


articles

Creativity and Proactive Personality as Triggers for Entrepreneurial Alertness in Improving the Business Performance of the Creative Industry in Indonesia

Dina Dellyana¹, Tribowo Rachmat Fauzan² , Anindia Pratiwi Putri³

¹ School of Business and Management, Insitut Teknologi Bandung, ² Business Logistic Study Program, Department of Business Administration, Faculty of Social and Political Sciences, Universitas Padjadjaran, ³ School of Business and Management, Institut Teknologi Bandung

Keywords: Creativity, Proactive Personality, Entrepreneurial Alertness, Business Performance, Small Businesses

<https://doi.org/10.53703/001c.94170>

Journal of Small Business Strategy

Vol. 34, Issue 1, 2024

Measuring a company's performance can help improve the positive aspects of its operations in addressing shortcomings. Innovative and change-oriented employees help the company's performance improvement, increasing entrepreneurship awareness. Therefore, this study aims to determine how entrepreneurial awareness may be created by innovation and a proactive personality to enhance business performance. Players in Indonesia's creative industries were given questionnaires, and SEM-PLS was used to process the data. The findings of this study demonstrate that entrepreneurial acuity, proactivity, and innovation significantly impact business performance. Entrepreneurial vigilance was also discovered to function as a mediator. The findings of this study have significant practical ramifications because, in addition to filling a research gap, they demonstrate that creative industry players must be more flexible and inventive to foster a creative work environment for their employees.

Introduction

The business's success is indirectly reflected in high performance (Mahmudova & Kovács, 2018). Measuring a company's performance enables it to solve issues and enhance areas of its operations that are doing well (Mahmudova & Kovács, 2018). Players in the creative industries are more lucrative, have shorter lives than significant firms, and are significantly impacted by environmental factors (Carroll & Huo, 1986). Numerous empirical studies have tried to figure out how much entrepreneurship contributes to economic development by fostering innovation and the creation of new employment (Hu et al., 2018). The entrepreneurial sector (small and emerging businesses) contributes significantly to economic development in developed and developing nations (Nguyen et al., 2021). Entrepreneurial awareness has drawn attention in the entrepreneurship literature because it describes how people recognize and then act on entrepreneurial opportunities (Kirzner, 1979; Roundy et al., 2018). Entrepreneurs must be vigilant, inventive, imaginative, and dedicated due to the significance of creative industry players. They must also have the conceptual capacity to explore, recognize, and analyze opportunities. Finally, they must convert opportunities into effective competitive strategies and profitable performance (Mohammed et al., 2017; Pepple & Enuoh, 2020).

Competent entrepreneurs must have extensive business expertise, be creative, energetic, and motivated, be willing to take chances and be exceptional planners and problem solvers (Pepple & Enuoh, 2020). In entrepreneurship, these

qualities can be developed by cultivating inventiveness. Creativity is critical for entrepreneurs with limited resources responding to open market demands (Andri et al., 2020). In the entrepreneurial setting, designing items that generate demand with limited resources is vital for commercial success; here, creativity and critical thinking can be regarded as essential abilities (Eggers et al., 2017). Entrepreneurs must have a proactive personality in addition to creativity. Proactive people gain mastery of knowledge and abilities, allowing them to arrange resources for handling resource shortage concerns that small firms face (Adawiyah & Istiqomah, 2020; Presbitero, 2015). They are essential for small enterprises to influence quick changes in the business environment.

The entrepreneurship field within Indonesia's creative industry has witnessed significant growth in recent years (Fahmi et al., 2017). However, despite this expansion, there remains a conspicuous research gap in understanding the intricate interplay between creativity, proactive personality traits, and their combined impact on entrepreneurial alertness and subsequent business performance in this specific context. While prior studies have explored the role of creativity (Indriartiningtias et al., 2019) and entrepreneurial alertness separately (Chen & Tseng, 2021; Tang et al., 2012), little attention has been given to their joint influence within the creative sector of Indonesia. This gap is critical as it hinders the development of tailored strategies and interventions that could potentially enhance entrepreneurial alertness and business performance among creative entrepreneurs in Indonesia, ultimately contributing to the

sustainable growth and competitiveness of the creative industry in the region.

Previous research assessed literature on organizational creativity to see how people may stimulate creative thinking in their workplaces and what kind of impact they can expect (Glaveanu & Taillard, 2018). Previous studies have shown that in addition to their proactive character, creative individuals have the cognitive ability to handle obstacles that emerge on the job (Zhang & Bartol, 2010). Additionally, authorities defend the significance of entrepreneurial vigilance in the entrepreneurial process (Hu et al., 2018). Since having a proactive personality is one of the indicators of entrepreneurial awareness, previous research has attempted to correlate entrepreneurial alertness with a proactive personality (Hu et al., 2018). Contrarily, mindfulness research aims to identify both the causes and effects of attention (Kirzner, 2009). Little research has been done on the relationship between entrepreneurial awareness, innovation, and a proactive personality and business performance, particularly in developing countries. The study then examines how entrepreneurs in underdeveloped nations may build entrepreneurial awareness and enhance their business success through innovation and proactive personality.

The structure of the paper is as follows: The introduction comes first, followed by the literature review part. The research hypotheses are developed in the next section, and the following section is for the data collection and methodology used in this study. After that, the findings and discussion section follows. The last part describes the research's results, consequences, and limitations.

Literature Review

Business Performance

The measurement design must be unmistakable when measuring performance (Mujanah et al., 2022). Whether a company is focused on making a profit or not, performance measurement is a group of metrics that may be used to assess current and future performance (Paik et al., 2017). A constructive firm metric is one's capacity to achieve goals (Amankwah-Amoah et al., 2021). Business performance has been linked to financial and non-financial performance since the inception of informal small companies (Zainol et al., 2018). Previous research defined economic performance as the attainment of economic goals related to small business activities that respond to consumer demand and satisfaction by producing optimal and high earnings and sales (Khan & Quaddus, 2020).

Entrepreneurial Alertness

Entrepreneurial alertness, according to Kirzner (Kirzner, 1979), is the capacity of a person to recognize fresh opportunities that others have passed over; more precisely, alertness is "the driven desire of humans to develop a vision of the future" (Kirzner, 1985). Entrepreneurial awareness is the propensity of a person to create a pleasant mental picture of potential outcomes (Uy et al., 2015). The entrepreneurial alertness test is beneficial because it focuses on

a person's awareness, judgment, and orientation to uncertainty and change in the exterior environment and context rather than only the subject of internal insider identity (Uy et al., 2015). More awake people are, therefore, better equipped to select pertinent information, boosting their chances of finding perfect options (Li et al., 2020).

Creativity

According to the "conventional definition," creativity is a process that produces innovative and valued products (Runco & Jaeger, 2012). In this case, the creative products range from ideas and things to methods, customs, and institutions (Glaveanu & Taillard, 2018). Creative thinking is the process of combining many current elements to create something new to enhance the product to a level never previously seen on the market (Firdaus et al., 2019). Because innovative and helpful (i.e., creative) ideas, commodities, and services are essential to the formation and success of new businesses, entrepreneurship demands creativity (McMullan & Kenworthy, 2014). Being new requires, on the one hand, contributing to what has come before while, on the other hand, being separate from it (Glaveanu & Taillard, 2018). According to McMullan and Kenworthy (2014), entrepreneurship innovation may predict up to fifty percent of the variance in financial performance and is a significant factor in entrepreneurial success. Individuals who participate in creative behavior are more likely to actively contribute to developing organizational resources by exploring the concept of becoming a competitive advantage (Messmann & Mulder, 2012).

Proactive Personality

The proactive behavior of the individual in charge of the task completion defines their character (Andri et al., 2020). Strong performance, a mirror of oneself, and personal experience lead people to become change agents in the workplace and increase their attention to successful performance (Bergeron et al., 2014). A quick response from a proactive individual inspires others to show more interest (Andri et al., 2020). Proactive people are more likely to identify opportunities, take the necessary steps to investigate them, and stay dedicated to their efforts until their desired results are accomplished (Neneh, 2019). Put another way, having a proactive personality may help people release tensions, spot business possibilities, make proactive decisions, and ultimately influence the environment to bring about significant change (Bateman & Crant, 1993).

Linking Creativity, Entrepreneurial Alertness, and Business Performance

Studying the entrepreneurial process has made creativity a central subject (Hu et al., 2018). Creativity is crucial from the start of the entrepreneurial process since it helps with the creation of new products and services (Gielnik et al., 2012). According to earlier research, creativity significantly impacts someone's entrepreneurial awareness (Hu et al., 2018). Additionally, Campos (2016) and Obschonka et

al. (2017) research has demonstrated that creativity and entrepreneurial awareness have a strong relationship, particularly in scanning and looking for originality. The following assertion is made as a consequence, supported by both theoretical and literary data:

H1 = creativity has a significant positive effect on entrepreneurial alertness.

Creative individuals have good work habits, leading to good workplace results (Sung et al., 2018). This demonstrates that innovation in the workplace is aided by creativity (Shalley et al., 2004). Small firms must be more creative and innovative to survive the competition storm (Wihuda et al., 2017). The link between creativity and corporate performance has received little research attention (Khedhaouria et al., 2015). As a result, the success of a small business is determined by the entrepreneur's capacity to innovate (Andri et al., 2020). With supported explanations from previous literature, the following hypothesis is forwarded:

H2 = Creativity has a significant positive effect on business performance.

The association between Proactive Personality, Entrepreneurial Alertness, and Business Performance

Proactive people are more likely to devise and carry out essential plans of action to achieve their objectives (Li et al., 2020). Such a personality will be beneficial to someone with plenty of expertise and enthusiasm to take on the competition (Bateman & Crant, 1993). A proactive personality is a crucial antecedent of entrepreneurial attentiveness to chances since opportunity identification is a core component of human initiative (Tang et al., 2012). Consequently, entrepreneurial alertness and proactive personality are related (Hu et al., 2018). The following theory is advanced using evidence from previously published literature:

H3 = Proactive personality has a significant positive effect on entrepreneurial alertness.

Individual contributions to the organization are stimulated by proactive personalities (Sun & van Emmerik, 2015). Individuals' anticipatory actions to positively behave at work that result in better productivity are referred to as proactivity (Andri et al., 2020). Entrepreneurs with proactive personalities may be able to construct a performance that transforms working actors' behavior into one of disciplined, hard labor and commitment to completing the task (Salgado & Táuriz, 2014). A proactive personality has a beneficial impact on company results (Crant, 1996). It has been demonstrated that a proactive personality can provide a performance that transforms working actors' behavior into discipline, hard labor, and a strong desire to complete their jobs (Salgado & Táuriz, 2014). Thus, this explanation led to the following hypothesis:

H4 = Proactive personality has a significant positive effect on business performance.

How Entrepreneurial Alertness Affects Business Performance

Strategic decision-making and financial outcomes are directly impacted by entrepreneurial acuity (Roundy et al., 2018). Research has shown that entrepreneurial attentiveness is essential for good entrepreneurial decision-making and behavior, both when beginning a new firm and managing an existing one (Roundy et al., 2018). Because they may be aware of a first-mover advantage, alert businesspeople are more likely to see possibilities and take advantage of them. This is crucial for policy-induced opportunities not necessarily well-publicized or well-monitored by other businesspeople (Dai et al., 2020).

H5 = Entrepreneurial alertness has a significant positive effect on business performance.

From the explanation above, the conceptual framework is as follows:

Methodology and Data

The data is examined using the PLS-SEM approach. PLS is a multivariate approach for reducing error variance in limited sample sizes. It is regarded to have the best prediction accuracy because it does not make any distributional assumptions. PLS is a formative or reflective model because it is a powerful component-based strategy (Hair et al., 2017). The PLS-SEM algorithm aims to explain the dependent variable's variance as much as possible the independent variable (Hair et al., 2017). All of the model's constructs are reflective, and their indicators are predicted to be influenced by them (Hair et al., 2017).

This research was carried out in Indonesia, focusing on creative industry players. Creative industry players play a vital role in most economies, particularly in emerging countries, hence choosing this category for research. Creative industry enterprises account for most of global commerce and contribute to economic growth and job creation. Small businesses will play a crucial role in Indonesia's future growth. Creative industry actor study in Indonesia is crucial because if Indonesia can quickly return to pre-pandemic development levels, it might surpass Italy, Russia, and South Korea to become the seventh-biggest economy in the world by 2030, up from 16th in 2019.

This study utilized only primary data, and the temporal horizon was cross-sectional. In this study, questionnaires were employed for data collection. Because this research may be measured using quantitative metrics and highly organized data-gathering methods, such as surveys, the research paradigm is positivism, and a Likert scale ranging from 1 to 5 is employed for the survey. Non-probability sampling was the optimal method for collecting quantitative survey data from a selected sample (Ogiemwonyi et al., 2020). There were 414 respondents in this study, and the questionnaire was delivered online. The information on the respondents is shown in [Table 1](#).

Each statement or question was accompanied by a five-point Likert scale on which respondents were asked to indicate their degree of agreement, with one indicating

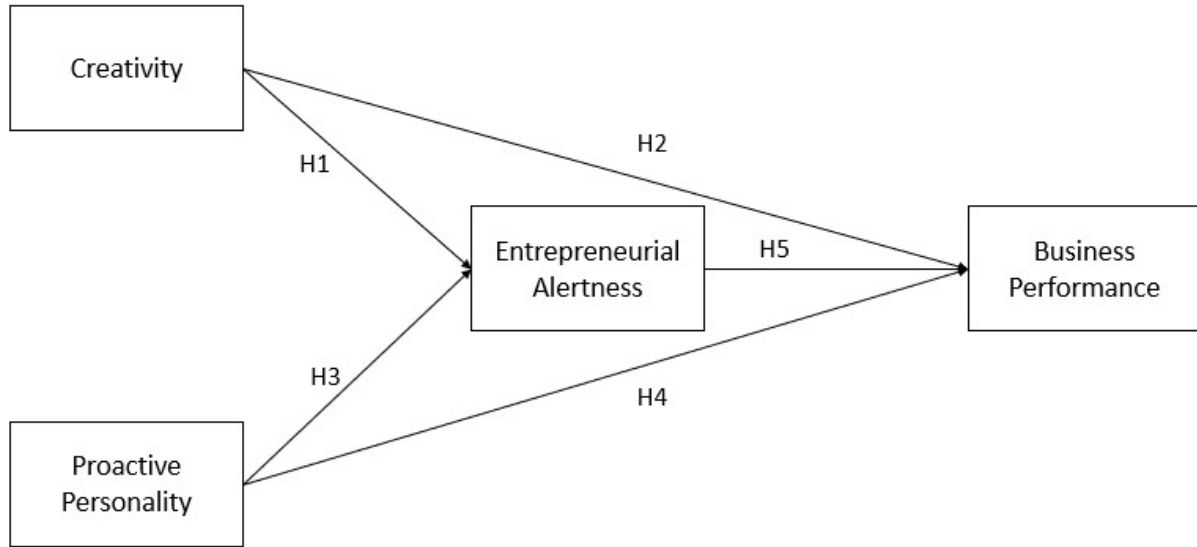


Figure 1. Conceptual Framework

Table 1. Respondents' Background

		Total	Percentage (%)
Business Sector	Games and Application	33	7.97
	Architecture	26	6.28
	Product Design	34	8.21
	Fashion	57	13.76
	Interior Design	7	1.69
	Visual Communication Design	39	9.42
	Art Performance	60	14.49
	Film/Video	37	8.93
	Craft	30	7.24
	Culinary	58	14.01
	Music	12	2.89
	Advertising	5	1.21
	Publishing	6	1.44
	Art Goods	6	1.44
	Research and Development	0	0
Photography	4	0.96	
Number of Employees	1 (alone)	75	18.1
	2-5	154	37.19
	6-10	89	21.49
	10-25	51	12.31
	25-50	26	6.28
Position	CEO/Owner	251	60.62
	Director/Manager	149	36.00
	Employee	14	3.38

“strongly disagree” and five indicating “strongly agree.” Each variable was assessed using adapted metrics from prior research. Indicators from Merrilees et al. (2011), Wang et al. (2015), and Carter, Gartner, and Reynolds (1996) were used to assess business performance, while Tang et al. (2012) scales’ were used to gauge entrepreneurial awareness. The measures of creativity were taken from Zampetakis (2008), while the indicators of proactive personality were taken from Bateman and Crant (1999).

Results

This study utilized a reactive construct PLS model, and the indicator was the manifestation. The model included four latent variables: creative output (C), proactive character (PP), entrepreneurial awareness (EA), and financial success (F) (BP). We then ran the model via SMART PLS, version 3.0, for analysis. In PLS, there were two parts to the model assessment process: the outside model evaluation (the model of measurement) and the interior model evaluation (the structural model).

Outer Model (Measurement Model)

A loading factor value for each indicator is used to create an initial improvement model. Indicators for each study structure are made available staggered, beginning with those with the lowest loading factor values and progressing upwards until the ultimate loading factor for each indication is higher than 0.5. (Ghozali & Latan, 2015). After making adjustments to the original model, the PLS Algorithm is used to reestimate the model until the loading factor value of each indicator in all constructs satisfies the criteria. After issuing four rejected indications on the preliminary PLS model findings to satisfy the first model criteria, the data was reprocessed without an issued indicator to produce the best model. [Figure 1](#) displays the PLS findings from which an indication with a loading value greater than 0.5 might be derived.

Two common ways to quantify dependability are using Cronbach’s alpha and composite reliability ratings. Cronbach’s alpha is a standard measure of test and scale reliability used in the literature to show that these instruments are appropriate for use in research (Taber, 2018). 0.7 is the beginning threshold Nunnally (1967) suggested for moderate composite dependability. However, a 0.6 Cronbach’s alpha was found to be acceptable, as shown by Churchill (1979). Taber (2018) states that an acceptable alpha ranges from 0.61 to 0.65. [Table 3](#) displays the accuracy of the composites created as part of this study’s SmartPLS output. Test reliability was calculated following the criteria established by Nunnally (1967) for composite reliability (0.7) and by Churchill (1979) and Taber (2018) for Cronbach’s alpha (0.6). As seen in [Table 2](#), the predicted values for Cronbach’s alpha and the composite reliability of this survey are both high enough to be considered credible.

Due to general method bias, indicators tend to share a degree of general variance when the social desirability of answering questionnaire questions in a specific manner is taken into account (Kock, 2015). Pathological collinearity

and general method bias may taint a model with a VIF more significant than 3.3. (Kock, 2015). If all VIFs from the whole collinearity test are less than or equal to 3.3, then the model is free of general method bias. (Kock, 2015). In light of this, we subjected the data to a stringent multicollinearity test and found that the VIF was below the allowable threshold of 5. (Kock & Lynn, 2012). Neither of the two investigations found evidence of multicollinearity among the predictor constructs. Both the reflecting model’s and the formative model’s measurements were thus achieved. [Table 2](#) displays the VIF value that was calculated.

Convergent validity was employed when evaluating the usefulness of indicators that are positively connected with different sizing options for a concept, and the AVE value was one of the factors taken into account. Using the Fornell-Larcker criteria, we used discriminant validity to evaluate the differences between the constructs. Convergent validity was met since the AVE was more significant than 0.5 (Hair et al., 2017). The Fornell-Larcker criteria for discriminant validity (as indicated in [Table 3](#)) also met all the specifications. The discriminant validity was met since the square roots of the AVEs out correlate all other aspects of the concept.

Inner model (structural model)

The second step included evaluating structural models of the creative sector to see how latent variables relate to their indicators. Path coefficient and significance level estimates provide insight into the findings. The structural model developed in this study explains the relationship between entrepreneurial awareness and company success and the impact of creativity and proactive personality on both variables. However, the t-value scores made it clear whether or not the exogenous latent factors had a substantial effect on the endogen latent variables in this study’s model and how much of an effect they had. [Table 4](#) displays the hypotheses test results and the significant value obtained by bootstrapping.

This study aimed to examine the factors that can impact the financial performance of Indonesian firms in the creative sector. The model is fit, and all of the constructs found in this investigation show substantial positive effects, according to the SEM-PLS tests in [Table 4](#). The results aligned with other studies, and H1 was accepted (sig.0.0000.05,=0.437), showing that creativity significantly improves entrepreneurial acuity. Creativity is employed to build the patterns necessary to explain the future circumstances in which an entrepreneur will work and to give a vision that cannot be produced just by examining current trends (Firdaus et al., 2019). Researchers have confirmed the relationship between effort and creativity, finding that fresh ideas emerge when knowledge is freely and openly available (Biraglia & Kadile, 2017). According to past studies, entrepreneurial awareness and creativity have a strong relationship. (Montiel Campos, 2016; Obschonka et al., 2017).

Next, H2 was **accepted** (sig. 0.0000.05, = 0.292), demonstrating a beneficial solid impact of creativity on company success. The test’s findings indicated that creativity is cru-

Table 2. Result of Measurement Model

Constructs	Code	No of Item	Items Deleted	Composite Reliability	Cronbach's Alpha	Factor Loading	VIF	AVE
Creativity	C1	6	3	0,94	0,90	0,89	2,36	0,83
	C4					0,92	3,24	
	C6					0,92	3,05	
Proactive Personality	PP1	4	1	0,91	0,89	0,77	2,10	0,64
	PP2					0,84	2,77	
	PP3					0,86	2,86	
	PP4					0,78	2,06	
	PP6					0,79	1,99	
	PP7					0,76	1,90	
	EA1					4	0	
EA2	0,83	2,13						
EA3	0,87	2,44						
EA4	0,84	1,99						
Business Performance	BP1	4	0	0,86	0,81	0,85	1,99	0,61
	BP2					0,89	2,24	
	BP3					0,67	2,74	
	BP4					0,70	2,77	

Table 3. Discriminant Validity - Fornell-Larcker Criterion

	Business Performance	Creativity	Entrepreneurial Alertness	Proactive Personality
Business Performance	0,782			
Creativity	0,532	0,911		
Entrepreneurial Alertness	0,481	0,639	0,821	
Proactive Personality	0,485	0,689	0,594	0,800

Table 4. Hypotheses Testing

	Hypothesis	Original Sample/ β	T Statistics	P-Value	Decision
H1	Creativity → Entrepreneurial Alertness	0,437	7,7052295	0,000	Accepted
H2	Creativity → Business Performance	0,292	4,3879639	0,000	Accepted
H3	Proactive Personality → Entrepreneurial Alertness	0,293	5,3459325	0,000	Accepted
H4	Proactive Personality → Business Performance	0,168	2,4278686	0,016	Accepted
H5	Entrepreneurial Alertness → Business Performance	0,194	3,6204488	0,000	Accepted

Note(s): *significant $p < 0.05$

cial to obtaining high business success, and other studies have established a positive and substantial link between creativity and corporate performance (Zainal et al., 2022). This result is supported by past research, which shows that small business owners must exercise creativity to improve their performance because they are less fortunate (Adawiyah, 2015). In this context, “creativity” refers to a

business’ capacity to develop and use fresh concepts (Almahry et al., 2020; Khedhaouria et al., 2015).

Third, H3 was **accepted** (sig. 0.000<0.05, = 0.293), demonstrating that being proactive substantially positively impacts being entrepreneurially alert. Regardless of the restrictions placed by situational circumstances, people with proactive personalities can act in a way that encourages change in their surroundings (Laguía et al., 2019; Zam-

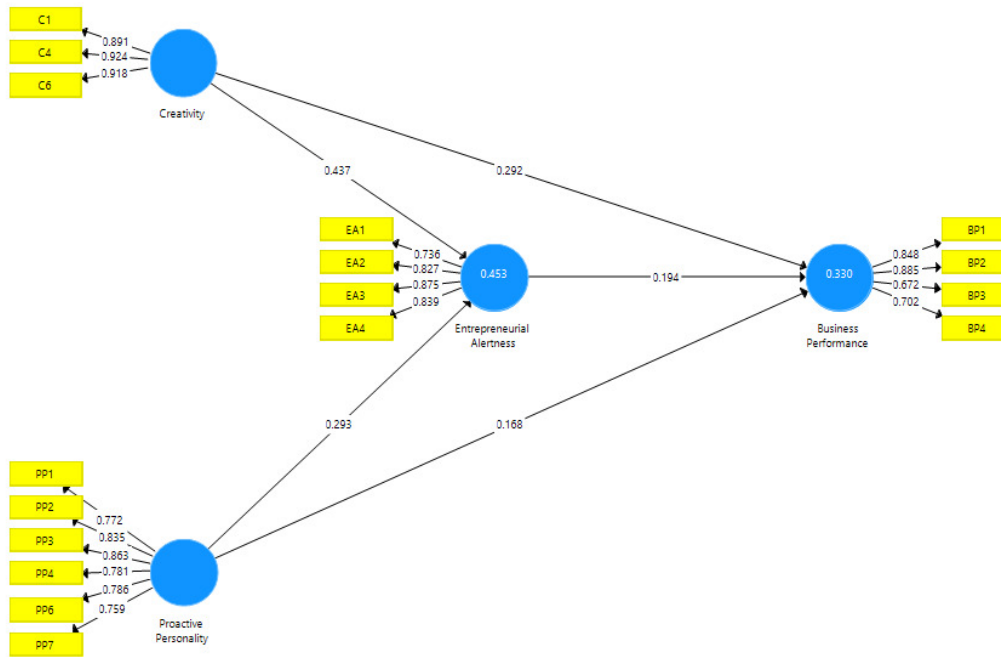


Figure 2. The Model of Creativity, Proactive Personality, and Entrepreneurial Alertness in Improving Business Performance in Indonesia

petakis, 2008). Proactive people are more likely to see opportunities in their difficulties and make the required steps to overcome them until the desired outcome is achieved (Kumar & Shukla, 2022). In order to promote entrepreneurial awareness, a proactive mentality is a crucial aspect that should be taken into account.

Fourth, H4 was **accepted** (sig. $0.016 < 0.05$, $\beta = 0.168$), indicating that a proactive personality has a significant positive effect on business performance, an outcome backed by prior research findings. Individuals' anticipatory actions to behave favorably at work, resulting in better productivity, are referred to as proactivity (Andri et al., 2020). As a result, a practical personality is a motivating attribute that allows those who want to make a difference to get involved in business development activities (Li et al., 2020).

Finally, H5 was **accepted** (sig. $0.000 < 0.05$, $\beta = 0.194$), indicating that entrepreneurial alertness significantly positively affects business performance. Measuring a company's performance improves the positive features of its operations while also increasing entrepreneurial awareness by allowing entrepreneurs to discover possibilities to remedy flaws (Mahmudova & Kovács, 2018). Moreover, according to some experts, attentiveness is a crucial talent for entrepreneurs who want to foresee and recognize possibilities to improve their business performance (Adomako et al., 2018). The results of model testing with SEM-PLS can be seen in [Figure 2](#).

Implications and Conclusions

In order to understand how entrepreneurial awareness affects company success in the creative industry, this study aims to investigate its components. According to the find-

ings of the investigation, which demonstrate substantial outcomes for the two associations, entrepreneurial awareness may be supported by both creativity and a proactive personality. Hou et al. (2019) earlier study, which found that creativity is directly linked to entrepreneurial awareness and tends to be associated with developing and sustaining company capacities to increase economic performance, supports this claim. According to Bateman and Crant (1993), proactive personality is the capacity to inspire oneself to take proactive action to enhance one's performance, career, and well-being to reach entrepreneurial awareness. Furthermore, according to some experts, entrepreneurs need to be awake to forecast and find possibilities to improve business performance (Adomako et al., 2018). Apart from being a component that supports entrepreneurial awareness, creativity, and a proactive personality can also directly affect business performance. Since it has the potential to find innovative solutions to challenging problems, creativity becomes even more critical as a company's business performance increases (Rakshit et al., 2021). This results in employees who are proactive in producing performance and can change their behavior to become disciplined, hardworking, and devoted to carrying out performance responsibilities (Salgado & Táuriz, 2014).

The theories above are proven empirically by analyzing creative industry players in Indonesia. As a developing country, Indonesia still needs maximum efforts to increase its creative industry players. This improvement in creative industry performance is closely related to creative industry players' creativity and proactive personality. This creativity and proactive personality will later lead to entrepreneurial alertness, which can improve creative industry performance. Creative industry players risk bankruptcy more than

other business sectors, especially in developing countries. In addition, because the conditions of the companies are still minor and tend to be unstable, the actors in the creative industry must make maximum efforts to identify the strengths and factors that can improve performance to avoid the risk of decline until bankruptcy. This study seeks to identify the components of entrepreneurial alertness that are deemed to improve creative industry performance. This also proves that entrepreneurial alertness partially mediates the relationship between creativity, proactive personality, and creative industry performance.

This research provides several implications. First, from the point of view of theoretical implications, this research is essential to provide direction for the science of entrepreneurship and business management. This study reveals the factors entrepreneurs must possess to create entrepreneurial alertness that can help business performance in the creative industry. This is highly correlated with the second implication, namely the practical implication. Creativity and proactive personality entrepreneurs must have these two things by equipping themselves with knowledge and training related to developing creativity and proactive personality. This research can also significantly impact creative industry players in operating their businesses to be more adaptive, innovative, and up-to-date to create a creative work environment for their employees. In addition, to support the proactive personality, owners, and managers in the creative industry must strive for themselves and their employees to be able to read market opportunities and show initiative in decision-making. To make these happen, open, dynamic, and adaptive leadership and organizational culture are needed.

For public authorities, this research underscores the importance of fostering an enabling ecosystem for creative entrepreneurship in Indonesia. Policymakers should consider crafting policies and initiatives that support developing and nurturing creativity and proactive personality traits among aspiring entrepreneurs within the creative industry. This could include educational programs, access to funding, and networking opportunities that encourage creativity and proactiveness. Furthermore, public authorities should recognize the role of entrepreneurial alertness as a catalyst for business performance and prioritize efforts to enhance it among creative entrepreneurs. Market agents within the creative industry, such as investors, incubators,

and business support organizations, should take note of this research's insights. They can actively seek out and support entrepreneurs with high levels of creativity and proactive personality traits, as these individuals are more likely to demonstrate heightened entrepreneurial alertness and drive superior business performance. Collaborative efforts between market agents and creative entrepreneurs should focus on providing mentorship, resources, and market access tailored to harness these individuals' potential effectively.

Of course, the study's limitations cannot be isolated from this research. The first limitation is using a cross-sectional study in data collection that can result in higher probabilities of standard method variance and social desirability bias. Therefore, longitudinal studies and in-depth interviews can be considered for future work to avoid this and to obtain a more comprehensive overview and research results. The second limitation is that this research was conducted in Indonesia, a developing country. Even though Indonesia is a developing country that has many creative industry players, it is hoped that further research can examine the constructs of this study in developed countries which also have many creative industry players so that the entrepreneurial alertness factor in developing countries can be compared with developed countries and how significant the relationship between these factors can be assessed.

Declaration of Conflicting Interests

The authors declare no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

Submitted: March 28, 2023 CDT, Accepted: February 14, 2024 CDT



This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CCBY-4.0). View this license's legal deed at <http://creativecommons.org/licenses/by/4.0> and legal code at <http://creativecommons.org/licenses/by/4.0/legalcode> for more information.

References

- Adawiyah, W. R. (2015). Impression management tactics, work related behaviour and perceived individual performance of sales clerks: a case of Indonesia. *International Journal of Applied Business and Economic Research*, 13(7), 5481–5501.
- Adawiyah, W. R. & Istiqomah. (2020). *Management-Practices-By-Agricultural-Based-Small-Scale-Industry-To-Avail-Business-Challenge-In-Disruptive-Innovation-Era*. INTERNATIONAL JOURNAL OF SCIENTIFIC & TECHNOLOGY RESEARCH.
- Adomako, S., Danso, A., Boso, N., & Narteh, B. (2018). Entrepreneurial alertness and new venture performance: Facilitating roles of networking capability. *International Small Business Journal*, 36(5), 453–472. <https://doi.org/10.1177/0266242617747667>
- Almahry, F. F., Sarea, A., Hamdan, A. M., & Al Mubarak, M. M. S. (2020). The Impact of Entrepreneurship Education on Entrepreneurs' Skills. *Entrepreneurial Innovation and Economic Development in Dubai and Comparisons to Its Sister Cities*, 183–197. <https://doi.org/10.4018/978-1-5225-9377-5.ch009>
- Amankwah-Amoah, J., Khan, Z., & Wood, G. (2021). COVID-19 and business failures: The paradoxes of experience, scale, and scope for theory and practice. *European Management Journal*, 39(2), 179–184. <https://doi.org/10.1016/j.emj.2020.09.002>
- Andri, G., Adawiyah, W. R., Purnomo, R., & Sholikhah, Z. (2020). The minang - Nomads businesses' performance: The role of proactive personality, creativity and innovative work behaviour. *Jurnal Pengurusan*, 58, 91–104. <https://doi.org/10.17576/pengurusan-2020-58-08>
- Bateman, T. S., & Crant, J. M. (1993). The proactive component of organizational behavior: A measure and correlates. *Journal of Organizational Behavior*, 14(2), 103–118. <https://doi.org/10.1002/job.4030140202>
- Bateman, T. S., & Crant, J. M. (1999). Proactive behavior: Meaning, impact, recommendations. *Business Horizons*, 42(3), 63–70. [https://doi.org/10.1016/s0007-6813\(99\)80023-8](https://doi.org/10.1016/s0007-6813(99)80023-8)
- Bergeron, D. M., Schroeder, T. D., & Martinez, H. A. (2014). Proactive Personality at Work: Seeing More to Do and Doing More? *Journal of Business and Psychology*, 29(1), 71–86. <https://doi.org/10.1007/s10869-013-9298-5>
- Biraglia, A., & Kadile, V. (2017). The Role of Entrepreneurial Passion and Creativity in Developing Entrepreneurial Intentions: Insights from American Homebrewers. *Journal of Small Business Management*, 55(1), 170–188. <https://doi.org/10.1111/jsbm.12242>
- Carroll, G. R., & Huo, Y. P. (1986). Organizational Task and Institutional Environments in Ecological Perspective: Findings from the Local Newspaper Industry. *American Journal of Sociology*, 91(4), 838–873. <https://doi.org/10.1086/228352>
- Carter, N. M., Gartner, W. B., & Reynolds, P. D. (1996). Exploring start-up event sequences. *Journal of Business Venturing*, 11(3), 151–166. [https://doi.org/10.1016/0883-9026\(95\)00129-8](https://doi.org/10.1016/0883-9026(95)00129-8)
- Chen, M.-H., & Tseng, M. (2021). Creative entrepreneurs' artistic creativity and entrepreneurial alertness: the guanxi network perspective. *International Journal of Entrepreneurial Behavior & Research*, 27(4), 1082–1102. <https://doi.org/10.1108/ijeb-05-2020-0306>
- Churchill, G. A., Jr. (1979). A Paradigm for Developing Better Measures of Marketing Constructs. *Journal of Marketing Research*, 16(1), 64–73. <https://doi.org/10.1177/002224377901600110>
- Crant, M. J. (1996). Title: The proactive personality scale as a predictor of entrepreneurial intentions. *Charts THE PROACTIVE PERSONALITY SCALE AS A PREDICTOR OF ENTREPRENEURIAL INTENTIONS*. In *Source: Journal of Small Business Management*, 34(3).
- Dai, W., Arndt, F., & Liao, M. (2020). Hear it straight from the horse's mouth: recognizing policy-induced opportunities. *Entrepreneurship & Regional Development*, 32(5–6), 408–428. <https://doi.org/10.1080/08985626.2019.1640452>
- Eggers, F., Lovelace, K. J., & Kraft, F. (2017). Fostering creativity through critical thinking: The case of business start-up simulations. *Creativity and Innovation Management*, 26(3), 266–276. <https://doi.org/10.1111/caim.12225>
- Fahmi, F. Z., McCann, P., & Koster, S. (2017). Creative economy policy in developing countries: The case of Indonesia. *Urban Studies*, 54(6), 1367–1384. <https://doi.org/10.1177/0042098015620529>
- Firdaus, I., Ramli, Y., Arief, H., & Setiawan, M. (2019). MOBILE MARKETPLACE AS A MEDIUM FOR SELLING MICRO SMALL MEDIUM ENTERPRISE PRODUCTS. <https://aseanup.com/top-e-commerce-sites-indonesia/>
- Gielnik, M. M., Frese, M., Graf, J. M., & Kampschulte, A. (2012). Creativity in the opportunity identification process and the moderating effect of diversity of information. *Journal of Business Venturing*, 27(5), 559–576. <https://doi.org/10.1016/j.jbusvent.2011.10.003>
- Glaveanu, V. P., & Taillard, M. (2018). Difficult differences pave the creative road from diversity to performance. *European Management Journal*, 36(6), 671–676. <https://doi.org/10.1016/j.emj.2018.10.008>
- Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial Management & Data Systems*, 117(3), 442–458. <https://doi.org/10.1108/imds-04-2016-0130>
- Hou, C.-E., Lu, W.-M., & Hung, S.-W. (2019). Does CSR matter? Influence of corporate social responsibility on corporate performance in the creative industry. *Annals of Operations Research*, 278(1–2), 255–279. <https://doi.org/10.1007/s10479-017-2626-9>

- Hu, R., Wang, L., Zhang, W., & Bin, P. (2018). Creativity, proactive personality, and entrepreneurial intention: The role of entrepreneurial alertness. *Frontiers in Psychology*, 9(JUN). <https://doi.org/10.3389/fpsyg.2018.00951>
- Indriantiningtias, R., Subagyo, & Hartono, B. (2019). Creativity of small firms in creative industry: Initial evidence from Indonesia. *International Journal of Engineering Business Management*, 11, 184797901984913. <https://doi.org/10.1177/1847979019849135>
- Khan, E. A., & Quaddus, M. (2020). Financial bootstrapping of informal micro-entrepreneurs in the financial environment: A moderated mediation analysis. *International Journal of Sociology and Social Policy*, 40(11–12), 1533–1550. <https://doi.org/10.1108/ijssp-07-2019-0138>
- Khedhaouria, A., Gurău, C., & Torrès, O. (2015). Creativity, self-efficacy, and small-firm performance: the mediating role of entrepreneurial orientation. *Small Business Economics*, 44(3), 485–504. <https://doi.org/10.1007/s11187-014-9608-y>
- Kirzner, I. M. (1979). *Perception, Opportunity, and Profit: Studies in the Theory of Entrepreneurship*.
- Kirzner, I. M. (1985). *Discovery and the Capitalist Process*.
- Kirzner, I. M. (2009). The alert and creative entrepreneur: A clarification. *Small Business Economics*, 32(2), 145–152. <https://doi.org/10.1007/s11187-008-9153-7>
- Kock, N. (2015). Common method bias in PLS-SEM: A full collinearity assessment approach. *International Journal of E-Collaboration*, 11(4), 1–10. <https://doi.org/10.4018/ijec.2015100101>
- Kock, N., & Lynn, G. (2012). Lateral Collinearity and Misleading Results in Variance-Based SEM: An Illustration and Recommendations. *Journal of the Association for Information Systems*, 13(7), 546–580. <https://doi.org/10.17705/1jais.00302>
- Kumar, R., & Shukla, S. (2022). Creativity, Proactive Personality and Entrepreneurial Intentions: Examining the Mediating Role of Entrepreneurial Self-efficacy. *Global Business Review*, 23(1), 101–118. <https://doi.org/10.1177/0972150919844395>
- Laguía, A., Moriano, J. A., & Gorgievski, M. J. (2019). A psychosocial study of self-perceived creativity and entrepreneurial intentions in a sample of university students. *Thinking Skills and Creativity*, 31, 44–57. <https://doi.org/10.1016/j.tsc.2018.11.004>
- Li, C., Murad, M., Ashraf, S. F., Syed, N., & Riaz, M. (2020). Entrepreneurial nascent behaviour: The role of causation process in opportunity discovery and creation. *Entrepreneurial Business and Economics Review*, 8(4), 183–200. <https://doi.org/10.15678/eber.2020.080410>
- Mahmudova, L., & Kovács, J. K. (2018). *DEFINING THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES Entrepreneurial ecosystem: culture and norms influencing the total entrepreneurial activity of a nation View project*. <https://www.researchgate.net/publication/330657430>
- McMullan, W. E., & Kenworthy, T. P. (2014). *Creativity and entrepreneurial performance: A general scientific theory*. Springer.
- Merrilees, B., Rundle-Thiele, S., & Lye, A. (2011). Marketing capabilities: Antecedents and implications for B2B SME performance. *Industrial Marketing Management*, 40(3), 368–375. <https://doi.org/10.1016/j.indmarman.2010.08.005>
- Messmann, G., & Mulder, R. H. (2012). Development of a measurement instrument for innovative work behaviour as a dynamic and context-bound construct. *Human Resource Development International*, 15(1), 43–59. <https://doi.org/10.1080/13678868.2011.646894>
- Mohammed, K., Ibrahim, H. I., & Mohammad Shah, K. A. (2017). Empirical Evidence of Entrepreneurial Competencies and Firm Performance: A Study of Women Entrepreneurs of Nigeria. *International Journal of Entrepreneurial Knowledge*, 5(1), 49–61. <https://doi.org/10.1515/ijek-2017-0005>
- Montiel Campos, H. (2016). The role of creativity in mediating the relationship between entrepreneurial passion and entrepreneurial alertness. *Review of Business Management*, 18(61), 457–472. <https://doi.org/10.7819/rbgn.v18i61.3010>
- Mujanah, S., Ardiana, I. D. K. R., Nugroho, R., Candraningrat, C., Fianto, A. Y. A., & Arif, D. (2022). Critical thinking and creativity of msme in improving business performance during the covid-19 pandemic. *Uncertain Supply Chain Management*, 10(1), 19–28. <https://doi.org/10.5267/j.uscm.2021.10.014>
- Neneh, B. N. (2019). From entrepreneurial alertness to entrepreneurial behavior: The role of trait competitiveness and proactive personality. *Personality and Individual Differences*, 138, 273–279. <https://doi.org/10.1016/j.paid.2018.10.020>
- Nguyen, B., Schinckus, C., Canh, N. P., & Thanh, S. D. (2021). Economic Policy Uncertainty and Entrepreneurship: A Bad for a Good? *The Journal of Entrepreneurship*, 30(1), 81–133. <https://doi.org/10.1177/0971355720974819>
- Nunnally, J. C. (1967). *Psychometric theory*. McGraw-Hill.
- Obschonka, M., Hakkarainen, K., Lonka, K., & Salmela-Aro, K. (2017). Entrepreneurship as a twenty-first century skill: entrepreneurial alertness and intention in the transition to adulthood. *Small Business Economics*, 48(3), 487–501. <https://doi.org/10.1007/s11187-016-9798-6>
- Ogiemwonyi, O., Harun, A. B., Alam, M. N., Karim, A. M., Tabash, M. I., Hossain, M. I., Aziz, S., Abbasi, B. A., & Ojuolape, M. A. (2020). Green product as a means of expressing green behaviour: A cross-cultural empirical evidence from Malaysia and Nigeria. *Environmental Technology and Innovation*, 20, 101055. <https://doi.org/10.1016/j.eti.2020.101055>
- Paik, J.-H., Kim, M.-K., & Park, J.-H. (2017). The antecedents and consequences of technology standardizations in Korean IT small and medium-sized enterprises. *Information Technology and Management*, 18(4), 293–304. <https://doi.org/10.1007/s10799-016-0268-2>

- Pepple, G. J., & Enuoh, R. (2020). *ENTREPRENEURIAL COMPETENCIES: A REQUIRED SKILL FOR BUSINESS PERFORMANCE SEE PROFILE*. <https://www.researchgate.net/publication/351905073>
- Presbitero, A. (2015). Proactivity in career development of employees: The roles of proactive personality and cognitive complexity. *Career Development International*, 20(5), 525–538. <https://doi.org/10.1108/cdi-03-2015-0043>
- Rakshit, S., Mondal, S., Islam, N., Jasimuddin, S., & Zhang, Z. (2021). Social media and the new product development during COVID-19: An integrated model for SMEs. *Technological Forecasting and Social Change*, 170, 120869. <https://doi.org/10.1016/j.techfore.2021.120869>
- Roundy, P. T., Harrison, D. A., Khavul, S., Pérez-Nordtvedt, L., & McGee, J. E. (2018). Entrepreneurial alertness as a pathway to strategic decisions and organizational performance. *Strategic Organization*, 16(2), 192–226. <https://doi.org/10.1177/1476127017693970>
- Runco, M. A., & Jaeger, G. J. (2012). The Standard Definition of Creativity. *Creativity Research Journal*, 24(1), 92–96. <https://doi.org/10.1080/10400419.2012.650092>
- Salgado, J. F., & Táuriz, G. (2014). The Five-Factor Model, forced-choice personality inventories and performance: A comprehensive meta-analysis of academic and occupational validity studies. *European Journal of Work and Organizational Psychology*, 23(1), 3–30. <https://doi.org/10.1080/1359432x.2012.716198>
- Shalley, C. E., Zhou, J., & Oldham, G. R. (2004). The effects of personal and contextual characteristics on creativity: Where should we go from here? *Journal of Management*, 30(6), 933–958. <https://doi.org/10.1016/j.jm.2004.06.007>
- Sun, S., & van Emmerik, H. IJ. (2015). Are proactive personalities always beneficial? Political skill as a moderator. *Journal of Applied Psychology*, 100(3), 966–975. <https://doi.org/10.1037/a0037833>
- Sung, S. Y., Du, J., & Choi, J. N. (2018). Cognitive pathways of team climate for creativity: Implications for member creativity and job performance. *Human Performance*, 31(4), 197–215. <https://doi.org/10.1080/08959285.2018.1509342>
- Taber, K. S. (2018). The Use of Cronbach's Alpha When Developing and Reporting Research Instruments in Science Education. *Research in Science Education*, 48(6), 1273–1296. <https://doi.org/10.1007/s11165-016-9602-2>
- Tang, J., Kacmar, K. M. M., & Busenitz, L. (2012). Entrepreneurial alertness in the pursuit of new opportunities. *Journal of Business Venturing*, 27(1), 77–94. <https://doi.org/10.1016/j.jbusvent.2010.07.001>
- Uy, M. A., Chan, K.-Y., Sam, Y. L., Ho, M. R., & Chernyshenko, O. S. (2015). Proactivity, adaptability and boundaryless career attitudes: The mediating role of entrepreneurial alertness. *Journal of Vocational Behavior*, 86, 115–123. <https://doi.org/10.1016/j.jvb.2014.11.005>
- Wang, W. Y. C., Pauleen, D. J., & Zhang, T. (2015). How social media applications affect B2B communication and improve business performance in SMEs. *Industrial Marketing Management*, 54, 4–14. <https://doi.org/10.1016/j.indmarman.2015.12.004>
- Wihuda, F., Kurniawan, A. A., Kusumah, A. I., & Adawiyah, W. R. (2017). Linking empowering leadership to employee service innovative behaviour: A study from the hotel industry. *Turizam: Međunarodni Znanstveno-Stručni Časopis*, 65(3), 294–313.
- Zainal, M., Bani-Mustafa, A., Alameen, M., Toglaw, S., & Al Mazari, A. (2022). Economic Anxiety and the Performance of SMEs during COVID-19: A Cross-National Study in Kuwait. *Sustainability*, 14(3), 1112. <https://doi.org/10.3390/su14031112>
- Zainol, N., Al Mamun, A., Ahmad, G. B., & Simpong, D. (2018). Human capital and entrepreneurial competencies towards performance of informal microenterprises in Kelantan, Malaysia. *Economics & Sociology*, 11(4), 31–50. <https://doi.org/10.14254/2071-789x.2018/11-4/2>
- Zampetakis, L. A. (2008). The role of creativity and proactivity on perceived entrepreneurial desirability. *Thinking Skills and Creativity*, 3(2), 154–162. <https://doi.org/10.1016/j.tsc.2008.07.002>
- Zhang, X., & Bartol, K. M. (2010). Linking empowering leadership and employee creativity: The influence of psychological empowerment, intrinsic motivation, and creative process engagement. *Academy of Management Journal*, 53(1), 107–128. <https://doi.org/10.5465/amj.2010.48037118>