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**CREATIVITY AND ENTREPRENEURIAL SUCCESS IN SMEs IN  
BUEA, CAMEROON**

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A Seminar Paper Presented to the Postgraduate School, University of Calabar.

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**ABSTRACT**

This seminar paper explores the relationship between creativity and entrepreneurial success in Small and Medium-Sized Enterprises (SMEs) in Buea, Cameroon. Creativity is increasingly acknowledged as a fundamental driver of innovation, competitiveness, and sustainability in entrepreneurship. The paper examines theoretical perspectives on creativity and its practical manifestations in SMEs, while reviewing empirical studies that link creativity to opportunity recognition, innovation, and business performance. Findings indicate that creativity enhances SME resilience, market adaptability, and long-term growth. Recommendations emphasize the need for entrepreneurial training, supportive policy frameworks, and enhanced innovation ecosystems to sustain SME development in Buea.

**KEYWORDS:** Creativity, Entrepreneurial Success.

**INTRODUCTION**

Small and Medium-Sized Enterprises (SMEs) play a pivotal role in the economic development of Cameroon, particularly in regional hubs such as Buea. SMEs contribute significantly to job creation, poverty alleviation, and economic diversification. However, many SMEs face challenges related to sustainability, innovation, and competitiveness in dynamic markets. Within this context, creativity has emerged as a critical factor for entrepreneurial success. Creativity enables entrepreneurs to identify new opportunities, develop unique products and services, and differentiate themselves in competitive environments.

Despite its importance, the role of creativity in shaping SME success in Buea remains underexplored. This seminar paper seeks to examine the extent to which creativity influences entrepreneurial performance among SMEs in Buea, Cameroon. It addresses the gap in literature by providing both theoretical and empirical insights into the nexus between creativity and entrepreneurial success.

### **Research Questions**

What is the effect of creativity on entrepreneurial success of SMEs in the Buea Municipality, Cameroon?

### **Specific Research Questions**

- 1) What is the effect of idea generation on the entrepreneurial success of SMEs in the Buea Municipality?
- 2) What is the effect of innovation implementation on the entrepreneurial success of SMEs in the Buea Municipality?
- 3) What is the effect of risk-taking propensity on the entrepreneurial success of SMEs in the Buea Municipality?

### **RESEARCH OBJETIVES**

The main research Objective was to determine the effect of creativity on entrepreneurial success of SMEs in the Buea Municipality, Cameroon.

### **Specific Research Objectives**

- 1) To examine the effect of idea generation on the entrepreneurial success of SMEs in the Buea Municipality
- 2) To investigate the effect of innovation implementation on the entrepreneurial success of SMEs in the Buea Municipality
- 3) To ascertain the effect of risk-taking propensity on the entrepreneurial success of SMEs in the Buea Municipality

### **Research Hypothesis**

**Ho1:** Idea generation has no significant effect on the entrepreneurial success of SMEs in the Buea Municipality

**Ho2:** Innovation implementation has no significant effect on the entrepreneurial success of SMEs in the Buea Municipality

**Ho3:** Risk taking Propensity has no significant effect on the entrepreneurial success of SMEs in the Buea Municipality.

**Significance of the Study:**

**1. Theoretical Significance**

The study contributes to entrepreneurship and innovation literature by establishing how creativity influences the performance and survival of SMEs in developing economies. It adds to existing knowledge by providing empirical evidence from Buea, a context that is under-researched compared to advanced economies.

**2. Practical and Managerial Significance**

The findings will guide SME owners and managers in Buea on how to harness creativity through innovative ideas, problem-solving, and risk-taking to improve competitiveness, customer satisfaction, and business growth. This will also help them identify creative strategies to overcome resource limitations and market challenges.

**3. Policy and Societal Significance**

The study provides insights for policymakers, business support agencies, and training institutions on the importance of fostering creativity among entrepreneurs. The results can shape entrepreneurship development programs, capacity-building workshops, and funding schemes tailored to stimulate innovative practices among SMEs, thereby boosting job creation and economic development in Buea.

**LITERATURE REVIEW**

**The Concept of Creativity**

Creativity has been widely studied and defined in various ways by scholars over the years. Amabile (1996) describes creativity as “the production of novel and appropriate ideas in any realm of human activity, from science to the arts, to education, to business, or to everyday life.” This emphasizes not only the originality but also the applicability of creative ideas.

Similarly, Sternberg and Lubart (1999) define creativity as “the ability to produce work that is both novel (original, unexpected) and appropriate (useful, adaptive concerning task constraints),” highlighting the balance between innovation and usefulness. In the same vein, Runco and Jaeger (2012) argue that creativity involves both originality and effectiveness, asserting that “a creative response must be both original and serve a purpose or be valuable.”

Furthermore, Csikszentmihalyi (1996) extends this view by suggesting that creativity entails “any act, idea, or product that changes an existing domain, or that transforms an existing domain into a new one,” which underscores the transformative power of creative processes.

Finally, Mumford (2003) offers a complementary perspective, defining creativity as “the production of novel, useful products, including ideas as well as tangible objects,” thereby emphasizing the practical and implementable aspect of creativity. Collectively, these definitions suggest that creativity is a multifaceted construct that combines novelty, usefulness, and the ability to effect change, which is particularly relevant in the context of entrepreneurial success.

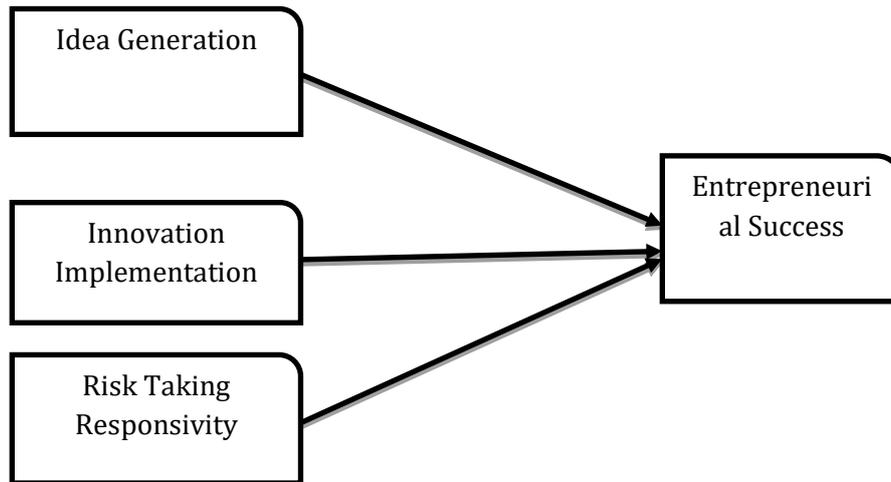
### **Concept of Entrepreneurial Success**

Entrepreneurial success has been conceptualized in various ways by scholars, reflecting its multifaceted nature.

Hisrich and Peters (2002) define it as “the achievement of goals set by the entrepreneur through effective management of resources, resulting in business growth, profitability, and sustainability,” emphasizing both goal attainment and business performance. In a similar vein, Gartner (1988) describes entrepreneurial success as “the ability of an entrepreneur to identify opportunities, marshal resources, and implement strategies that lead to sustainable business performance,” highlighting the importance of opportunity recognition and strategic execution.

Furthermore, Delmar and Shane (2003) suggest that success encompasses both objective measures, such as firm survival and growth, and subjective measures, including personal satisfaction and goal fulfillment. Rauch and Frese (2007) extend this view by emphasizing that entrepreneurial success is shaped by individual factors, such as creativity, innovation, and managerial skills, as well as environmental factors like market conditions and resource availability, which together influence firm performance.

Additionally, Lussier and Achua (2015) highlight that entrepreneurial success involves the accomplishment of both business and personal objectives through strategic planning, effective leadership, and operational efficiency, ensuring the long-term viability of the enterprise. Collectively, these perspectives indicate that entrepreneurial success is a holistic construct, integrating financial, operational, and personal dimensions, and reflecting the entrepreneur’s capacity to create value, sustain growth, and achieve desired outcomes.

**Conceptual Framework**

**Figure 1: Conceptual Framework Showing the relationship between Creativity and Entrepreneurial Success of SMEs IN Buea.**

**Source: Field Survey, (2025)**

**Empirical Literature**

Several empirical studies have examined the effect of creativity on entrepreneurial success among SMEs. For instance, Nwachukwu and Eze (2020) investigated creativity and SME performance in Nigeria using a survey questionnaire distributed to 120 SME owners in Lagos. Their analysis with multiple regression revealed that creativity in product and service design had a significant positive effect on SME performance, particularly in customer retention and revenue growth.

In a related study, Amabile et al. (1996) assessed the work environment for creativity by collecting structured questionnaires and observational data from 500 employees across various firms. Their findings indicated that a supportive environment fostering creativity significantly enhanced innovation output, which in turn contributed to overall business success.

Similarly, Ahmad and Xavier (2012) explored entrepreneurial creativity and firm performance among Malaysian SMEs. Using questionnaires administered to 150 SME entrepreneurs and analyzed with Structural Equation Modeling (SEM), they found that idea generation and innovative problem-solving were positively associated with both financial and non-financial measures of firm success.

Furthermore, Zhou and George (2001) examined the role of employee creativity in organizational performance through a survey of 200 employees in Chinese SMEs, employing hierarchical regression analysis. Their study demonstrated that creative thinking and

innovative behaviors significantly improved performance, highlighting the indirect but critical role of creativity in entrepreneurial success.

In addition, Yusuf and Adeleye (2019) conducted semi-structured interviews with 80 SME owners in Lagos to explore innovation and entrepreneurial success, and their thematic content analysis revealed that SMEs that applied creative approaches to marketing, product development, and service delivery experienced higher business growth, competitive advantage, and customer loyalty.

### **Theoretical Literature**

Several theories can be used to explain the relationship between creativity and entrepreneurial success among SMEs in Buea. Schumpeter's Theory of Innovation (1934) posits that economic development is driven by entrepreneurs who innovate. The theory assumes that innovation can take the form of new products, processes, markets, or organizational methods, and that entrepreneurs disrupt market equilibrium, creating competitive advantage. In the context of this study, Schumpeter's theory explains that creativity among SME owners in Buea drives entrepreneurial success by enabling them to develop innovative products, services, or business models, thereby enhancing competitiveness and growth.

Similarly, the Resource-Based View (RBV) Theory (Barney, 1991) assumes that firms gain sustainable competitive advantage through unique resources and capabilities, which must be valuable, rare, inimitable, and non-substitutable (VRIN). Human creativity and knowledge are considered critical strategic resources. This theory is relevant to the study because the creative abilities of SME owners and employees in Buea can serve as strategic resources that improve business performance. SMEs that leverage creativity effectively can develop innovative processes or products that competitors cannot easily replicate, thereby achieving entrepreneurial success.

Lastly, Kirton's Adaptation-Innovation Theory (AIT) (1976) assumes that individuals vary in their problem-solving styles along a continuum from adaptive to innovative, with innovative individuals challenging existing norms and generating novel solutions. Creativity, according to this theory, is essential for organizational growth and effective problem-solving. In relation to this study, AIT suggests that creativity among SME entrepreneurs in Buea influences how they address business challenges. Entrepreneurs with higher innovation tendencies are more likely to introduce unique products or strategies, enhancing their chances of entrepreneurial success.

**The Relationship between Creativity AndSuccess**

According to Jamil Latief (2017), an entrepreneur needs to be creative because success in competition can be obtained by developing creativity. Mercy Ogbari (2015) explains that the continued adaptation of creativity in entrepreneurial success will not be in vain forever. The presence of someone who has creative abilities is very important because it produces imaginative work which is ultimately judged to be included in the business because creativity involves making new combinations and associative elements such as new processes (Ogbari et al., 2015)

**METHODOLOGY**

The study adopted a correlational research design to examine the effect of creativity on the entrepreneurial success of SMEs in Buea. The target population consisted of 50 registered SMEs operating within the Buea municipality. Primary data was collected using a structured questionnaire, which was distributed to the owners and managers of these SMEs. The questionnaire focused on key creativity-related factors, including Idea Generation, Innovation Implementation, and Risk-Taking Propensity, as well as measures of entrepreneurial success. Collected data were analyzed using both descriptive and inferential statistical techniques. Descriptive statistics, such as frequencies, percentages, and means, were used to summarize the data and provide an overview of the respondents’ characteristics and creativity practices. Inferential statistics, including regression analysis, were employed to examine the relationships between creativity factors and entrepreneurial success, thereby providing insights into the predictive effect of creativity on SME performance.

**Data Analysis and presentation of Results**

This model summary explains the relationship between the dependent and the independent variable and also shows the effect that exist between the two variables which are creativity and entrepreneurial success

**Table 1: Model Summary**

<i>Model Summary</i>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.703 <sup>a</sup>	.494	.461	.40552
a. Predictors: (Constant), Risk Taking Propensity, Innovation Implementation, Idea Generation				

**Source: Field Survey, (2025)**

From the results on table 1 above, the model shows that the three creativity factors Idea Generation, Innovation Implementation, and Risk-Taking Propensity together have a strong positive relationship with entrepreneurial success among SMEs. The R value of 0.703 indicates that the predictors are closely related to success, while the R<sup>2</sup> of 0.494 means that about 49% of the variation in entrepreneurial success is explained by these creativity factors. The Adjusted R<sup>2</sup> of 0.461 confirms that nearly 46% of the success of SMEs can be accounted for by these variables, leaving the rest to other factors. Overall, this suggests that creativity plays an important role in helping SMEs perform better and achieve success.

**Table 2: Regression Coefficients**

Model	Predictor	B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.338	0.656		-0.515	0.609
	Idea Generation	0.139	0.128	0.144	1.083	0.285
	Innovation Implementation	0.398	0.188	0.319	2.122	0.039
	Risk-Taking Propensity	0.511	0.185	0.363	2.762	0.008

Source: Field Survey, (2025)

Based on the results presented on table 2 above, Innovation Implementation and Risk-Taking Propensity have a significant positive effect on entrepreneurial success among SMEs, as indicated by their p-values (0.039 and 0.008, respectively), which are less than 0.05. This means that SMEs in Buea that actively implement innovative ideas and take calculated risks are more likely to achieve success. On the other hand, Idea Generation has a positive but not statistically significant effect (p = 0.285), suggesting that simply generating ideas alone may not be enough to impact entrepreneurial success without implementing them or taking risks. The coefficients indicate that for every one-unit increase in Innovation Implementation, entrepreneurial success increases by 0.398 units, and for every one-unit increase in Risk-Taking Propensity, success increases by 0.511 units.

**Summary of Findings**

The study examined the effect of creativity on the entrepreneurial success of SMEs in Buea, focusing on three key factors: Idea Generation, Innovation Implementation, and Risk-Taking Propensity. The findings revealed that, collectively, these creativity factors have a strong positive relationship with entrepreneurial success, explaining approximately 49% of its variation. Individually, Innovation Implementation and Risk-Taking Propensity were found to have a statistically significant positive impact, indicating that SMEs that actively implement innovative ideas and take calculated risks are more likely to achieve success.

While Idea Generation showed a positive effect, it was not statistically significant, suggesting that generating ideas alone does not automatically translate into business success without effective implementation and risk management.

## CONCLUSION

Based on the findings, it can be concluded that creativity plays a critical role in the success of SMEs in Buea. Specifically, the ability to implement innovative ideas and engage in strategic risk-taking significantly enhances entrepreneurial outcomes. While idea generation is important, its effectiveness depends on the entrepreneur's ability to translate ideas into actionable strategies. Overall, the study confirms that fostering creativity is a key driver of entrepreneurial success, contributing to business growth, competitiveness, and sustainability among SMEs.

## Recommendations

In light of the findings, it is recommended that SME owners in Buea prioritize not only the generation of ideas but also their effective implementation. Entrepreneurs should be encouraged to develop structured innovation strategies, test new approaches, and embrace calculated risks to maximize business performance. Additionally, training programs and workshops should be organized to enhance creative thinking, innovation management, and risk-taking skills among SME owners and employees. Policymakers and business support agencies should also create enabling environments that reward innovation and provide resources to help SMEs implement creative solutions, thereby promoting sustainable entrepreneurial success.

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