**The role of entrepreneurship in driving creativity and innovation for the welfare of Indonesian society**

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**Abstract**

Entrepreneurship has an important role in encouraging creativity and innovation, which contributes to the welfare of Indonesian society. This research aims to analyze how entrepreneurship can increase individual creativity and encourage innovation in business practices. The method used is qualitative descriptive research with a Systematic Literature Review (SLR) approach, which examines various aspects of opportunities and challenges for entrepreneurs in the digital era. The research results show that entrepreneurship not only creates new jobs, but also increases people's income through innovation and productivity. Creativity in entrepreneurship is not only limited to the development of new products, but also includes innovation in business processes and interactions with customers. Innovation implemented by entrepreneurs creates added value for companies and contributes to job creation and improving the community's quality of life. Therefore, support from the government and educational institutions is very important to create an environment conducive to the development of creativity and innovation. Strategic efforts such as training programs, tax incentives, and the establishment of innovation centers are needed to assist entrepreneurs in facing digital era challenges. Overall, entrepreneurship functions as a driving force for the economy that helps reduce unemployment rates, increase competitiveness, and improve the welfare of society. Thus, efforts to increase creativity and innovation in entrepreneurship must be a priority for all stakeholders in Indonesia.

**Keywords:** entrepreneurship, creativity, innovation, welfare

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1. **Introduction**

Entrepreneurship is the process of identifying, developing, and bringing a vision to life. The vision can be an innovative idea, an opportunity, a better way of doing things. The end result of the process is the creation of a new business formed in conditions of risk or uncertainty. People who carry out entrepreneurial activities are called entrepreneurs. They have motivation, a calling, perceptions and emotions that are closely related to values, attitudes and behavior as superior human beings. (Rusdianto & Subiyanto, 2022)

An entrepreneur plays a role both internally and externally. Internally, an entrepreneur plays a role in reducing the level of dependence on others, increasing self-confidence, and increasing the purchasing power of the perpetrators. Externally, an entrepreneur plays a role in providing jobs for job seekers. With the absorption of labor by job opportunities provided by an entrepreneur, the national unemployment rate is reduced. (Mulyadi, 2011)

The decline in the unemployment rate has an impact on increasing per capita income and people's purchasing power, as well as the growth of the national economy. In addition, it also has an impact on reducing the crime rate which is usually caused by high unemployment. An entrepreneur has a very big role in doing entrepreneurship. The role of entrepreneurs in a country's economy is to create jobs, reduce unemployment, increase people's income, combine production factors (nature, labor, capital and expertise) and increase national productivity.

Because this has a big influence on the world economy. Therefore, as an entrepreneur we must be able to adapt to these conditions in order to play a bigger role in the global economy. Per capita income is an index that is often used to measure the level of economic welfare of a country. This indicator reflects the overall economic process. The higher the GDP cost, the more benefits the community gets from welfare and economic development. (Sujarwadi et al., 2024)

Entrepreneurship can improve people's welfare in several ways. First, creating new jobs that can reduce unemployment and increase people's income. Second, increasing people's income through increasing business productivity, innovation, and creativity. Third, increasing community competition by improving the quality of products and services to take advantage of market opportunities. (Insani et al., 2024)

Entrepreneurship also has a positive impact on the future, especially in the economic sector. This requires a society with a high entrepreneurial spirit to create a better life. The purpose of this article is to find out how much entrepreneurship plays a role in encouraging creativity and innovation for the welfare of Indonesian society.

Entrepreneurship, creativity, and innovation are three interrelated variables that contribute to the welfare of society. This study aims to review relevant literature to understand the relationship between the three variables and identify indicators that can be used in further research.

Several previous studies have shown a positive relationship between entrepreneurship, creativity, and innovation. For example, research by Zhao et al. (2010) found that high entrepreneurship contributes to increased individual creativity. In addition, research by Fagerberg (2004) showed that innovation is a major driver of economic growth.

This literature study shows the importance of understanding the relationship between entrepreneurship, creativity, and innovation. With the debate among experts about the definition and indicators of each variable, further research is needed to test the proposed hypothesis and contribute to the development of entrepreneurship theory in Indonesia.

1. **Research Design and Method**

This study is a qualitative descriptive study that aims to comprehensively analyze the role of entrepreneurship in driving creativity and innovation for the welfare of Indonesian society. By using the literature review method, this study seeks to understand various aspects of opportunities and challenges faced by entrepreneurs in advancing their businesses in today's digital environment. The method applied in this study is the Systematic Literature Review (SLR) or literature review. Where the SLR method is applied to observe, study, and interpret all existing scientific works related to certain interesting phenomenal topics, based on specific and relevant research questions (Sugiarto et al., 2023).

1. **Results and Discussion**

***The Role of Entrepreneurship in Encouraging Creativity***

Entrepreneurship serves as a key driver for individuals to think creatively and explore new ideas. Young entrepreneurs, in particular, often have the ability to identify untapped market opportunities and create innovative solutions to meet those needs. In this context, creativity becomes very important, because in a competitive business environment, the ability to differentiate products and services from competitors is key to success. The survey showed that the majority of respondents had a positive view of the role of creativity in achieving entrepreneurial success. (Sephia et al., 2023)

Creativity in entrepreneurship is not only limited to developing new products, but also includes innovation in business processes. For example, entrepreneurs can apply creative ways in interacting with customers or utilizing technology to improve operational efficiency. Thus, entrepreneurship encourages individuals to think beyond conventional boundaries and create significant added value for society. (Wayan et al., 2023)

***Strategies to Boost Creativity***

To further boost creativity among entrepreneurs, it is important to create an environment that supports experimentation and learning. This can be done through: 1) Skills Training: Training programs that focus on developing creative skills can help young entrepreneurs understand how to think innovatively; 2) Mentoring: Mentor-mentor relationships can provide valuable insights and practical experience that can spark new ideas; and, 3) Collaboration: Encouraging collaboration between entrepreneurs can generate synergies of ideas that enrich the creative process.

***Innovation as a Driver of Success***

Innovation is the next step after creativity. Entrepreneurs who are able to apply creative ideas to their business practices tend to be more successful. Innovation includes not only the development of new products but also the improvement of production processes and operational efficiency. Research shows that effective innovation can increase a company's competitiveness and expand its market share, thereby contributing directly to the welfare of society by creating new jobs and improving the quality of life. (Sephia et al., 2023)

In the world of entrepreneurship, innovation is a powerful driver of growth. Through innovation, entrepreneurs can expand their product lines and reach new markets. This is important amidst the ever-changing market dynamics, where the ability to adapt quickly is the key to success. Entrepreneurs who innovate not only attract the attention of customers but also increase their attractiveness in the eyes of investors and business partners. (Adelina et al., 2023) Innovation has a significant impact on business growth by: 1) Increasing Competitiveness: Innovative products or services tend to be more in demand by consumers, thereby improving their market position; 2) Creating Added Value: Innovation enables entrepreneurs to offer better solutions to customers, increasing satisfaction and loyalty; and, 3) Attracting Investment: Businesses that demonstrate innovative potential are more likely to attract investors, thereby gaining financial support for expansion.

***Implications for Public Welfare***

Creativity and innovation in entrepreneurship have a broad impact not only on individuals or companies but also on society as a whole. When entrepreneurs successfully create products or services that meet the needs of society, they contribute to improving the quality of life. Innovative entrepreneurship can help address social and economic problems, such as unemployment and poverty. (Sujarwadi et al., 2024)

Therefore, it is important for the government and educational institutions to support the development of creativity and innovation through entrepreneurship training and education programs. These programs should be designed to improve entrepreneurs' ability to innovate and provide access to the resources needed for experimentation and product development (Lai & Oey, 2023). Some strategic steps that can be taken by the government include: 1) Entrepreneurship Training Program: Provide training courses that focus on innovation and entrepreneurship; 2) Tax Incentives: Provide incentives for companies that invest in research and development (R&D); and, 3) Innovation Centers: Establish innovation centers or business incubators to support new entrepreneurs in developing their ideas.

Overall, entrepreneurship plays a crucial role in driving creativity and innovation in Indonesia. By creating an environment that supports both aspects, entrepreneurs can not only achieve personal success but also contribute to the welfare of society at large. Therefore, efforts to increase creativity and innovation must be a priority for all stakeholders in Indonesia, including the government, educational institutions, and the business community.

1. **Conclusions**

Entrepreneurship plays a very important role in encouraging creativity and innovation, which in turn contributes to the welfare of Indonesian society. Through the process of identifying and developing new ideas, entrepreneurs can create innovative solutions that meet market needs, thereby increasing competitiveness and productivity. This study shows that creativity is not only limited to the development of new products, but also includes innovation in business processes and interactions with customers.

Innovation implemented by entrepreneurs not only creates added value for the company, but also contributes to job creation and improving the quality of life of the community. Therefore, support from the government and educational institutions is very important to create an environment conducive to the development of creativity and innovation. Training programs, tax incentives, and the establishment of innovation centers can be strategic steps to support entrepreneurs in facing challenges in the digital era.

Overall, entrepreneurship functions as a driving force for the economy that can reduce unemployment rates and increase people's incomes. Thus, efforts to increase creativity and innovation in entrepreneurship must be a priority for all stakeholders in Indonesia to achieve better welfare for society as a whole.

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