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# Creativity, Venture Creation and Innovation of Generation Y in Malaysia – A Comparison of Generation X and Generation Y

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**ABSTRACT.** Successful and enduring companies today have to maintain a competitive advantage and this is one of the challenges most companies faced today. Increasing demands and expectations of customers resulted in most companies looking to recruit more productive, responsive and creative workers. All generations have different values and creativity. Therefore the new entrants of Generation Y into the workforce do warrant some research into their level of creativity and innovation. Are the Generation Y's creativity and innovation very different from the last generation (Generation X)? This research examined the differences between these two generations in terms of their venture creation and innovation. For purpose of this study, 200 questionnaires were distributed to respondents of generation X and Y. Based on the t-Test analysis, there was significant differences of generation X and generation Y associated with venture creation and innovation. Discussion was provided at the end of the research about the possible reasons for the creativity, venture creation and innovation differences between the two generations. Strategies to encourage creativity between the generation were also discussed in this paper

**Keywords:** Creativity, Venture Creation, Innovation, Generation X and Y

## INTRODUCTION

All generations have different values and methods of working which may give implications in the form of conflicts, misunderstandings and communication problems (Sacks, 2006; Ahlrichs, 2007). The abilities, demands and attitudes of Generation Y are very different from both the generation X and former generations.

According to Schroer, (2008) Generation X are born between 1966-1976, while Generation Y are born between 1977-1994. Gen X are often characterized by high levels of skepticism and Gen Y are known as incredibly sophisticated and technology savvy. Generation Y are said to bring new values to the working world, They want to accomplish more in life than having a decent career, a good salary and a nice house, However, they are not searching for a life without work, but for work to give them more than money (Lindgren et al., 2005).

Creativity is important to innovate. Innovation is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to marshal needed resources; and fundamental skill of building solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion. (Kuratko & Hodgetts, 2004). Venture creation

is an important function of management which helps to maximize efficiency and to achieve organizational goals. Hence, entrepreneurial intent of venture creation and innovation is the willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of innovation is the starting of new businesses. Innovation itself is a symbol of steadfastness and achievement. Both of these two factors are important to the Malaysian economic growth and affects the future in many ways and it is the key factor to determine the success of Vision 2020 which is a Malaysian ideal introduced by the former Prime Minister of Malaysia, Dr. Mahathir bin Mohamad during the tabling of the Sixth Malaysia Plan in 1991.

Creativity and innovation has always been identified as a critical resource advantage among entrepreneurs. The absence of this will limit the entrepreneur in embarking new ventures of their business. According to Mueller & Thomas (2000), creativity is an essential element in innovation and is the heart of innovation. This view is shared by Baron (2004) who argued that creativity is related to opportunity identification.

The link between creativity, innovation and business venture has also been described by Wu (2006). Creativity is an aspect of innovation and innovation is a differentiator to obtain sustainable competitive advantage particularly when initiating an entrepreneurial venture. Gaining a competitive advantage will be the ultimate objective of a business venture. Innovation is hence essential creativity to encourage emerging entrepreneurial business venture. This is supported by Kropp et al. (2005) who found that business ventures that are more innovative will outperform those with low level of innovation.

Defining innovation succinctly is difficult because it takes so many forms (Bygrave & Hofer, 1991). There are many summaries of these definitions, as such innovation is a multidisciplinary field that benefited significantly from economics and social psychology. Each of these disciplines gives insights on the decisions and processes leading to the pursuit of an entrepreneurial endeavor. Besides, Schumpeter (2007) has included venture creation also as “nucleus of all social movements; in pre-eminence of a few people; central to the efforts and as the main agent of change; and a person one pace ahead of the group (Bass, 1981).

The literature review continues to include a discussion on generations and generational cohort theory in order to link the title of this research. The exact demarcation of each generation is controversial. The literature therefore offers various defining factors that differentiate the different cohorts and such, the X generation and Y generation individuals under review in this study are defined as belonging to the X generation, born from 1965- 1980 (Severt et al., 2009; Dries et al., 2008; Eisner 2005), and the Y generation or Millennials, born after 1981 but before 1999 (Simoneaux & Stroud, 2009).

## **METHODOLOGY**

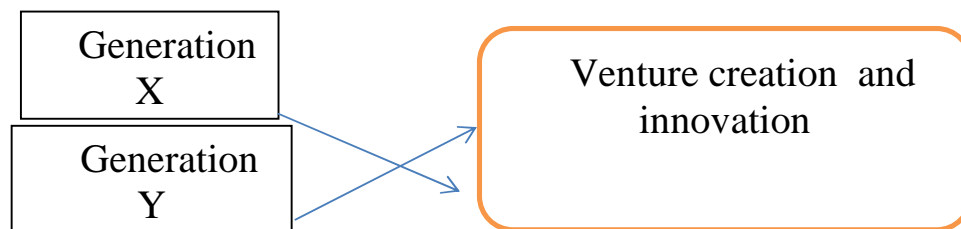
Two hundred (200) questionnaires were distributed to generation X and Y pertaining to this subject matter. For this research, an independent T-test was used as the statistical test. This study was intended to see the differences of generational X and Y in terms of venture creation and innovation. Based on this T-test data analysis, the variables that could affect the venture creation and innovation intent of generation X and Y were examined. From the finding, the significant differences of generation X and Y associated with venture creation and innovation were determined and hypotheses were accepted or rejected.

This study was conducted under a non-contrived setting by which this research was done without interfering the process of research. The variables are neither controlled nor manipulated, these are based on the previous research that have been studied. The sampling method used was purposive sampling.

The respondent consisted of Malays, Chinese, and Indian. Before distributing the questionnaire, a brief explanation was done to the respondent about the purpose and objective to ensure the respondents answered under unbiased and willing circumstance. The subject can be generalized to the population because they were the typical generation X and generation Y which is the interest of the study.

The questionnaire used in this study as the mean to collect the primary data for the study was adapted from Brown (2010). A questionnaire cover letter was written with the purpose of the study. This questionnaire content consists of part 1 and part 2 whereby the 1<sup>st</sup> part is about the respondent profile and the 2<sup>nd</sup> part is about the variables of interest: (1) Intention to venture creation, (2) Professional Attraction, (3) Entrepreneurial Capability, (4) Network Support, (5) Self independency, (6) Problem Solving, (7) Innovation, (8) Social Network, (9) Confident level, (10) Motivational CQ, (11) Culture Intelligence, (12) Venture creation style, (13) Venture creation orientations, (14) Vision- Long term perspectives, (15) Vision- short term perspectives, (16) Venture creation traits. In this questionnaire, a total of 19 questions were used., The respondents were asked to read and indicate their agreement or disagreement with each of the statement designed at part 2, using a 5-point Likert scale.

The theoretical framework of this study is depicted below:



**Figure 1: Theoretical Framework**

**Hypotheses:**

The hypotheses of the variable of study are shown below.

**Proposition one :**

H1: There is a significance difference of intention to venture creation between generation X and generation Y .

**Proposition two:**

H1: There is a significance difference of innovation between generation X and generation Y .

**FINDINGS**

**Descriptive Statistical Test**

Table 1 to 4 depicted the descriptive data of the respondents. Table 1 showed that for generation X, more female responded whereas for Generation Y, the respondents are mostly male. For generation X, most respondents are Malay followed by Chinese and Indians while for generation Y, most respondents are Chinese, followed by Malay and Indians . This is depicted in Table 2.

**Table 1.Generation \* Gender Cross Tabulation**

Count

		Gender		Total
		Male	Female	
Generation	Generation X	30	70	100
	Generation Y	79	21	100
Total		109	91	200

**Table 2.Generation \* Ethnicity Cross Tabulation**

Count

		Ethnicity			Total
		Malay	Chinese	India	
Generation	Generation X	54	33	13	100
	Generation Y	23	72	5	100
Total		77	105	18	200

Table 3 to table 4 showed the work status, and educational level of the generation X and Y. The cross tabulation in Table 3 indicated that most generation X are employed, followed by paid self employed and are employer. While most of the Generation Y are students, followed by unemployed and paid employed ( Table 4). In terms of education level, most respondents from generation X and Y have a Bachelor degree ( Table 4)

**Table 3. Generation \* Work Status Cross Tabulation**

Count

		WorkStatus					Total
		Employer	Paid Employer	Self Employed	Unemployed	Student	
Generation	Generation X	22	46	28	2	4	100
	Generation Y	10	22	10	5	53	100
Total		23	28	28	25	96	200

**Table 4. Generation \* Education Level Cross Tabulation**

Count

		EducationLevel					Total
		Doctorate Degree	De- gree	Master's De- gree	Bachelor's De- gree	High School Diploma	
Generation	Generation X	8		16	52	24	100
	Generation Y	0		2	89	9	100
Total		8		18	141	33	200

In terms of Reliability Analysis, the table below showed the reliability analysis of the items for venture creation ( Table 5) and reliability analysis of items for innovation in Table 6.

**Table 5. Reliability Statistics  
For Venture Creation**

Cronbach's Alpha	N of Items
.782	6

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A5	16.44	14.961	.590	.733
B5	16.12	13.051	.811	.669
C5	16.18	14.339	.686	.708
D5	16.66	16.467	.430	.773
E5	16.64	17.518	.433	.771
F5	16.56	17.373	.277	.812

**Table 6. Reliability Statistics  
For Innovation Intent**

Cronbach's Alpha	N of Items
.831	6

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A7	17.72	9.409	.656	.791
B7	18.02	10.191	.663	.793
C7	18.00	10.372	.542	.815
D7	18.02	10.874	.504	.822
E7	18.10	9.618	.678	.787
F7	18.04	9.647	.582	.809

The Cronbach alpha for both reliability analysis is above 0.70 indicating that the instrument to measure venture creation and innovation is of high and acceptable reliability (Sekaran, 2010)

**Table 7 T Test For Generation X and Y For Venture Creation**

	Le-vene's Test For Equality of Va-	Le-vene's Test For Equality of						95% Con- fidence Interval of Difference	95% Confi- dence Interval of Difference
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	riances	Va-riances							
	F	Sig,	t	df	Sig (2 tailed)	Mean Diff	Std Error Dif	Lower	Upper
Equal va-riance assumed	3.282	.073	-4.19	98	.00	-.713	.169	1.05055	-3.7612
Equal va-riance not assumed			-4.19	91	.00	-.713	.169	1.05055	-3.7580

**Table 8. T Test For Generation X and Y For Innovation Intent**

	Levene's Test For Equality of Va-riances	Levene's Test For Equality of Variances		ddf				95% Confi-dence Interval of Difference	95% Confi-dence Interval of Difference
	F	Sig,	t		Sig (2 tailed)	Mean Diff	Std Error Dif	Lower	Upper
Equal variance assumed	2.945	0.63	5.5	55	.00	1.8	.19	.69683	.146317
Equal variance not as-sumed		0.00	5.5.	555	.00	1.8	.19	.69683	.146317

The t –test in Table 7 and table 8 above showed that the t results for both venture creation and innovation intent are significant ( t(df= 98) , p= 0.000; t(df=55) , p=0.000). The results indicate that there is a significant difference between generation X and generation Y in terms of their venture creation and innovation intent in entrepreneurship.

### DISCUSSION AND CONCLUSION

This study was conducted to engage in propensity of venture creation and innovation generation X & Y to discover their identified aspect to entrepreneurial innovation and venture creation intent . The objective of this study attempts to identify whether there is a different between the two generational cohorts shows in terms of these two dimensions . .

The research concluded that there is a significant different between the propensity toward entrepreneurial intent between X generation and Y generation individuals . Having established this, some interesting findings were identified. These are summarized below:

#### Proposition one:

*H1: There is a significant difference of venture creation between generation X and generation Y.*

Given that Levene's test has a probability not less than 0.05, so equal variances assumed. Thus, we can use the t-value df and two –tail significance for the equal variance as-

sumed estimates to determine whether differences of generation X and Y existed associated with venture creation and innovation. Since the value in the table (0.00) indicates that  $p < 0.5$  and hence, is significant. We therefore reject null hypothesis . We can infer that there is a difference of intention to venture creation between generation X and generation Y.

**Proposition two:**

*H1: There is a significant difference of innovation between generation X and generation Y.*

Given that Levene's test has a probability not lower than 0.05, we can assume that the variances are relatively equal. Therefore, we can use the t-value df and two –tail significance for the equal variance estimates to determine whether difference of generation X and Y existed associated with innovation. Since the value in the table (0.00) indicates that  $p < 0.05$  and therefore, is significant. We therefore reject the null hypothesis and accept the alternative hypothesis. We can conclude that there is a difference of innovation between generation X and generation.

The results clearly reveal a significant difference between generation X and Y in terms of venture creation and innovation . The study provides empirical support of earlier studies done by Tan and Wan Yusoff ( 2012) that both generations X and Y showed some differences in their work motivation. They recommended that organizations should modulate their operations and procedures in order to properly satisfy and “bring out” the creativity and innovation of these distinct groups of generations. The differences can also be explained by Spiro (2006) who revealed that generation Y is found to be more technological savvy. They are more proficient in assimilating high technologies, prefer flexibility, creativity and venturing into new ideas and business. Tay (2011) and Dougan et.al., (2008) also pointed out that Generation Y would remain longer in organizations which invest and supplies sophisticated technologies that make their jobs interesting and challenging. They also rely on more teamwork and gather ideas as a team for creativity ( Murphy, 2010).

On the other hand, the results are also parallel to the findings by United Nations Talent Management team of identifying the differences between generation X and Y in 2013. Generation Y is reported to love challenges more than generation X, they want to be surrounded by creative people more than generation X and they thrive in more multi media and venture creation setting.

In order to encourage creativity and new ideas of venture creation among the Generation Y, brainstorming, open meetings , case solving can be introduced . Staff can be trained to obtain the necessary skills to think creatively and recruitment process should look for newly employed by identifying creative people through tests and assessment process. . Last but not least company can implement deliberate strategy to change its organizational culture and structure to spur creativity ( King & Anderson, 1995).

There are a few limitation in this study as it contains a few weaknesses and restrictions hindering the generalizability of the results and corresponding conclusions. The most important is the sample size of the survey is still small. First of all, this study only has a limited sample which 200 respondents participated. This may not have represent all the view and the opinion from the population.

The study heavily relied on the questions based measure using a 5-point scale. This method has its typical flaws such as respondent's willingness to accurately respond, and their willingness to complete the full survey. This became apparent as data had to be omitted due to an irregular response pattern of choosing the same option for every question and also for leaving the questionnaire incomplete.



It is highly recommended for this study to be extended by working with bigger dataset in the future. Besides that, given the diversity of cultures and ethnic in generation X and Y, the study can be extended to examine if ethnic and culture differs across venture creation and innovation in the same generation. By doing this, we can retrieve information in higher accuracy and precision from a bigger sample size.

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