the idea to determine whether it is potential to solve a problem or not. The idea may be rejected, accepted, modified with minor or major changes. If the idea is rejected, the whole processes need to start again. Step 7 allows an entrepreneur to assess their own abilities in evaluating ideas. This step offers many advantages to entrepreneurs such as helping to formulate the best ideas and enabling them to explore new horizons and to market opportunities and actively pursue an entrepreneurial opportunity to reality with launch of the business. In short, entrepreneurs have to contribute to accelerating change. As such, innovation can take several forms: I. Innovation in process which includes change and improvement to methods. These contribute to increase in activity lowering cost and helping to increase demand. II. Innovation in products or services. This innovation leads to increases in effective demand which encourages increases in investment. (Adopted from Muhamad Izzuwan Shah Bin Mazla1 , Mohd Khata Bin Jabor, Kashif Tufail , Amir Faisal Noor Yakim , Hanim Zainal (2019)

Required:

a) In the context of entrepreneurship and innovation, differentiate between innovation, creativity, Invention and discovery **(10 marks)**

b) Using Schumpeter's Innovation Entrepreneurship theory, argue for the statement that **"entrepreneurial firms use innovation to contribute considerably to the economic growth rate"**

(10 marks)

c) Assess any five areas of business that requires innovation **(10 marks)**

QUESTION TWO

Critique the statement that "entrepreneurs are made and not born" and propose any six "makers" of entrepreneurs **(10 marks)**

QUESTION THREE

Suggest an innovative procedure of instituting change in your organizational production processes whose costs have so far skyrocketed due to the current global changes **(10 marks)**

QUESTION FOUR

With reference to family business succession, propose reasons why most family businesses do not graduate to the next level after passing on of the person who started the business **(10 marks)**