

Creative People and Its Manifestation in Creative Industry

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Abstract---*Creativity, born from the creative people's idea as a result of the use of science/culture/technology/experience. Empirically, creative people in Indonesia's creative industries become urgent to be developed. Research objects are creative people and entrepreneurial orientation. This research aimed to describe the creative people's and entrepreneurial orientation's characteristics; to confirm the manifestation of creative people as well as entrepreneurial orientation; finally to verify the trigger of the emergence of creative people. This research using descriptive and verification methods with SPSS20 and SmartPLS3 as statistical tools. Verificatively, confirmed that the entrepreneurial orientation has high effect to trigger the emergence of creative people (81%), the strength of the predictive model is high (65.8%), the effect size $f^2=1.924$ which means that entrepreneurial orientation has large influence in generating creative people; $Q^2>0$ indicates this model is declared relevant in predicting. This finding is important because creative people are renewable resources needed to produce creativity and innovation as the basis of the development of creative industries.*

Keywords--- *Creative People, Entrepreneurial Orientation, Creativity, Creative Industry*

I. INTRODUCTION

Creative people and product development capabilities become the basic needs for the development of creative industries in Indonesia [1]. The Indonesian creative industry workforce is very weak in bargaining power and the ability to provide corporate profits, so it requires the help of various parties, especially the government [2]. This is in line with research that states that creative people is an important factor in the formation of local creativity [3].

Regarding the needs of creative people who are able to produce a variety of creative ideas, some previous researchers have conducted several studies on the triggers of the emergence of creative people in the business world. A study states that the variety and quality of information provided by company leaders is able to increase the emergence of originality of employee ideas which in turn can increase novelty, even creative products [4]. Companies that always anticipate the change will be able to exploit its various asymmetries, like skills and expertise of creative workforce in the company. [5]. Making people feel more entitled, makes them more creative [6], this is clearly a challenge for leaders of the organization, in addition to the importance of emotional intelligence, action, and leadership intuition in leading creative people in their organizations [7]. Other researchers said that creative entrepreneurs would care about the creation and creativity exploitation or intellectual capital in their companies [8].

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The existence of the empirical gap and the research gap above, encourages the author to conduct this research related to the drivers/triggers of the emergence of creative people in the business world, especially in the fashion business which is included as one of the superior creative industry in Indonesia.

1.1 Creative People (CP)

The availability of creative people in high numbers and capabilities is a solid foundation for the growth of the creative industry as a form of Indonesia's creative economy [9]. Previous research confirms that creative people are the basis of creative industry policy formulation [10]. Collaboration of creative people with their organizations will produce a lot of copyright, patents, and produce something new that can be consumed by many people [11].

Something that had new ideas meant by Howkins in Hartley's book (2005) entitled "*Creative Industries*", as "an creativity" [12]. The new idea must be personal, original, meaningful, and useful. A new idea born of creative people will be of commercial value, if and only if the idea is able to decompose into commercial output that can also produce commercial value [12]. Today, organizations that only focus on technology and market development might not successful in the future without focusing also on the development of creative people in their companies as individual competencies [13]. Peter Bazalgette, Endemol Entertainment UK creative director, part of the largest TV production group in Europe (Howkins, 2001) states that creative people have the following 6 characteristics; (1) openness of mind which means allowing the mind to wander in a way that is almost like a dream; (2) freedom of thought which means creative people are rule-breakers, not regulators; (3) not afraid of change; (4) ready for challenges; (5) a well-developed sense of humor; (6) competitive and ambitious [11].

1.2 Entrepreneurial Orientation (EO)

The Entrepreneurial orientation concept is empirically tested as a concept that is able to explain the diversity of performance dynamics that occur in several contexts of the organizational environment [14]–[17]. Allegedly to get a high level of performance, companies must have a strong entrepreneurial orientation [14], [15], [18]. Lumpkin and Dess introduce 5 dimensions of the concept of entrepreneurial orientation, namely autonomy, proactivity, competitive aggressiveness, innovation, and risk taking [19]. Furthermore, in 2001, it was also stated that entrepreneurial orientation synergized with the ability to interact (network) of companies with their environment would stimulate an increase in company performance [20].

Various indicators of entrepreneurial orientation among others the company's courage to invest in recruiting quality human resources to gain higher profits, the independence of the company in competing with competitors, the courage to make product innovations to produce products that are different from competitors, and the company's ability to anticipate changes in the future could facilitate the company's ability to exploit company asymmetry, such as the skills/expertise of creative workers in the company [5], where one of the characteristics of creative people is having a large investment value in expertise, and having a continuous development of expertise [21]. Based on a variety of literature studies and research premises that have been collected, the author can formulate a research hypothesis that will be studied in depth for empirical evidence.

Hypothesis: entrepreneurial orientation influences the emergence of creative people.

II. EXPERIMENTAL, MATERIALS, AND METHODS

The unit of analysis of this research is the fashion business in the Creative City of Bandung. The object of research focused on entrepreneurial orientation variables and creative people in fashion business units in the city of Bandung. The research method used is descriptive method, and structural equation modelling based on the least squares method or commonly called PLS-SEM to explain the relationship and the effects that occur due to the interaction of the two research objects studied. The author conducted a survey on 50 fashion business units in the city of Bandung. The selection of the city of Bandung as a survey location was based on several previous studies which stated that the city of Bandung was one of the creative cities in Indonesia [22]–[29].

Data analysis is carried out by using SmartPLS3 Software to obtain accurate and reliable information about the factors forming observation variables that are examined through confirmatory factor analysis (CFA) on the measurement model, as well as to obtain clarity of relationships and the effects of exogenous variable interactions on endogenous in the research model through analysis of higher order construct (HOC) structural models where the operationalization of latent variable constructs is reflected by type-3 dimensional constructs (lower & higher order reflective constructs). Operationalization of research variables as a result of the elaboration of various concepts to produce question items presented in Table 1.

III. RESULTS AND DISCUSSION

3.1 Demographic Analysis

The survey of 50 fashion business units in Bandung City was divided into 28 micro business units (56%), 16 small business units (32%), 5 medium business units (10%), and 1 large business unit (2%). The marketing system carried out at the fashion business units, identified 42 business units (84%) doing product marketing using online and offline systems, and the rest as much as 8 business units (16%) do not use the online system at all, their sales are only done conventionally and are not connected to internet devices (world wide web).

3.2 Measurement Model Analysis

3.2.1 Entrepreneurial Orientation (EO)

EO in the fashion creative business unit in Bandung is classified as "medium". The highest measured EO is autonomy (75.1%), while the lowest is risk taking (63.5%). Table 2 is a revised tabulation of the measurement model that obtained the valid and reliable manifestation variabel of entrepreneurial orientation. In Table 2, the value of the outer loading indicator to dimensions, and to the latent variables are above 0.7. The AVE value generated in each dimension construct and EO variable is also greater than 0.5, so it can be said that the convergent validity of the EO variable and its manifestations are fulfilled

In Table 2, it can also be seen that the alpha cronbach's value for each dimension construct and variable > 0.7 , and the composite reliability value for each dimension construct and variable is also > 0.708 so that it can be said that EO variables and their manifestations have good reliability. It means, based on the confirmatory factor analysis (CFA), the

dimensions of autonomy, competitive aggressiveness, proactivity, and risk-taking ability are valid and reliable as a reflection of entrepreneurial orientation owned by fashion business units in the city of Bandung.

3.2.2 Creative People (CP)

Creative people in fashion business units in the city of Bandung are in the "high" category. This high category is found in all dimensions of measurement, both in the dimensions of openness and freedom of thought, the courage to change, also in the competitive and ambitious dimensions. Table 3 is a tabulation of the parameters of validity and reliability of the measurement model on the CP variable. In Table 3, the value of the outer loading indicator for dimensions, and for latent variables > 0.7 . The AVE value generated in each dimension construct and variable is also > 0.5 , so that it can be said that convergent validity in the CP variable and its manifestations are fulfilled. Based on Table 3, it can be seen that the alpha cronbach's value for each dimension construct and variable > 0.7 , and the composite reliability value for each dimension construct and variable is also > 0.708 so that it can be said that the CP variable and its manifest have good reliability.

3.3 Structural Model Analysis

Structural model analysis shows the relationship that occurs between exogenous and endogenous latent variables. The values displayed in the analyzed model are path coefficients in each relationship which show a large direct effect, and the value of R^2 generated on each dimension construct and latent variable (see Figure 1 and table 4). Based on Figure 1, the mathematical equations are as follows:

$$\text{Creative People} = 0,811 * \text{Entrepreneurial Orientation}$$

The above equation means that the EO variable has a positive effect on the emergence of creative people in the fashion business unit at 81.1% and statistically this result is stated to be significant at the 5% real level because the t-value is 13.966 (greater than 1.96) with p-value 0,000 (< 0.05). These results indicate that more higher the EO in the business unit environment, then the potential for the emergence of creative people within the business unit environment is more higher too. The strength of the above model in making predictions, tested through several structural model evaluation values as follows: (1) The value of $R^2 = 0.658$ indicates that the strength of the model in explaining the variation of sample data in order to predict the population is strong, in other words that variations occur in the creative people variable can be explained by entrepreneurial orientation of 65.8%. The criteria used refer to the rule of thumb the strength of the prediction model which states that the R^2 value is 0.67; 0.33; and 0.19 shows the model is strong, moderate, and weak [30]; (2) The value of $f^2 = 1.924$ means that entrepreneurial orientation has a large influence on the emergence of creative people [30].

This category refers to the rule of thumb of the inner model about the effect size f^2 which is categorized as small if it is 0.02; medium if it is worth 0.15; and large if it is worth 0.35 [30]; (3) Q^2 value (predictive relevance). This value is obtained from the blindfolding process on the calculate menu in SmartPLS3. This value states the relevance of the model in making predictions. Rule of thumb is the value of $Q^2 > 0$ indicating that the model is declared relevant in predicting endogenous latent variables [31]. The Q^2 value generated is 0.383 so that entrepreneurial orientation variables are declared relevant in predicting the emergence of creative people.

The average entrepreneurial orientation possessed by fashion entrepreneurs in the city of Bandung (medium category), was able to provide very high direct influence on the emergence of creative people in the fashion business unit in Bandung. The results of this study are linear with research that states that entrepreneurial orientation such as the courage of companies to invest in quality human resources, the willingness and ability of companies to anticipate changes and challenges in the future, are positively able to exploit elements of corporate asymmetry such as skills and workforce expertise [5]; entrepreneurial orientation is able to create knowledge creation in companies that have implications for the emergence of innovation [32]; and companies that have a company orientation in the future cannot only focus on technology & market development, but also have to develop strategic & creative resources [13].

Empirically this is clearly reflected in the characteristics of fashion creative entrepreneurs in Bandung who not only have an independent, proactive, and aggressive entrepreneurial orientation, but also have high creativity. This creativity was born from the idea of creative people who further supported the social culture of young people who like to socialize and interact in various communities, grow and develop into the power of creative people in facing the challenges and even very rapid changes in the creative world of fashion. The implications of the high level of creativity in fashion creative efforts in the city of Bandung, not only seen in the ability to provide fashion products only, but more than that can appear as the creator of fashion trends, even in the broader size of creative entrepreneurs in the city of Bandung nowadays it is increasingly developing into a "contemporary" lifestyle trend that can be seen from the emergence of clothing businesses, distribution store (*distro*) business, factory outlets, the proliferation of cafe/culinary businesses, coffee shop businesses, sports club businesses, and others which as a whole are increasingly strengthening the identity of Bandung City as a fashion city, entertainment city, and also an education city.

Further analysis was carried out verifiatively, through confirmatory factor analysis able to confirm several indicators that reflected the entrepreneurial orientation possessed by fashion entrepreneurs in the city of Bandung, including being independent in implementing their vision, mission, or ideas; independent in making corporate strategic decisions; independent in capturing opportunities; independent in taking risks even though they are constrained by internal resources; independent in competing; aggressively developing products; aggressively marketing products; always anticipate changes; always realize tangible actions in meeting future needs; quickly make strategic decisions; and dare to make product innovation. While the reflection of creative people in the world of fashion business in the city of Bandung, is validly and reliably confirmed as a person who is able to adapt; have freedom of thought in capturing business opportunities; dare to change, ready to face challenges to improve competition position; able to compete in the creation of innovative products; and ambition to be superior.

The results of further verification analysis obtained through testing on structural models get empirical evidence about antecedents that can influence the emergence of creative people in the world of fashion business. The average measured entrepreneurial orientation of fashion businesses in Bandung is able to provide a high direct influence (by 81%) on the emergence of creative people in fashion business units in the city of Bandung, with a fairly high predictive strength of the model, amounting to 65.8%, and the results of this study are in line with research of Miller & Miller (2003) and Jiang et al. (2016).

Appendix

Table 1. Operationalization of Research Variables

Variables & Dimensions		Indicators that have been broken down in question items (on a 5-Point Likert Scale)	
Creative People	Openness & freedom of thinking	of1	Openness accepts criticism and suggestions for progress
		of2	Openness of sharing information/knowledge/experience
		of3	The ability to adapt to environmental changes
		of4	Freedom of thought in capturing business opportunities
		of5	The ability to manage stress through positive activity
	Courage to change	ch1	The company has the courage to make changes
		ch2	Level of readiness to face challenges
	Competitive & ambitious	cs1	Ability to compete in the creation of innovative products
		cs2	Ability to compete in terms of cost advantages
		cs3	Ability to compete in the advantages of unique resources
		cs4	The level of desire/ambition to become a superior company
	Entrepreneurial Orientation	Autonomy	au1
au2			The level of independence implements a vision, mission/idea
au3			The degree of independence takes the company's strategic decisions
au4			The level of independence in capturing opportunities
au5			The level of independence takes risks even though it is constrained by internal resources
au6			The level of independence to compete with competitors
Risk taking		rt1	Courage to make large amounts of debt payable to take advantage of opportunities to get high profits
		rt2	Courage to invest in new/sophisticated technology to take advantage of opportunities to get high profits
		rt3	Courage to invest in recruiting quality human resources to get higher profits
		rt4	Courage to promote products in and out of the country
		rt5	Courage to innovate products to produce different products
Proactive-ness		pa1	The company's ability to anticipate changes in the future
		pa2	The ability to realize actions to meet future needs
		pa3	The speed of the company in making strategic decisions
Competitive aggressiveness		ca1	The company's aggressiveness in product development
		ca2	The company's aggressiveness in products marketing
	ca3	The company's aggressiveness is getting business capital	
	ca4	The company's aggressiveness is developing technology	

Table 2. Value of outer loading measurement model in EO variable

Latent Var	Dimen- sions	Indi- cator	Outer Loading		AVE	CR	Cr. Alpha	V or Inv	R or Unr	
			Indicator← Dimensions	Indicator ← Latent						
ENTREPRENEURIAL ORIENTATION	AU	au2	0,818	0,753	0,667	0,909	0,874	V	R	
		au3	0,856	0,778				V	R	
		au4	0,875	0,791				V	R	
		au5	0,782	0,727				V	R	
		au6	0,747	0,743				V	R	
	RT	rt5	1,000	0,747	1,000	1,000	1,000	V	R	
	PA	pa1	0,857	0,764	0,775	0,912	0,854	V	R	
		pa2	0,908	0,770				V	R	
		pa3	0,875	0,818				V	R	
	CA	ca1	0,900	0,815	0,813	0,897	0,770	V	R	
		ca2	0,903	0,828				V	R	
	ENTREPRENEURIAL ORIENTATION					0,603	0,943	0,934	V	R

V= Valid, Inv=Invalid, R=Reliable, Unr=Unreliable. EO=Entrepreneurial Orientation, AU=Autonomy, RT=Risk Taking, PA=Proactiveness, CA=Competitive Aggressiveness.

Table 3. The value of the outer loading measurement model in the CP variable

Latent Var	Dimen- sions	Indi- cator	Outer Loading		AVE	CR	Cr. Alpha	V or Inv	R or Unr
			Indicator← Dimensions	Indicator ← Latent					
CREATIVE PEOPLE	O& FT	of3	0,888	0,786	0,800	0,899	0,750	V	R
		of4	0,901	0,835				V	R
	CC	ch1	0,913	0,906	0,814	0,897	0,772	V	R
		ch2	0,891	0,813				V	R
	CA	cs1	0,895	0,792	0,776	0,874	0,712	V	R
		cs4	0,867	0,709				V	R
	CREATIVE PEOPLE					0,654	0,919	0,893	V

V= Valid, Inv=Invalid, R=Reliable, Unr=Unreliable.

O&FT=Open & Freedom of Thinking, CC=Courage to Change, CA=Competitive & Ambitious

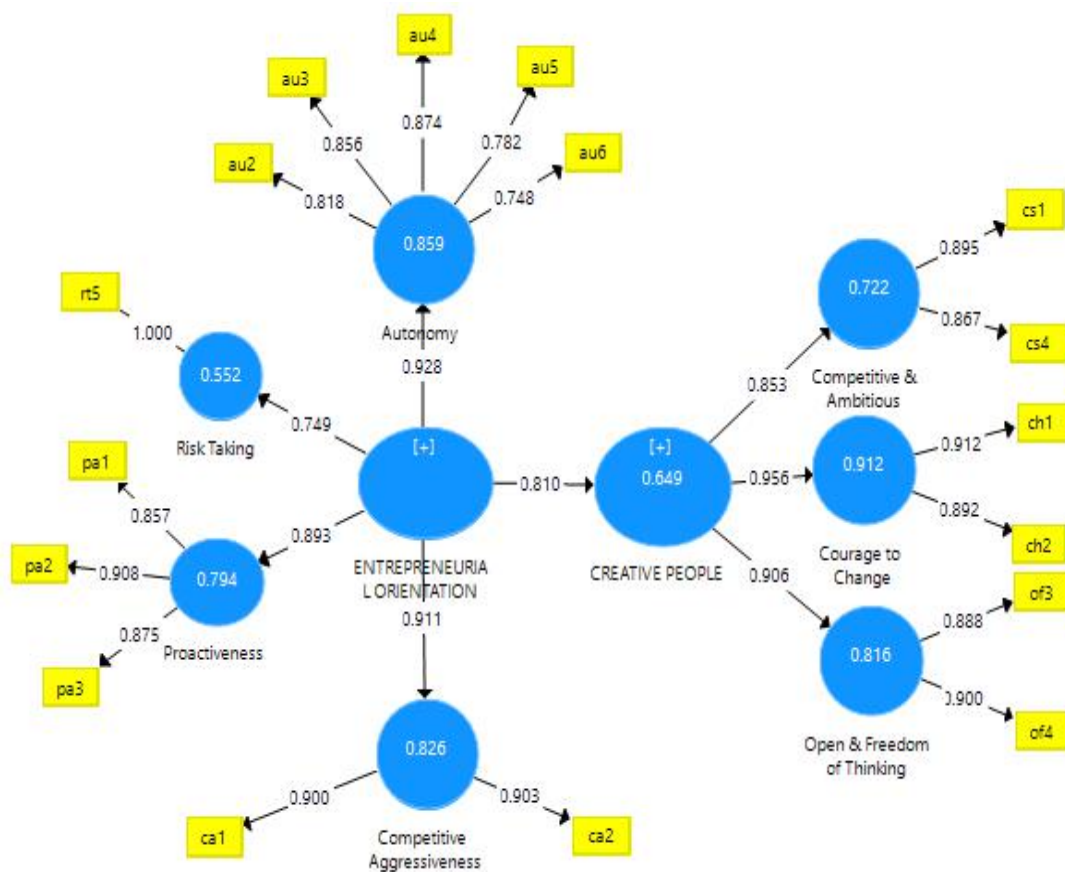


Figure 1. Structural Model
Outer: Outer Loading; Inner: Path Coefficients; Constructs: R Square Adjusted

Table 4. Value of path coefficients, t-stat., p-values, and model strength parameters

	Path Coef.	t-stat.	p-value	Ket	f ²	R ²	Q ²
EO→CP	0,810	13,966	0,000	S***	1,924	0,658	0,383

Ket: S = Significant at 0.01 & 0.05; EO = Entrepreneurial Orientation; CP = Creative People.
Rule of thumb, adopted from Chin (1998).

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