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The Impact of Achievement Motivation on Organizational Capabilities and Firm Performance in the Creative Industry Context

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Abstract

Research Aims - This paper aims to validate achievement motivation (AM) as a possible cause of the issues faced in the Indonesian creative industry context and establish a possible relationship between variables comprising organizational capabilities and organizational performance.

Design/Methodology/Approach - This paper is a confirmatory study that uses a quantitative approach utilizing an online survey/questionnaire. The study examines 214 valid respondent survey answers from invited respondents from the Indonesian creative industry via email and social media platforms.

Research Findings - This paper provides empirical validation of the hypotheses that AM is positively related with organizational capabilities and that those capabilities are positively related to firm performance (FP). This paper confirms past research findings regarding the relationships between the variables.

Theoretical Contribution/Originality - This paper extends the research on AM to the organizational level and analyzes its relationships with organizational capabilities and FP in an integrated fashion.

Managerial Implications in the South East Asian Context - This paper reveals AM as the possible true cause of the issues faced by the creative industry in Indonesia. Managers and government actors seeking to improve the industry should consider the AM of the workforce.

Research Limitations & Implications - The limitations of this study are that the resulting analysis is limited to affirming past research on the variables and that this is a cross-sectional study with a specific research context; which implies that the results of this study only represent the condition at the specific point in time the research is conducted.

Keywords - Achievement Motivation, Organizational Capabilities, Firm Performance, Creative Industry

INTRODUCTION

The Global Innovation Index (GII), published in 2019 by Cornell University, INSEAD, and WIPO, ranked Indonesia 85th among 129 countries. Furthermore, the Global Competitiveness Report by the World Economic Forum in 2019 ranked Indonesia 50th out of 141 countries, indicating a somewhat mediocre level of competitiveness of Indonesian industries. The GII rank uses a framework that consists of seven pillars, four of which are influenced by and related to knowledge – (1) human capital & research, (2) business sophistication, (3) knowledge & technology outputs, and (4) creative outputs.

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The published data from Indonesia's Central Agency on Statistics (BPS) showed that in 2019, only 12.4% of the Indonesian working population had a diploma or university degree. Such a low level of education among the Indonesian workforce not only could be the cause of the country's low GII rank but also could adversely impact Indonesia's human capital competencies, resulting in relatively less competitive industries. A survey conducted by BPS and Indonesia's Creative Economy Agency (Bekraf) (2017) as well as the Annual Performance Report of Bekraf (2020) identified a lack of well-educated human capital as one of the problems that creative industry is facing in sustaining its competitive advantage.

Creative industry is a relatively new industry globally that has arisen with innovation and technology. UNESCO defines creative industry as the sectors whose objectives include the production, promotion, distribution, or commercialization of products, services, and activities derived from cultural, artistic, or heritage origins (Skavronska, 2017). Based on Bekraf's categorization, Indonesia's creative industry comprises 16 industrial sectors: architecture; interior design; visual design; product design; film, animation, and video; photography; craft; culinary; music; fashion; application and game development; publishing; advertising; television and radio; performing arts; and fine arts.

Creative industry contributed 7.3% of the country's GDP and 12.88% of its exports in 2015, when it was deemed the future backbone of Indonesian economy. Improving the creative industry will bring the country closer to realizing this vision. However, despite positive growth and progress, Bekraf's survey (2017), Bekraf's 2019 annual performance report (2020), and Erna (2018) indicated that creative industry is facing a number of problems, including issues with domestic and international marketing, infrastructure, R&D, and education. Further, Skavronska (2017) showed that creative industry requires a creative environment that allows for creative thinking, innovation, and dynamic transformation. Education is believed to be one of the levers in developing such creative thinking that leads to the innovation needed in creative industry. Many studies have indicated that a low level of education among the working population is due to a lack of achievement motivation (Ah Gang et al., 2018; Singh, 2011).

The educational level of the working population affects the capabilities of an organization to sustain their performance. Ulrich and Smallwood (2004) defined organizational capabilities as the key intangible assets that comprise the collective skills of an organization. Their definition is further polished in the study of Kimata and Itakura (2021), who condensed the eleven capabilities from Ulrich and Smallwood (2004) to six and added an additional one. Organizational capabilities have been thought of as an important factor that determines the performance of an organization (Wang & Zeng, 2017). This study views knowledge creation, organizational creativity, entrepreneurial orientation, and organizational agility as capabilities similar to those described by Ulrich and Smallwood (2004) and Kimata and Itakura (2021).

This study was done in the hope of being able to help improve Indonesia's creative

industry by showing that the country's educational problem is actually, in part, a motivational problem. Thus, the objective of this study is to determine whether organizational achievement motivation has a positive relationship with organizational capabilities – knowledge creation, organizational creativity, entrepreneurial orientation, and organizational agility – that are believed to have positive relationships with firm performance in the creative industry context. To the best of the author's knowledge, this question is not being researched intensively and thus represents a research gap. This study summarizes the literature and available theories, uses them as a basis to formulate hypotheses, outlines the methodology, discusses results, and finally provides some suggestions based on the relevant theory and analysis.

LITERATURE REVIEW

Background Theories & Past Research

Achievement Motivation. Achievement motivation (AM), or the desire to achieve things, was first conceptualized by McClelland et al. (1958) as the "need for achievement" (nAch). People with higher levels of nAch are more likely to engage in more energetic and innovative acts, as well as to seek new information to improve themselves (Collins et al., 2004, Nicholls, 1984). Smith et al. (2019) defines AM as a form of motivation that includes having high standards of performance, showing competitive drive, increasing effort in activities or keeping efforts high with actions that result in either success or failure. Those with high AM feel a strong desire to succeed and fear of failure. These thoughts are grouped into "achievement thoughts"; while the characteristics of AM such as wanting feedback, risk taking, and responsibility, are grouped as "achievement behaviour" (Smith et al., 2019). Deshpandé et al. (2013) stated that AM affects people in group settings and can enable the group to perform better, to successfully obtain funding, to be more customer-oriented, to be results-oriented, to value accomplishments, and to search for opportunities externally. Clark et al. (2005) outlined that organizations with (achievement) motivation are more likely to process information effectively. This finding is in line with Nonaka's (1994) study showing motivation to be a driving force in knowledge creation within an organization.

Knowledge Creation. Knowledge creation (KC) is a term used to explain how organizations develop ideas, innovate, and demonstrate creativity through the organizational members' collaborative knowledge conversion (Bae et al., 2012). One of the factors affecting the organization's KC has been found to be the motivation of the members (Nonaka, 1994). At the organizational level, the organization plays a part in the KC process by facilitating the interaction of tacit and explicit knowledge among the people within the organization (Nonaka, 1994). This interaction is based on the conversion of either tacit knowledge or explicit knowledge, which can occur in four ways: (1) socialization, or the conversion of tacit knowledge to tacit knowledge; (2) externalization, or the conversion of tacit knowledge to explicit knowledge; (3) combination, or the conversion of explicit knowledge to explicit knowledge; and (4) internalization, or the conversion of explicit knowledge to tacit knowledge.

These interactions are presented in the SECI model, which is used to explain and measure the KC process (Bae et al., 2012; Li et al., 2008). KC has been shown to be related to the organization's innovativeness, creativity, and agility, as performing KC results in new information that can enable organizations to reconfigure themselves or identify opportunities (Cegarra-Navarro et al., 2015; Chung et al., 2010). Lu and Ramamurthy (2011) stated that knowledge can be utilized to prepare an organization to adapt to changes. Hence, it could be inferred that KC could enhance the organization's agility. Skavronska (2017) stipulated that facilitating knowledge to be exchanged and created could enhance the organization's creativity.

Organizational Creativity. Woodman et al. (1993) postulated that organizational creativity (OC) is the result of complex interactions between group creativity and individual creativity. Bae et al. (2012) define OC as the production, conceptualization, and development of new ideas that are useful for processes and procedures of an organization, as a result of individuals forming a group and working together. Due to the lack of consensus in OC definitions, Boso et al. (2017) define OC as the degree of differences of a product or service, that is offered by an organization compared to other alternatives, in new and useful ways for the customers. Further, they argued that novelty and usefulness are the vital defining elements of OC and viewed OC as a resource to improve the performance of an organization. Andriopoulos (2001) stated that available resources and skills of an organization contribute to OC. Blomberg et al. (2017) supported this statement by outlining that motivation, expertise, and skills are components of creativity. Tahmasebifard et al. (2017) noted the importance of creativity for organizations to attain agility. Boso et al. (2017) also outlined that OC allows the organization to attain a competitive advantage and a strong market position by generating new and useful products and solutions.

Entrepreneurial Orientation. Entrepreneurial orientation (EO) refers to a strategic orientation that allows an organization to have an entrepreneurial decision-making style as well as to exhibit entrepreneurial practices and methods (Li et al., 2008). Rauch et al. (2009) define EO as the strategy-making process of an organization (e.g., analysis, planning, decision-making) that incorporates the organization's values, mission, and culture to allow the organization to take entrepreneurial actions and decisions to enact the organization's purpose and vision and create a competitive advantage. Moreover, Li et al. (2008) stated that EO can be viewed as a resource that differentiates an organization from competitors by enabling it to discover and exploit market opportunities, react to challenges, and survive in a competitive and uncertain environment. This is further reinforced by Żur (2013), who outlines EO as a characteristic of organizations that is critical for their success, as it enables them to innovate and penetrate the market. Palmer et al. (2019) elaborates that EO is capable of predicting a firm's financial and non-financial performance, as well as serving as a bridge between AM and risk-taking.

The construct of EO consists of five dimensions: innovativeness, proactiveness, risk-taking, competitive aggressiveness, and autonomy (Li et al., 2008; Lumpkin et al., 2010). Motivation of the employees and knowledge of the organization have been shown to affect EO, in terms of how an organization creates and manages

knowledge to be proactive, risk taking, and innovating (Li et al., 2008). Previous studies have indicated that those with EO are able to survive in volatile environments as well as to have superior performance and obtain market positions with competitive advantages (Li et al., 2008; Teece et al., 2016).

Organizational Agility. Teece et al. (2016) defined organizational agility (OA) as the ability to efficiently and effectively redirect resources to create, protect, and capture valuable high-yield activities. OA consists of two dimensions: (i) operational adjustment agility, which is an organization's ability to change its internal processes rapidly according to market demands, and (ii) market capitalizing agility, which is an organization's ability to collect and process information to anticipate and act upon changes by adjusting their products or service to address customer needs (Lu & Ramamurthy, 2011). Agility is influenced by knowledge, learning, and an innovative culture, as well as by the ability to think outside the box (Cegarra-Navarro et al.; 2015, Harraf et al., 2015; Teece et al., 2016). Further, Cegarra-Navarro et al. (2015) concluded that the performance of the organization depends strongly on agility. Tallon and Pinsonneault (2011) supported this statement by indicating that agile firms can detect and respond to threats and opportunities quickly and can survive and thrive when less agile firms would eventually go out of business.

Firm Performance. Li et al. (2008) noted that although there is no clear guidance on how to measure firm performance (FP), various studies have used the organization's measure of efficiency, growth, and profit as the dimension of performance. Palmer et al. (2019) defined the financial performance of an organization using profitability, sales, and employee growth, as well as return on investment and equity, which can be grouped according to the dimensions of FP, efficiency, growth, and profit, similar to the study done by Li et al. (2008). Previous studies have indicated that the capabilities of the organization in gathering and utilizing knowledge, proactiveness, innovations, and creativity all affect FP (Blomberg et al., 2017; Cegarra-Navarro et al., 2015; Harraf et al., 2015; Li et al., 2008).

Hypotheses Development

Based on the above theoretical development on organizational achievement motivation, there seems to be a connection between it and knowledge creation, as mentioned by Clark et al. (2005) and Nonaka (1994). This is further supported by de Lange et al. (2010), whose study connected AM with performance and mastery of a skill. The possible connection between AM and KC is also reflected in the questionnaire developed by Smith et al. (2019), where some of the questions involve working with experts and learning from feedbacks. Hence, this study advances the following hypothesis:

Hypothesis 1. *Organizational AM has a positive relationship with KC.*

The above theories on organizational achievement motivation also suggest a connection between AM and OC. Andriopoulos (2001) stated that organizations need to have a culture with specific characteristics in order to develop creativity, including the ability to increase the individual's motivation. This is also supported by

Blomberg et al. (2017), who outline a study of Amabile, stating that motivation is one of the components that fosters creativity. Based on these previous theories, this study proposes the following hypothesis:

Hypothesis 2. *Organizational AM has a positive relationship with OC*.

The theories on organizational achievement motivation also suggest that it shows a similarity with EO, as those with high AM seems to be more willing to take risks in order to achieve success (Wiegand & Geller, 2005). Those with high AM are also more likely to work diligently and set difficult tasks so as to have a higher sense of achievement (Singh, 2011). These characteristics are also evident in the questionnaire of Smith et al. (2019), which uses risk-taking and their feelings after the work is done as characteristics of those with AM. Based on these theories, we hypothesize:

Hypothesis 3. *Organizational AM has a positive relationship with EO*.

The definitions of KC in some past works have hinted at the link between it and OC (Bae et al., 2012). This is in line with the study of Andriopoulos (2001), who noted that in a culture where information exchange is easier, creativity tend to be nurtured. Information exchange is the basis of SECI, as previously elaborated by Nonaka (1994); thus, it can be surmised that there is a connection between KC and OC. Bearing these connections in mind, the following hypothesis is proposed:

Hypothesis 4. *KC has a positive relationship with OC*.

The theories on KC have also hinted at the link between it and EO (Chung et al., 2010), as also mentioned in an older study by Knight (1997), where innovativeness was found to lead to EO. This is further supported by Li et al. (2008). Lumpkin et al. (2010) also support the connection between KC and EO, noting that organizations that allow their employees more autonomy are freer to explore opportunities and could potentially encourage innovation. Teece et al. (2016) also outlined that knowledge is required for organizations to gain a competitive advantage. With these connections, the following hypothesis is proposed:

Hypothesis 5. *KC has a positive relationship with EO*.

Cegarra-Navarro et al. (2015) elaborated that the KC of organizations enables them to act more agilely and assists them during times of need. This is also evident in the study of Harraf et al. (2015), who stated that flatter organizations tend to be more agile. Knowledge is key, and flatter organizations can more easily distribute information between their members; in turn, effective communication allows for better and faster decision making (Harraf et al., 2015). The following hypothesis is advanced based on the outlined theories:

Hypothesis 6. *KC has a positive relationship with OA*.

Being creative allows one to be unconventional, and the same seems to be true for organizations, as Skavronska (2017) outlined that organizations with OC can be more adaptive and flexible in solving their problems. Since more knowledge ena-

bles one to be more creative, as well as more agile, it could be surmised that the organizations with high KC also develop their OC and utilizes the same creativity to be more agile, thus improving their OA. Azeem et al. (2019) and Boso et al. (2017) have found that creativity is useful to create new solutions for the market, enabling the organization to respond to unpredictable changes faster. Hence the following hypothesis is proposed:

Hypothesis 7. *OC has a positive relationship with OA*.

The same line of reasoning can be utilized for EO, as creativity and innovation have been shown to go hand in hand in enabling organizations to survive the rapid changes of the market (Knight, 1997, Li et al., 2008). The knowledge that the organization has created enables the organization to be more innovative in the face of changing markets, and learning about upcoming changes enables the organization to prepare earlier and faster than competitors (Cegarra-Navarro et al., 2015). As such, the next hypothesis is proposed:

Hypothesis 8. *EO has a positive relationship with OA*.

Boso et al. (2017) also outlined that OC allows the organization to have a competitive advantage and strong market position by generating new and useful products and solutions. Previous studies have also indicated that those with EO are able to survive in volatile environments as well as to have superior performance and obtain market positions with competitive advantages (Li et al., 2008, Teece et al., 2016). Further, Cegarra-Navarro et al. (2015) concluded that organizational performance depends strongly on agility. Tallon and Pinsonneault (2011) supported this statement by indicating that firms with agility can detect and respond to threats and opportunity quickly; thus, agilty could enhance firm performance through a sustained competitive advantage. Based on these inferences on the aforementioned relationships, OC, EO, OA seem to have positive relationships with FP. We formulate this assumption in the following hypotheses for further analysis:

Hypothesis 9. *OA has a positive relationship with FP*.

Hypothesis 10. *OC has a positive relationship with FP*.

Hypothesis 11. *EO has a positive relationship with FP*.

RESEARCH METHOD

Sample and Procedure

This study is a quantitative study that invited approximately 500 people working in Indonesia's creative industry to voluntarily participate in the survey through an online method (e.g., email and social media platforms). This number of respondents is higher than the minimum number of respondents suggested by Hair et al. (2019), which is 150 samples for models with less than seven constructs. Random sampling was used to select respondents, with working in the creative industry in Indonesia as the invitation criterion.

Based on Bekraf's statistical survey report with BPS (2018), 95.59% of all creative

businesses in Indonesia have only 1-4 people working for the organization. Thus, one individual should be sufficiently representative of most such organizations, making the individual level of analysis appropriate for this study.

The respondents were asked to answer 65 questionnaire items divided into six parts covering the measurement of the constructs in the research model. This study employed Brislin's back translation method to translate all measurement items from English into the Indonesian language. The study also conducted a pilot test and focus group discussion (FGD) on the measurement items to ensure their face and content validity. FGD also helps in improving the pilot test questionnaire items based on the inputs received from FGD. Descriptive analysis is done using SPSS v.26, and inferential analysis is done based on structural equation modelling (SEM) using LISREL v.8.8.

Measurements

Every construct was measured using a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"). AM was measured using 13 measurement items adapted from Smith et al. (2019), which consisting of two dimensions – Achievement Thoughts (AMT) and Achievement Behaviour (AMB). A sample item for AM is "our organization has a strong desire to be a success in the things we set out to do." KC was measured using 15 measurement items adapted from Li et al. (2008), consisting of four dimensions – Socialization (KCS), Externalization (KCE), Combination (KCC), and Internalization (KCI). A sample item for KC is "our organization usually adopts learning by observation." OC was measured using 9 measurement items adapted from Boso et al. (2017) with two dimensions – novelty (OCN) and usefulness (OCU). A sample item for OC is "In our target market we have a unique perspective on solving problems." EO was measured using 13 measurement items adapted from Li et al. (2008), consisting of five dimensions – innovativeness (EOI), risk-taking (EOR), proactiveness (EOP), competitive aggressiveness (EOC), and autonomy (EOA). A sample item for EO is "Our organization has the ability and will to be self-directed in the pursuit of opportunities." OA was measured using 6 measurement items adapted from Cegarra-Navarro et al. (2015) and Lu and Ramamurthy (2011) with two dimensions – operational adjustment agility (OAO) and market capitalizing agility (OAM) – with a sample item being "our organization has the ability to rapidly adapt production to demand fluctuations." FP was measured using 9 measurement items adapted from Li et al. (2008), consisting of three dimensions – efficiency (FPE), growth (FPG), and profit (FPP) – with a sample item being "our organization is usually satisfied with net profit margin." All of the measurements used in this study have been validated and used in previous studies in different contexts.

RESULTS AND DISCUSSION

Respondent Screening. A total of 249 surveys were answered, of which 214 were valid after screening. The screening process excluded respondents who: 1) stated that they are not in the creative industry (10 respondents) or 2) did not state clearly the subsector to which they belong in the creative industry (15 respondents), or 3)

were found to be outliers based on SPSS analysis according to Mahalanobis Distance (10 respondents).

Demographic Results. Of the valid respondents, 71% are male, 32% are aged between 30 to 39, 53% have a bachelor's degree, 50% are the founders of their own business, 27% have been employed for over 15 years, 75% are based in the Java and Madura area, 35% are in micro businesses, 34% are in businesses have been established for 15 years or more, and 18% are in culinary businesses. A more detailed breakdown on the respondent's demographic data can be seen in Appendix A.

Respondents' Characteristics. The results show that most of the respondents are high on AM, in particular the thought dimension, which indicates that the respondents are driven by thoughts such as desire for success. For KC, the highest dimension is internalization, indicating that the respondents' organizations are more likely to internalize knowledge from others. The results for OC indicate that most respondents see their organizations as creative more due to functionality than due to novelty. In terms of EO, the respondents indicated that they are high on autonomy, suggesting that they are likely to value personal freedom in the workplace. On the OA construct, most respondents emphasized their rapidly adaptable nature. The respondents also indicated that, in terms of FP, they are high on growth, indicating that they represent high-growth businesses.

Validity, Reliability, Correlation and Hypothesis Testing Results. All measurements of the constructs have good validity and reliability, as shown in Table 1 and Table 2. Good validity and reliability are defined based on cut-off values obtained from Tee et al. (2013) and Simamora (2020), which are GFI, IFI ≥ 0.9, NFI ≥ 0.95, NNFI, CFI ≥ 0.97, SRMR ≤ 0.05, RMSEA ≤ 0.08, $(\chi^2 / df) \leq 2$, CR≥ 0.7, VE ≥ 0.5, and Cronbach's Alpha ≥ 0.8. Table 3 shows the correlation of the variables, which

Table 1
Result of Structural Model Fit Indices

GFI	RMSEA	SRMR	NFI	NNFI	CFI	IFI	χ2	df	χ2/df
0.94	0.065	0.042	0.99	0.98	0.99	0.99	129.40	68	1.90

Item	Results						
Construct	Mean	SD	Min	Max	CR	VE	Cronbach's alpha
AM	4.46	0.45	3.00	5.00	0.83	0.72	0.877
KC	4.21	0.57	3.00	5.00	0.92	0.74	0.905
OC	3.83	0.73	1.00	5.00	0.87	0.78	0.913
EO	3.98	0.66	1.20	5.00	0.92	0.70	0.897
OA	3.95	0.80	1.00	5.00	0.90	0.83	0.865
FP	4.34	0.66	2.50	5.00	0.93	0.76	0.914

Table 2
Descriptive Statistics Results

Dimension	AM	KC	OC	EO	OA	FP
AM	1					
KC	0.554**	1				
OC	0.635**	0.657**	1			
EO	0.471**	0.612**	0.687**	1		
OA	0.502**	0.542**	0.616**	0.659**	1	
FP	0.348**	0.480**	0.402**	0.507**	0.507**	1

Table 3
Correlation Test Results

** indicates significant correlation at the 0.01 level (2-tailed).

indicates that the variables have a statistically significant correlation (P<0.01). The hypotheses testing results shown in Table 4 indicates that two hypotheses are not supported – Hypothesis 3 and Hypothesis 10.

Effects of AM on KC & OC. The results indicated that organizations should exercise extra care in managing their human capital, especially by paying attention to their AM, as each individual AM in a team or group would form an organizational AM that acts as a lever to enhance KC and OC. KC itself also affects OC. Thus, by improving organizational AM, KC will improve and subsequently will also enhance OC.

Role of Culture in Bridging AM to EO. The results showed that AM does not seem to have a relationship with EO. De Pillis & Reardon (2007) showed that culture affects the EO of two different groups of individuals despite having the same level of AM. The present study confirms this finding. Indonesia's risk-averse culture could possibly affect the relationship between organizational AM and EO. This can be seen in the country's society and work culture, where few people are motivated to attempt becoming entrepreneurs, in contrast to countries that are famous for the entrepreneurial culture such as the United States.

Connection between Organizational Capabilities (KC, OC, EO, and OA). This study's results showed that EO could be enhanced by KC. This provides a pathway for Indonesian organizations and individuals who strive to be entrepreneurial to develop such qualities by integrating KC-related activities, such as performing a SECI cycle through organizational learning activities (e.g., training, coaching, etc.). Results have indicated that KC not only affects OC and EO but also affects OA, which is consistent with the findings of Skavronska (2017) as well as Lu and Ramamurthy (2011). As organizations perform KC activities, they learn and obtain new information that can be combined with their current knowledge to produce new, creative, and innovative products. This newly acquired knowledge can also be the key to survival in a volatile market, as it enables them to prepare for upcoming changes. Being more creative and innovative also helps the organization in the newly changed market. By enhancing their agility and being more entrepreneurially oriented, organizations in the creative industry can secure their position in the marketplace and achieve sustained performance.

Table 4
Results of Hypotheses Testing

No	Hypothesized Relationship	Structural Coefficient	T-value	Result
1	AM has a positive relationship with KC	0.89	12.76	Supported
2	AM has a positive relationship with OC	0.41	2.96	Supported
3	AM has a positive relationship with EO	-0.13	-0.92	Not supported
4	KC has a positive relationship with OC	0.49	3.59	Supported
5	KC has a positive relationship with EO	0.97	6.52	Supported
6	KC has a positive relationship with OA	0.43	4.33	Supported
7	OC has a positive relationship with OA	0.32	2.69	Supported
8	EO has a positive relationship with OA	0.20	2.13	Supported
9	OA has a positive relationship with FP	0.72	3.31	Supported
10	OC has a positive relationship with FP	-0.72	-3.14	Not supported
11	EO has a positive relationship with FP	0.56	2.98	Supported

Relationship between OC and FP. The results showed that OC does not directly affect FP. This finding confirms the findings of Boso et al. (2017) and de Vasconcellos et al. (2018) indicating that OC has no direct relationship with FP. Being creative is a necessary but not sufficient condition to directly enhance firm performance, because creativity is a necessary condition to develop innovation and agility, both then helps ensure a positive impact on the firm performance and the possibility of acting as a first mover.

MANAGERIAL IMPLICATIONS IN THE SOUTH EAST ASIAN CONTEXT

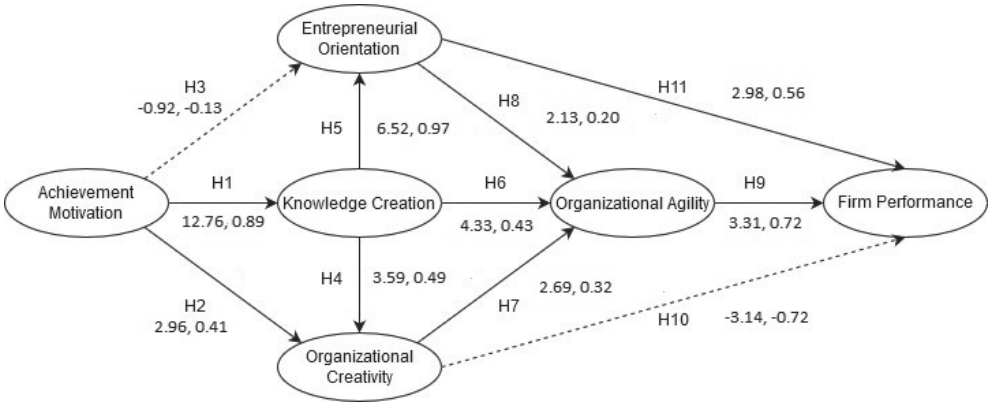
The main managerial/practical implication of this study is that organizational achievement motivation is the key lever to develop winning organizations by facilitating KC processes to ensure the creation of organizational capabilities such as creativity, innovativeness, entrepreneurship, and agility to enable organizations to respond and adapt effectively to changing environments in order to achieve sustained competitive firm performance.

Managers for organizations such as Bekraf, or the companies looking to improve their firm performance in the creative industry in Indonesia themselves, would do well to improve the achievement motivation of the firm, as the results have indicated such motivation is connected with other organizational capabilities. Increasing the AM of the organization also directly or indirectly enhances the organizational capabilities of KC, OC, EO and OA, which in turn increases FP.

THEORETICAL IMPLICATIONS

The findings contribute theoretically in several ways. First, AM is confirmed to positively impact an organization's KC and OC (Blomberg et al.; 2017, Clark et al.; 2005, Nonaka, 1994). Secondly, KC is also confirmed to positively affect OC, EO, and OA (Cegarra-Navarro et al., 2015; Sirková et al., 2014). Third, OA and EO is confirmed to be positively related to FP (Lu & Ramamurthy, 2011; Lumpkin et al., 2010).

These confirmed relationships mean that the creative industry can improve further



Note: The values are T-values and Structural Coefficient, respectively. Solid lines indicate supported hypotheses, dotted lines indicate unsupported hypotheses

Figure 1
Relationships of the Variables

by focusing on the development of the variables mentioned. These relationships can be seen in Figure 1. Further, this study expands past research to a different research context and clarifies the role of achievement motivation in the performance on an organization, meaning that this study brought the study of AM to the organization level from the individual level.

CONCLUSION

The results of the study confirm that AM and organizational capabilities are the key drivers of sustained firm performance in the context of creative industry. Further, the study establishes the important foundation for organizational performance of having a solid organizational motivation to enhance organizational capabilities that shape the firm's competitive advantage and/or performance. Specifically, businesses in the creative industry must focus on ensuring organizational motivation as part of their strategic objective to ensure that they have effective organizational capabilities to support their firm performance. Despite the study's contributions, there are some limitations to consider. First, this study is a cross-sectional study; therefore, it cannot determine causality between the variables studied. Second, the research context of this study is limited to creative industry in Indonesia; thus, the results of the study may differ in other industries in other geographical contexts. Hence, future research could examine the relationships among the variables in longitudinal studies to establish causality in different contexts.

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APPENDIX

Figure A.1
Demographic profile of the respondents

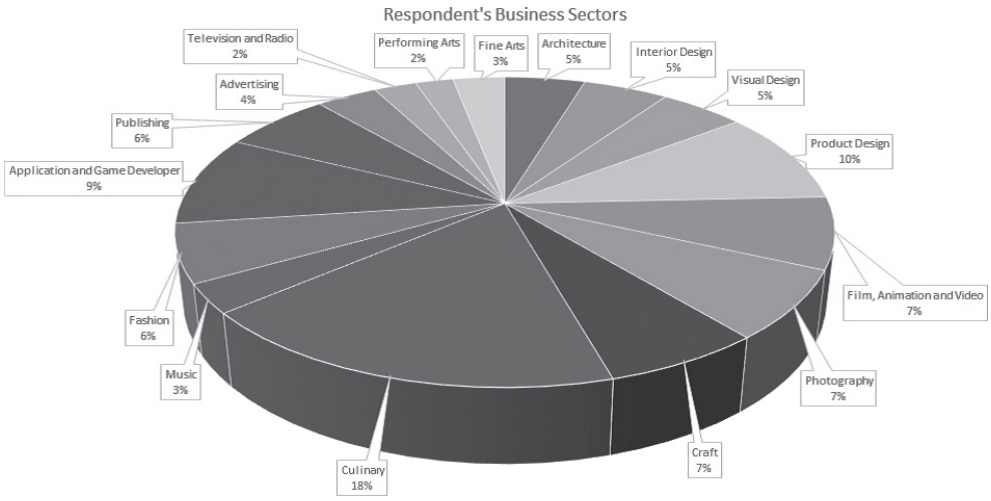

Figure A.2
Distribution of business sectors of the respondents