



## The inter-relationship of entrepreneurship training, motivation and successful in Malaysia creative industry: a conceptual study

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### ARTICLE INFO

#### Article history:

Received: 15 September 2011;

Received in revised form:

16 November 2011;

Accepted: 28 November 2011;

#### Keywords

Entrepreneurship Training,

Motivation,

Gross-domestic-product.

### ABSTRACT

As the creative industry grows from the producing sector and becoming more complex in business industry, entrepreneurship will draw more attention to the need for emphasizing among SMEs in creative industry in Malaysia. Artists should develop entrepreneurial thinking in their business strategies to face challenges in competitive market today. A good creative entrepreneur not totally depends on the artistic value, but they should emphasize on how to utilize the minimum resources to fulfill the maximum consumer requirement towards the product demand in a market. Hence, entrepreneurship training is a fundamental step to make creative entrepreneur become more knowledgeable, skillful, and motivate. Nowadays, the Minister of Arts, Culture and Heritage takes responsibility to ensure that the implementation of creative industry in Malaysia becomes reality (Rais Yatim, 2006). So, entrepreneurship training becomes useful for creative entrepreneurs to achieve the government planning. A good infrastructure becomes useless if government cannot produce good practitioners in creative industry. Entrepreneurship training is a part of the creative entrepreneur development in business management in creative industry. In fact, Malaysia has a vibrant entrepreneurial base with a huge potential to become a global player. Indeed, the past and current policies to create a class of entrepreneurs have succeeded in the sense that there are more involved in business now compared to before. So, entrepreneurship training becomes as a first step approach among local creative entrepreneurs to develop their motivation toward successful in business in creative industry.

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### Introduction

The creative industry is a new approach for Malaysian government to establish several art sectors, like craft, batek, songket, silk, wood curving, furniture, literature, theater, music, and film. Ministry of Arts, Culture and Heritage takes responsibility to ensure that the implementation of creative industry in Malaysia becomes reality (Rais Yatim, 2006). Basically, the terms creative industries are often focused on creating and exploiting intellectual property on creative products or providing business-to-business creative services (Wikipedia, 2006). Today it is internationally accepted and acknowledge that art/culture sector is an essential factor in promoting and achieving economic growth (Rais Yatim, 2006). Enarsson (2002) has done studies and describe the creative industry in Iceland are really emphasizing the importance of entrepreneurs in small and medium sized enterprise (SMEs) within cultural sector and highly contributed to the gross-domestic-product (GDP). The purpose of government highlighted creative industry in Malaysia is to encourage local artist involved in business and develop their thinking toward market opportunities and competitive (Rais Yatim, 2006). Hatta Azad Khan (2006) has argued in his paper to choose appropriate approaches that are applicable to develop creative industry in Malaysia. He also suggested the important of business chain in creative industry, such as; distribution and retailing, supplier, finance institutions, government bodies, and education and training institutions. The

developments of human capital play an important role to supply people in this industry.

Entrepreneurship training is the grass root implementation in a creative development to produce number of practitioners in creative industry. Existing research highlighted the entrepreneurship training has a high contribution toward entrepreneurial motivation in term of creativity and innovation, risk propensity and need for achievement (Nieman, 2001). Meanwhile, Shane, Locke and Collins (2003), has found in his studied that entrepreneurial motivation highly contributed to the successful entrepreneurs in a small and medium enterprises. Stevenson and Gumpert (1983) also agree and describe the successful entrepreneurs as a high motivation and innovative individuals who recognize opportunities and marshal resources to achieve their goals business performance.

Meanwhile, Deakins (2000) has described in his studied that training can build the skills, knowledge and abilities in different stages in the process of entrepreneurial development.

Therefore, this study explores the relationship between training and entrepreneurial motivations toward successful entrepreneurs in a creative industry in Malaysia. Being entrepreneurship training are basic elements that we need to emphasis in term of entrepreneurial motivation toward successful entrepreneur among SMEs in a creative industry in Malaysia.

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### **An overview of creative industry**

The terms creative industries refer to a set of interlocking sectors and are growing part of the global economy. It deals with the topic such as the supply, demand and pricing of the performing and creative art and cultural heritage finance of the arts and commercialization. Carmen Marcus (2005) a writer of The UK Creative Industry Task Force defined the term creative industry as those industries that have their origin in individual creativity, skill and talent and which have potentials for wealth and job creation through the generation and exploitation of intellectual property. Nowadays, entrepreneurship become as a main factors to influencing SMEs in creative industry in a context of growth, sustainability and organizational development. Abdullah Ahmad Badawi (2007) has tabled the budget 2007 in the Dewan Rakyat where RM685 million is allocated for the development activities relating to arts, culture and heritage in Malaysia (Bernama, 2007). The economic potential of the creative industry will be further developed through close collaboration between the public and private sectors since Malaysia has vast cultural and creative resources (EPU, 2006). So, the Creative Industry Development Fund is one of the proposals under Budget 2007 that will promote the private sector's involvement in the creative industry (Bernama, 2/9/2006).

Malaysia is an early stage in development of creative industry. Most of creative entrepreneurs are highly emphasize on their satisfaction rather than customer satisfaction toward their creative producing. In fact, some of them are creative and skillful in product composition but they do not know how to develop the product that can fulfill the market demand (Hatta Azad Khan, 2006). Nowadays, most of consumers' are influenced by foreign creative product, such as traditional household, textile, craft, music, film, and furniture. Although creative entrepreneurs are skilful and creative in composition but they are still can't manage their business properly in term of planning, decision-making, problem solving and financial control. Many factors have been found to impact on success entrepreneurs like having a right management, better marketing strategy, and a good financial planning. Successes of creative entrepreneurs are person who are creative in their management, creative in product development, and also creative to grab opportunities in market. Hence, successful entrepreneurs will contribute to the growth of creative industry in Malaysia (Rais Yatim, 2006).

### **Entrepreneurship in creative industry (creative entrepreneurs)**

A good value entrepreneur is a person who can utilize an idea in their business, has good attitude, and is innovative in a product development to match in a market (Thomas W. Zimmerer, 2005). Entrepreneurship also can define as a capacity for innovation, investment, and expansion in new markets (Nathaniel H. Leff, 1980). Gartner (1990) describe the entrepreneur theme is the idea that entrepreneurship involves individuals with unique personality characteristics and abilities in a context of creativity, vision, commitment, perseverance, autonomy, locus of control, and risk taking. Normally, a good entrepreneur influenced by their experience, behavior and education toward business development. An understanding of entrepreneurial learning is necessary for the design of entrepreneurship education and training program so that we can understand the entrepreneur's learning needs through putting a focus on the personal and business development of the entrepreneur (Rae and Carswell, 2000). Einarsson (2002) also

highlighted the important of education and training in creative industry, especially for those who are facing in the market competitive and also to manage the producing of arts composition.

Howkins (2002) describes the creative entrepreneur as someone who uses their creativity to upgrade the wealth. Ball (2003) has identified some basic requirements for creative entrepreneurs, such as excellent communication skills, networking and team approaches to entrepreneurial tasks. Meanwhile, Howkins (2002) list five main characteristics in creative entrepreneur, there are vision, focus, financial acumen, pride and urgency. In the UK, higher education governmental agenda take responding to encourage enterprise curriculum in any creative programs (Richards, 2005). Hatta Azad Khan (2006) also suggested three main components have to highlight to develop creative entrepreneur in creative industry in Malaysia, there are; knowledge of entrepreneurship, creativity and innovative in art, and technology awareness. As part of the new government policies in an entrepreneurship in creative industry, training becomes crucial to develop creative entrepreneurs (Rais Yatim, 2006). An affective of entrepreneurship training will contribute to the motivation (Nieman, 2001), and entrepreneurial motivation will influence to successful entrepreneur (Schumpeter, 1934).

### **Relationship between Training and Motivation**

Training also refers to an experience which produces a relatively change in potential behavior though various way, like perceptions, experience, stimuli and motivation. Training has been discussed a variety way in term of knowledge development, skills development, and cognitive thinking. Nowadays, a lot of people are confused to identify types of training to entrepreneur. According to Nieman (2001), he noticed that entrepreneurship training can be approached from different angles. The main areas of concentration are business skill training, technical skill training and entrepreneurial skill training. We have to clear understand the meaning of conventional, technical and entrepreneurial skill training in context of creative entrepreneurs in creative industry. Therefore, entrepreneurship training is a fundamental factor in build-up entrepreneurial motivation toward successful entrepreneurs in creative industry. Creative entrepreneurs are a new group a practitioner in Malaysia to establish in several sectors in arts which relate to the needs of idea in arts composition. So, training becomes important tools to provide good skills for designers, artists, filmmakers, researchers, and educators to become as a creative entrepreneur.

### **Relationship between Motivation and Successful Entrepreneur**

We believe that the development of entrepreneurship theory requires consideration of the motivations of people making entrepreneurial decisions. According to Shane, Locke and Collins (2003), an entrepreneurial decision depends on their motivation in term of people's willingness to positively evaluate opportunities, to pursue resources, to design the mechanism of exploitation and to play the game. Normally, motivated creative entrepreneurs are creative and innovative in product development and manageable in their business. Schumpeter (1934) has mentioned before that motivational entrepreneur will influence entrepreneurship drives innovation and technical change, and therefore generates economic growth. Most of researcher has identified several motivational factors that contribute to the successful entrepreneur, such as need for achievements (McClelland, 1961), locus of control (Rotter,

1966), self-efficacy (Bandura, 1997), risk-taking (McClelland, 1961), goal-setting (Priem, 2001), and creative and innovative (Littunen, 2000).

#### **Internal and External Factors**

According to Curran (1986), internal factors with combination of knowledge, experience, and personality also play an important role to develop the successful entrepreneur. Meanwhile, external factors which are affected by the outside influences of society and environment also contribute to the successful entrepreneur. In recent years, entrepreneurship research has focused largely on the environmental characteristics influencing firm founding (Aldrich, 2000). We also assume that entrepreneurship is not solely the result of human action; external factors also play a role the status to influence the entrepreneurship personality, like economy, competitors, and government regulations.

#### **Problem statement**

Nowadays, government takes into consideration to manage a training centre in several agencies to develop entrepreneurship among local SMEs in Malaysia. The purpose of training centre is to develop awareness among local SMEs toward the important of entrepreneurial knowledge toward their business. So, creative industry also highlighted the important of entrepreneurship training in term of knowledge, skill, attitude and motivation (Yayasan Pembangunan Usahawan, 2005) toward the successful entrepreneur. Normally, a well trained entrepreneur become highly motivated and also affected to the business performance. Basically, most of art activists in Malaysia are not well trained as well as entrepreneurship in creative industry to develop their knowledge, skill and motivation. Motivated entrepreneurs are people who are already have a several attribute to the business motivation, like a need for achievement, risk taking, tolerance for ambiguity, locus of control, self efficacy, creative and innovative, and goal setting. The problem is most of them are not exposed to the entrepreneurship training that contribute to the entrepreneurial motivation (Hatta Azad khan, 2006).

Most of entrepreneurship training agencies are not well study and planned their training module. In fact, most of entrepreneurial trainers are not really practiced the entrepreneurial training which include business skill training, technical skill training and entrepreneurship skill training (Nieman, 2001). There is more emphasis on the conventional business training rather than entrepreneurial training. Then, a lot of other problems also contribute to the unmotivated entrepreneur, such as; they still depend on the government to support their business caused of their belief that can't influence the outcomes of their lives (*internal locus of control*), they don't have any strategic planning to upgrade hierarchy of life in art/culture activity (*need for achievement*), and they also are unwillingness to take any risks in their activity (*risk taking*). McClelland (1961) has claimed that individuals with lower achievement needs would have a lower propensity to take risk. Motivation becomes crucial among entrepreneurs to develop their successful entrepreneurs, but how many of them are really successes in a context having a right management, better marketing strategy and become a good financial planning.

#### **Objective of this study**

As the creative industry grows from the producing sector into more complexes in industrialization, entrepreneurship will draw more attention to the need for emphasizing on creative industry. So, the main objective of this study is to measure the relationship between entrepreneurship training and entrepreneurial motivation toward successful entrepreneurs

among SMEs in creative industry in Malaysia. Beside that, the objective of this study also to find out the right training model to government. Basically, this training model will contribute as a foundation in a master plan in creative industry in Malaysia.

#### **Scope of study**

Scope of this study focused on relationship between entrepreneurship training, entrepreneurial motivation and successful entrepreneur among art practitioner in several sectors in creative industry in Malaysia. Just several sectors which are really active in creative industry will study in this research, like textile (*batek, songket, silk*), visual art (*craft, curving, fashion, furniture*), and Performing arts (*music, literature, theater, film*). Meanwhile, the scope of creative entrepreneurs will cover the practitioners in creative industry such as artists, producer, distributor, retailer and also agent.

#### **Literature review**

The word "entrepreneurial" has become a common term used to describe people who are innovative, creative and open to change. Entrepreneurial individuals also have the ability to identify opportunities and marshal resources to achieve their goals (O'Connor & Fiol, 2002). A good value entrepreneur is a person who can utilize an idea in their business, has good attitude, and is innovative in a product development to match in a market (ThomasW.Zimmerer, 2005). Entrepreneurship also can define as a capacity for innovation, investment, and expansion in new markets (Nathaniel H. Leff, 1980). Artist who has an entrepreneurial motivation will deeply analyze on how to take advantage of opportunities in a marketplace, build strength in a market, how to face threat from competitors, and also to overcome weaknesses in addressing the local as well as international market forces (Einarsson, 2002). However, how many of them are well trained and motivated entrepreneurship in creative industry?

As a part Einarsson (2002), had done studies in Iceland and described the creative industries within the cultural sector by analyzing the economic role of cultural activities in a small society. His study divided into four parts; first, the description of the contribution of cultural activities to gross domestic product; second, how the cultural sector with many entrepreneurs fits in with the ideology of the creative industries, where creativity is a process that is engendered at the limits of three factors: culture, personal background and society; third, the competitive position of enterprises and entrepreneurs in the music industry in Iceland; lastly, a description of numerous ways within cultural policies to encourage the activities of entrepreneurs. Einarsson (2002) has highlighted the important of training in creative industry, especially for those who are facing in the market competitive and also to manage the producing of arts composition. He looks the culture activities, economic, society and ideology as factors in a business environment that affected the manager or artists to make any decision about their arts producing. So, creativity, innovative and cognitive thinking is important part to train artists to become a good practitioners in creative industry. Therefore, this study will analyse the relationship of training, motivation and successful entrepreneur among SMEs in creative industry.

#### **Entrepreneurship training**

Training has been discussed a variety way in term of knowledge development, skills development, and cognitive thinking. Basically, the meaning of training still refers to an experience which produces a relatively change in potential behavior, excludes natural changes of behavior due to biological growth or development, or temporary changes due to effects of

drugs or physical fatigue (Kimble, 1961). Nowadays, training more practice through learning in a classroom or workshop. A lot of method has been applied by facilitator to deliver the knowledge and skills. It depends on the course objective and curriculum in training. Einarsson (2002) looks the important of training in culture activities, economic, society and ideology as factors in a creative industry that affected the manager or artists to make any decision about their arts producing. So, creativity, innovative and cognitive thinking is important part to train artists to become a good practitioners in creative industry.

Nieman (2001) has divided into three types of training; there are business skill training, technical skill training, and entrepreneurial skill training. Business skill training covers all the conventional management training areas in a business. Business training is formal training that covers all aspects of management. According to Ibrahim and Soufani (2002), several small business failure in Canada have attributed the high failure rate to lack of management skills, include strategic planning, marketing, cash management, networking negotiation and general management skills. Technical skill training is to address the ability to use knowledge or technique of a particular discipline to attain certain ends. Entrepreneurial skill training involves the birth and growth of a business enterprise and includes among other entrepreneurial traits creativity and innovation, risk prosperity and need for achievement. Entrepreneurial skill training is defined by Wickham (1998) as the skills which enhance entrepreneurial performance, in a context of management and communication skill.

#### Entrepreneurial motivation

The term of entrepreneurial motivation describe on how human motivation influences the entrepreneurial characteristic. Today, most of entrepreneurial study will include the motivation in a context of human development. In fact, the word of entrepreneurs has become a common term used to describe people who are innovative, creative, ability to identify opportunities, and also motivate. Shane, Locke and Collins (2003) identified several factors of human motivations that influence the entrepreneurial process; there are need for achievement, risk taking, tolerance for ambiguity, locus of control, self efficacy, and goal setting. But, researchers also highlighted the several motivation factors will affected to the business performance and successful entrepreneurs, such as; need for achievements (McClelland, 1961), locus of control (Rotter, 1966), self-efficacy (Bandura, 1997), risk-taking (McClelland, 1961), goal-setting (Priem, 2001), and creative and innovative (Littunen, 2000).

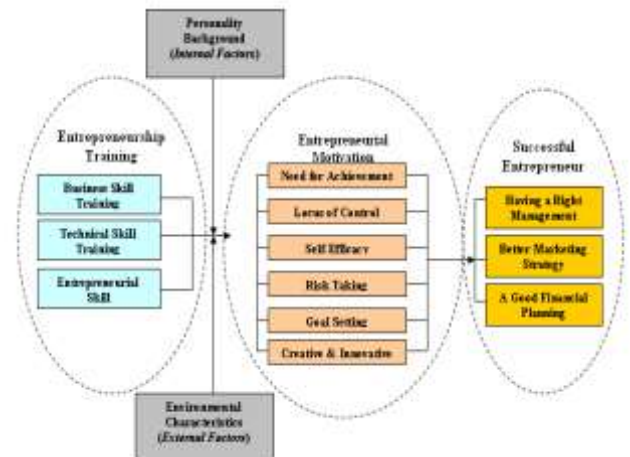
We believe that the development of entrepreneurship theory requires consideration of the motivations of people making entrepreneurial decisions. According to Shane, Locke and Collins (2003), an entrepreneurial decision depends on their motivation in term of people's willingness to positively evaluate opportunities, to pursue resources, to design the mechanism of exploitation and to play the game (Shane, Locke and Collins, 2003).

#### Successful Entrepreneurs

The subject of success factors in small businesses has become more popular in recent years amongst business researchers and entrepreneurs. Success is often viewed business in terms of growth, profitability, competitive, and manageable. However, a successful entrepreneur are the ability to take risks, innovativeness, knowledge of how market functions, manufacturing know how, marketing skills, business management skills and the ability to co-operate (Casson, 1982).

So, successful entrepreneur must be able to tailor the firm's product or service to meet a specific customer need. Therefore, a good business performance must be having a right management, better marketing strategy, and become a good financial planning.

#### Conceptual Framework



**Figure: The conceptual model of inter-relationship of entrepreneurial training, motivation and success**

This conceptual framework shows the relationship between three variables. First, the relationship between two variables, there are entrepreneurship training and entrepreneurial motivation. This stage will show several attributes in entrepreneurship training that contribute to the entrepreneurial motivation. Second, several attributes in entrepreneurial motivation contribute to the successful entrepreneurs. Third, internal and external factors also will consider as contribution to the process of motivation in this framework. Therefore, this conceptual framework become as a guide in this research to study the relationship between entrepreneurship training, motivation and successful entrepreneur among SMEs in creative industry in Malaysia.

#### Conclusion

Malaysia has a vibrant entrepreneurial base with a huge potential to become a global player. Indeed, the past and current policies to create a class of entrepreneurs have succeeded in the sense that there are more bumiputeras involved in business and entrepreneurship now compared to before.

Creative industry model is a new implementation in entrepreneurship in Malaysia. The solution and finding of this study are applicable to a wide range of creative industry in Malaysia that can increase the level of activities in arts field into a new dimension. Our government can utilize this research finding as basic steps to explicate and generalize the model into a new program planning and policies in our country soon.

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