



The Role of Entrepreneurs in Innovation of Small Firms

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Abstract

Innovation is often a crucial part of entrepreneurial activities' achievement. But nowadays there is insufficient knowledge about the role of individual entrepreneurs in entrepreneurial activities. This research will probe common effect of two variables which are related to entrepreneurs (creativity and positive affect) and a key environmental variable (environment dynamism) on firm-level innovation. This study is practical, also a descriptive and correlational research. The population of research is entrepreneurial firms located in the science and Technology Park of Tehran University which are established period of at least 5 years previously. During this study PANAS scale were used to measure positive affect of entrepreneurs, the reliability coefficient was 89 % and entrepreneurs creativity were measured by 50-question Randsip questionnaire that reliability coefficient for the questionnaire was 71 %. Entrepreneurial innovation measured with reliability coefficient of 91% by the questionnaire designed by researcher. Also the environment dynamism, which plays as a moderator is obtained by regression of entrepreneurs` annual revenue (last 5 years). Findings indicates that entrepreneurs positive effect is significantly related to their creativity and entrepreneurs` creativity is positively related to firm-level innovation and both these relationships are moderated by environment dynamism. In other words, the relationship between positive affect and creativity, and relationship between creativity and firm-level innovation is stronger in dynamic environments rather than stable enviroments.

Key words: Creativity, Environmental Dynamism, Firm-level Innovation, Entrepreneur.