JEF Journal of Business and Finance EM in Emerging Markets

BATIK CREATIVE INDUSTRY: CREATIVITY, INNOVATION AND COMPETITIVENESS TO ENCOUNTER GLOBAL MARKET

Wiwiek Harwiki, Dr. Soetomo University, Indonesia Achmad Choiron, Dr. Soetomo University, Indonesia Sri Hartini, Airlangga University, Indonesia

ABSTRACT

The paper explores creativity, innovation and competitiveness of batik creative industry in keeping of existence in global market. Purposes of this research are to identify how creativity, innovation and competitiveness of batik crafter encounter to global market and to produce the model. Through 7 informants (3 batik associates, 4 retailers) we analyzed and explicated the assumptions of creativity, innovation and competitiveness by locating the study within the interpretive research paradigm and exemplifying the global market that has impacts on batik industries recently. This study also acknowledges and addresses the government roles in supporting of creativity, innovation and competitiveness to encounter global market. Keywords: creativity; innovation; competitiveness; global market.

Introduction

In tightly competitive world, the nation's economic success can be seen by the increasing of creativity and innovation. Knowledge is the main source of creativity, innovation and competitiveness (Ezenwakwelu & Ikon, 2014). Creativity involves coming up with a new idea, whilst innovation entangle executing new ideas. While, innovation usually implies the use of these ideas (Oluwadare, 2015).

According to the European Commission, innovation as a process, states to alter an idea into a marketable product or service, a new or up-date method of crafting, manufacturing or distribution, or into a new social service method. The word also expresses the marketable, new or improved product, method or service that emerged in the end of this transformation process. Further it is mentioned that the development and implementation of new ideas (products, services, method and models) have to meet social needs and create new social relationships or contributions.

Further it is mentioned that the development and implementation of new ideas (products, services, method and models) have to meet social needs and create new social relationships or contributions. It reflects new responses to importunate social demands, which impact the process of social interplay at improving human wellbeing. Innovations are not only good for society but also augment individuals' capacity to serve (Edmiston, 2013).

Creativity and innovation is an important section of competitiveness. Without creativity and innovation, businesses in a country arduous become competitive (Porzse et al., 2012). Currently, the competitiveness becomes substantial in the global market (Sholikhah, 2018). Any firm must suffice these requirements if it is to remain in business, and the more competitive a firm relative to its rivals the greater will be its ability to gain market share. Globalization easily can be directly seen and enjoyed by the public so that it is in the near future can bring an enormous impact on Batik craftsmen.

In satisfying costumers, craftsmen and businessmen have to be scrupulous considering product and price which should be preferred by the customers and affordable for them (Nurhayati, 2016).

Literature Review

Creativity has been noticed as the construction of ideas or products which are novel and potentially useful (Fillis & Rentschler, 2010). Creativity has been recognized as one of the most distinct of human characters. It is indeed a special case of problem solving in which originality is accentuated (Achor, 2014). Creativity is labelled by the ability to create, bring into existence, to compose into a new shape, to produce through imaginative skill, to carry into existence something new. Creativity is not ability to generate of nothing, but the ability to produce new ideas by integrating, changing or re-implementing existing ideas. Some creative ideas are amaze and brilliant, while others are just simple, good practical ideas that no one seems to have thought of yet. Everybody has important ability heedless of gender, level, age and races.

Creativity also stated as an ability to create something new including device or method in deciphering problems, and mostly moving from the known to the unknown. Trying to socialize that only a few numbers who were permitted normally (Okpara, 2008). Artistic creativity – including Batik Industry- embroiled imagination and a capacity to deliver original ideas and novel ways of interpreting the world, expressed in text, sound and illustration. As cultural

heritage, as stated above, batik has cultural value in addition to whatever commercial value they may possess and can be seen as a subset of a wider category of goods that can be called "creative goods and services". These are man-made products whose manufacture requires some reasonably significant level of creativity.

Bates and Khasawneh (2005) stated that innovation is equalized with the adoption and implementation of new knowledge and practices, including the ability of an organization to take or establish new ideas and carry out these ideas in evolving new and improved products, services, and work processes and procedures.

Innovation which forms the basis of competitiveness is the key of development, sustainable economic growth and social prosperity (Musiad, 2012). Innovation is the basis for development and dynamism in all economies. Governments have important roles in improving innovation environment such as making investment in innovation institutions, helping remove the hindrances of innovation and establishing basic public policies that will redound to innovation.

Sulistiyani&Azizah (2017) stated that transformational leadership, learning orientation and work place spirituality influenced into innovative work behavior. Concept of innovative work behavior refers to introduction new ideas, beneficial and set of behavior needed to improving, processing and implementing ideas to increasing performance (de Jong&den Hartog, 2010). The innovation concept mentioned previously by Oluwadare (2015) is corresponding with the latter, therefore it is cited.

Small and medium enterprises (SMEs) play a progressively important for market growth domestically and abroad, driving sustainable growth in commerce, production and service sectors through fascinating investments. SMEs also play an important role in preserving a healthy balance in the economy and are primary job creators in community. SME's build their competitiveness in distinct ways, regardless of whether they produce goods or prepare services. Ahmedova (2015) implemented in this study as the following areas: access to finance; innovation activities; IPR and related activities; internationalization, and implementation of the best practices.

Methodology

The location of the research is East Java and Madura Island. The research subject is batik association. They consist of expert, designer and business woman. This research is qualitative study using phenomenon approach and case study in East Java and Madura. Descriptive method is used to analyze the current situation and interaction environment such as Batik crafter.

Member check has been conducted to describe specific themes, meant that descriptions have been asked more than once to participants, to check whether their descriptions or themes were accurate and to obtain their comments. Interview technique was arranged in dissimilar times (at morning and afternoon) to get the valid and the more credible data.

Result and Discussion

Participants were asked Creativity:

"....limitations of employees' thoughts.. conduct brainstorming to create attractive design to satisfy consumers....will export soon..."(informant 1.1)

"...takes longtime to be creative...many problems as triggers to increase their creativity... obtained more new things after correcting mistakes.. many properties used and the shape may

be round, triangular, square or rectangular. Colors may be black, green or red.. material choices may be wood, cardboard..... "(informant 2.1)

"....we give pictures and colorful painting and asked them to rewriting these paintings at their own combination of motives and colors....."(informant 3.1)

".... maximum discretion in how they finish their work.... their self-efficacy....giving valuable information....."(informant 7.1).

Participants were asked Innovation:

"...to communicate with employees as relatives...inspire them...direct them.." (informant 3.2)

"...working is long lives learning...long process... knowledge of batik crafts...involved in culturally.." (informant 4.2)

"...employees elaborated motives design ...thinking about effective crafts...changing the product layout..." (informant 5.2)

".....to find values and main objective of working...value of new products... understanding of batik and cultural life... (informant 6.2)

Participants were asked Competitiveness

"....Bank UMKM.. low interest...owned-state companies ...assist SMEs...."(informant 3.3) "....supported by local government in abroad exhibition....the efficiency and effective of restructuring sales...." (informant 4.3)

"...who did not want to maximize profitability?....need to be familiar with open market, free market of course...engaged international activities" (informant 5.3)

"...Office of...helps us to administer IP rights freely in certain events...trainings urgency of IP rights ...with Universities..." (informant 6.3)

Participants were asked Global Market

".....on line by Instagram, facebook ...buyer from Malaysia..."(informant1.4)

"......My products are cheap, but many of choices ...artistic and Indonesian touch.... (informant 2.4)

"..... It's called eco-printing... natural dyeing...." (informant 5.4)

"....increasing market..Japan is my short term target...supporting economic growth..(informant 7.4)

The study concluded that brainstorming led by owners since many of freedom is given to stimulate creativity. New design, motive and color combination of batik were created and inspired by the result of brainstorming or team consultations. The creativity process of Batik crafts appropriated with Ritchey (2011) which are consisted of problem description, identify dimensions and properties. New product development of Batik craft can be approach in different ways, such as using "*electronic canthing*" and Batik Fractal as appointed by Mahesh & James (2008) that technology driven product development in some companies have been successful thorough of customer needs understanding.

Employees inspired by the owner as a hard worker proved by Afsar & Badiir (2017) that as transformational leaders, they acquired employees to have needs of achievement and weakness needs of less creative behavior. Value of works and new ideas of Batik crafters are encouraged innovation behavior, moreover when spirituality at workplace related to perception of organization support influences employees creativity (Afsar&Badiir, 2017).

Trainings and assisting program conducted by Government and Universities formed inpractice such as color combinations, wrapping, export-import transaction and other subjects relating to encountering global market, that correspondent to study of Erne *et al* (2012) proved relationship between learning orientation and innovative behavior.

Funding for Batik Crafters has been offered by Commercial Banks on interesting scheme as noted by Nisa (2014) that Commercial Banks supposed to fund 20% of total credit. Therefore competitiveness of SME's should be supported by the movement to be better than rivals, tendency to register patents, increasing export oriented minds, and let the practices of creating more in order to achieve the better performance (Ahmedova, 2015).

Batik crafters have a good neighborhood since most of residences' employees closed to the Batik production building as well as uses natural dye to keep environmental friendly. This is a solution in reducing the impact of pollution and can even make batik as an eco-product of high economic value.

Considering this reality, it proves that Batik Crafters also provides some benefits for the people surrounding since they can work at once take care their children and earn to finance their family. It reflected the local wisdom and traditional culture. In this case Borshalina (2015) proved that Batik Trusmi in Cirebon supported the village of Batik indirectly to be promoted as the center of buyers locally or globally.



Based on all description in advance, the model can be suggested as follow:

Fig 1: Model Creativity, Innovation and Competitiveness to Encounter in Global Market (Source: proceed by authors)

Conclusion

The study examined creativity, innovation and competitiveness to encounter global market of batik industry. The model of creativity, innovation and competitiveness have roles to encourage batik industry encountering global market. Brainstorming, visual confrontation and morphological techniques conducted by the owner to lead the employees to battle in global market. Innovation can be supported by transformational leadership, learning orientation, and workplace spirituality. Innovation as a trigger to survive in global market, without innovation an enterprise quickly become hackneyed. Competitive capacity is constituted by access to finance, IPR-Related activities, internationalization and implementation of best practice. Enterprises can move into global market and begin to spread of local wisdom and culture, keep environment friendly, build more welfare society and increase the economy.

Government plays very crucial roles in encouraging batik creative industry to get into global market, accordingly the recommendations are:

- 1. Conducting implementation program for the creative business and increasing their ability to solve problems.
- 2. Encouraging commercial banks in funding with the longer grace period
- 3. Providing better access, especially in overseas marketing
- 4. Broadening collaboration with Universities and Colleges, especially in craft subject to make the advanced process of coloring, dyeing, and packaging
- 5. Others activities bolster creative industry into global market

Acknowledgment

This paper is as a research output funded by Ministry of Research and Higher Education of Indonesia on University Basic Excellence Research (PDUPT=Penelitian Dasar Unggulan Perguruan Tinggi) Scheme, year 2018.

References

- Achor, N.C. (2014). Enhancing creativity in entrepreneurship through home economics education in Nigeria. *American International Journal of Contemporary Research*, *4* (6), 104 -107.
- Adegboyega, O.T. (2012). Effects of Creativity and Innovation on the Entrepreneurial Performance of Family Business (A Study of Selected Family Businesses in Lagos State). A Master's Project Submitted to the Department of Business Studies, Covenant University, Ota, Ogun State.
- Afsar, B., & Badir, Y. (2017). Workplace spirituality, perceived organizational support and innovative work behavior: the mediating effects of person-organization fit. *Journal of Workplace Learning*, 29 (2), 95-109.
- Ahmedova, S. (2015). Factors for increasing the competitiveness of small and medium-sized enterprises (SMEs) in Bulgaria, *Procedia Social and Behavioral Sciences 195*, 1104 1112.
- Bates, R., & Khasawneh, S. (2005). Organizational learning culture, learning transfer climate and perceived innovation in Jordanian organizations. *International Journal of Training and Development*, 9 (2), 96–109.
- Borshalina, Tita. (2015). Marketing strategy and the development of batik Trusmi in the regency of Cirebon which used natural coloring matters. *Procedia-Social and Behavioral Sciences*, 169, 217-226.
- De Jong, J., & Den Hartog, D. (2010). Measuring innovative work behaviour. *Creativity and Innovation Management*, 19 (1), 23-36.

- Dimnwobi, S.T; Ekesiobi, C.S., & Mgbemena, E.M. (2016). Creativity, innovation and competitiveness in nigeria: an economic exploration. *International Journal of Academic Research in Economics and Management Sciences*, 5 (3), 29-52.
- Edmiston, D. (2013). Executive Summary of an EU Social Innovation Policy Survey. CRESSI. *Working Papers*, *17* (16.1), 01-09.
- Erne, M. C., Jaklic, M., Škerlava, M., Aydinlik, A. Ü., & Polat\$, D. D. (2012). Organizational learning, culture and innovativeness in Turkish firms. *Journal of Management & Organization*, 18 (2), 193-219.
- Ezenwakwelu, C.A., & Ikon, M.A. (2014). Empirical analysis on innovation and implication for entrepreneurship development in Nigeria. *European Journal of Business and Management*, 6 (36), 141-148.
- Fillis, I., & Rentschler, R. (2010). The role of creativity in entrepreneurship. *Journal of Enterprising Culture, 18* (1), 49-81.
- Musiad, A. R (2012). R & D and Innovation for Global Competition. Istanbul: MÜSİAD Araştırma Raporları: 76 (translated from Turkey).
- Nisa, C. (2016). Impact of bank credit policy to SME's towards SME's financial growth. *DeReMa Management Journal, 11* (2), 212-234 (translated from Indonesian).
- Nurhayati, S. (2016). Strengthening competitiveness strategy of Small Medium Enterprise (SME) batik to deal with Asean Economic Community (AEC). *Journal of Economic and Business*, 19 (2), 15-23.
- Oluwadare, A.A. (2015). Creativity and innovation: a viable tool for entrepreneurial development. *Global Advanced Research Journal of Educational Research and Review*, 4 (11), 225-231.
- Porzse, G., Takacs, S., Csedo, Z., Berta, Z., Sara, Z., & Fejes, J. (2012). The impact of creative organizational climate on the innovation activity of medical devices manufacturing firms in Hungary. *European Journal of Business and Management*, 4 (13), 1-12.
- Ritchey, T. (2011). General Morphological Analysis (GMA). In *Wicked Problems–Social Messes Decision Support Modelling with Morphological Analysis*. Springer Science & Business Media, Berlin, Heidelberg.
- Sholikhah, G.M., Sudarmiatin., & Siswanto, E. (2018). The competitive advantage of batik as a cultural heritage of Indonesia in international markets (case study of PT. Batik Danar Hadi Surakarta). European Journal of Business and Management, 10 (11), 168-174 (translated from Indonesian).
- Sulistiyani, E., & Azizah. (2017). Determinants of employees' innovative work behavior batik industry Surakarta. *Proceeding Sentrinov*, *3*, 308-319 (translated from Indonesian).