Entrepreneurship and Creative Economy: Mental Models of Cultural Entrepreneurs in Belo Horizonte, Brazil

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Abstract

This study aims to analyze the common elements in the mental models of cultural entrepreneurs in Belo Horizonte, Brazil, as well as to contribute to the expansion of public policies that enable the development of such enterprises. The theoretical framework of this study addresses entrepreneurship and the mental models of entrepreneurs in the creative economy sector. The Brazilian government has showed concern with the development of the creative economy sector, considering its importance in the national and international scenario. There is a lack of information and data that describes the specific characteristics and issues of the creative economy. Thus, it is important not only to present a statistical data on the sector, but also qualitative data that can broaden and deepen the knowledge of the sector and its professionals.

Keywords: entrepreneurship, mental models, cultural entrepreneurs, creative economy, qualitative research

1. Introduction

Entrepreneurship, over time, has emerged as a generator of income source, contributing to the economic and social development of Brazil; whether motivated by the need of an individual, or group, or business opportunities perceived in the market [1]. According to The Global Entrepreneurship Monitor report (GEM) published in 2015, 17.2% of the Brazilian adult population (between 18 and 64 years of age), were entrepreneurs [2].

The Brazilian government has showed concern with the development of some sectors of the economy, including efforts to expand the development of the creative economy sector.
In 2011, we saw intensification of this effort with the creation of the Secretariat of Creative Economy in, under the Ministry of Culture, aiming to lead the formulation, implementation, and monitoring of public policies based on social inclusion of the Brazilian cultural diversity, sustainability, and innovation [3].

This concern of the Government is also reflected in the National Plan of Culture, established by Law 12.343, on December 2, 2010, which has, among its objectives as defined in Article 2, § IX, XI and XII, “to develop the cultural economy, the internal market of cultural consumption, as well as exports of goods, services and cultural content;” “to improve and develop the cultural industry both in the public and private sectors;” and “to professionalize and specialize agents and cultural managers [4].”

The Plan of the Secretariat of Creative Economy presents five key challenges for the development of effective public policies for this sector. The first major challenge was the gathering of information and data related to companies in this sector. The Plan confirms the lack of sufficient existing data, which prevents a comprehensive understanding of features and capabilities of the sector, as well as the fact that the secondary data reported does not always reflect the reality.

The second challenge is related to the coordination, stimulation, and nurturing of creative endeavors. The third challenge is the lack of educational opportunities promoting the development creative skills, which hinder the advancement of qualified professionals. The fourth challenge is the need of an infrastructure for distribution/circulation and consumption/enjoyment of creative goods and services. The fifth challenge revolves around the creation/adaptation of the tax legislation, social security, labor law, and intellectual property terms that meet the specific needs of enterprises and industry professionals.

The lack of information and data describing the characteristics and specific industry issues is noticeable. Thus, it is important not only to present, through further research, statistical data on the sector, but also qualitative data that can broaden and deepen the knowledge of the sector and its professionals.

Based on this scenario, this study aimed to analyze the common elements in the mental models of cultural entrepreneurs in Belo Horizonte, Brazil. The five companies of the cultural sector surveyed in this study were selected by criteria of accessibility: an art school, an open air cinema, a publisher, a conventional theater group, and a puppet theater group.

Following this introduction, this chapter is divided into five parts: the theoretical framework, which is a review of the key concepts related to the topic of this study; the context of the studied sector, the methodology, in which is explained how this study was conducted; the presentation and discussion of results; and final considerations, followed by references.

2. Theoretical framework

This study is anchored on two theoretical pillars: entrepreneurship and mental models. To understand the phenomenon of entrepreneurship, theoretical considerations about its conceptual dimensions and development were drawn. In the area of mental models, theories related
to the topic were exposed, as well as a reflection on its relationship with entrepreneurship. In addition, this theoretical framework addresses the sector of the creative economy in Brazil.

2.1. Entrepreneurship

Behind every invention or innovation, there are people or teams with visionary, argumentative characteristics, seeking differentiation: entrepreneurs are those persons who “have a singular motivation (...), a desire to be recognized and admired, imitated and referenced, and wish to leave a legacy [5].” Dornelas [5] tracks the position of Schumpeter [6] in finding that “The entrepreneur has always had a fundamental role in society and argues that the emphasis on studies in the area emerged as a result of rapid technological change and the rapid increase in market competition.”

Filion [7], reports that Schumpeter “was the one who really launched the field of entrepreneurship” by associating economic growth to the behavior of the entrepreneur, especially with regards to innovative entrepreneurship, which, according to Schumpeter himself [6], is a propellant of economic and social development of a nation.

Schumpeter [8] states the importance of entrepreneurship to the capitalist system, by considering such a system as “a form or method of economic change,” an evolutionary process that takes place through changes in the economic life, which in turn produces industrial and consumer transformations.

The innovation is “a specific tool for entrepreneurs” by which they identify the change as an opportunity for new businesses, products, or services. The executives must find the sources of innovation, the changes and symptoms “that indicate opportunities for an innovation to succeed [9].” The term entrepreneurial ship derives from the French word entrepreneur, which literally translated, means “one who is among” or “intermediate,” or “being on the market between supplier and the consumer [10].”

McClelland [11] points out characteristics of entrepreneurial behavior: the pursuit of opportunity and initiative, persistence, commitment, demand for quality and efficiency, calculated risk taking, goal setting, information gathering, planning and monitoring systematic, persuasion and networking, independence and self-confidence.

Sometimes—and mistakenly—the term entrepreneur is regarded as synonymous with business owner. A business owner is not always an entrepreneur, because the entrepreneur demonstrates an innovative behavior by creating a new situation for their company or business, while the business owner is more directed to the operational aspects of the business. Despite the differences between these individuals, they share some characteristics; it would be rare to find a business owner that did not have at least some characteristics of the entrepreneur [5, 12].

The GEM report [1] defines entrepreneurialship as “any attempt to create a new business or new venture such as a stand-alone activity, a new company, or an expansion of the existing enterprise. In either situation the initiative can be from an individual, group of individuals or companies already established.” That is, in conceptual terms, the literature points to the
individual entrepreneur and the settings that characterize such behavior. On the other hand, an individual with such characteristics cannot be considered entrepreneur, which would be equally mistaken to consider an individual lacking these characteristics unable to undertake an entrepreneurial endeavor.

For this study we adopted the Hisrich and Peters [13] entrepreneurship concept, defined as “the process of creating something new with value by devoting the necessary time and effort, assuming the financial, psychological and social risks, as well as receiving the resulting rewards of satisfaction, and personal and economic independence.”

The literature indicates the action of the entrepreneur is strongly influenced by their mental models [14]. Therefore, it is necessary to review the subject of mental models or cognitive styles, in order to understand their influential relationship.

2.2. Mental models of entrepreneurs

To better understand entrepreneurial action, a deep understanding of cognition is required. Cognitive skills, concurrently with motivation, represent the basic determinants of learning and performance at work. Besides the entrepreneurial behavior and entrepreneurial skills, the mental model of entrepreneurs seems to be the path to understanding and developing this topic.

The term mental models emerged in 1943 from the launch of the book “The Nature of Explanation,” written by Scottish psychologist Kenneth Craig who defined it as a representation of elements and environmental situations. His theory has been used in psychology and cognitive sciences, and in the business field, albeit slowly, through the research of mental models concepts [15].

Mioranza [16] attributes the spread of the mental models concepts by the publication of two books, both titled as “Mental Models,” in 1983. The first publication by Gentner and Stevens consists of a collection of contributions made to a seminar on the topic. The second publication by Johnson-Laird seeks to explain the theory of mental models through deductive reasoning and reading comprehension.

Johnson-Laird [17] made explicit the need to create new cognitive science study methods that would change how researchers in the field would perceive how the human mind operates. Later, Johnson-Laird [18] stated that reasoning depends on the individual collection of knowledge that leads to the formulation of a conclusion and validation; as well as the pursuit of other opportunities in alternative mental models to reach a decision. According to the author, reasoning is a simulation of outcomes in the outside world based on the knowledge of the individual through their mental models, and not just a rearrangement of formal logic [19].

The mental models are incomplete and reflect only the portion of the object understood, and may therefore be flawed or reflect limited knowledge that no longer applies to a given situation, thus requiring the improvement of its theoretical analysis and practice in daily life [20]. The cognition is not limited only to the human brain, but it is also directly related to the physical and social environment of the individual [21].
Several factors may influence the construction of mental models: the observation of the occurrence being modeled, experimentation and understanding of the trends of the occurrence, as well as all types of search and selection of information on the subject that are fundamental for the construction of a mental model. In this construction, individuals make use of processes of representation, communication, and interaction with the environment, forming a loop between the experience, evaluation and application of certain concepts. The environment sends messages of all kinds and the individual, based on their ability and cognitive capacity, processes these messages to build a representation of the world and the elements associated with it [14].

The mental models strongly affect the attitudes of individuals, because they influence how people interpret what they see and what they experience [14]. Senge [22] collaborates with Johnson-Laird [17] in stating that two people with different mental models, also reflecting its subjectivity, can observe the same object in different ways and thus describe it in different ways, each under their own perspectives. For him, mental models can be “simple generalizations” and even “more complex theories” that shape the way of individuals act [22].

In the field of organizations, Hill and Levenhager [23] speculated that to be successful, entrepreneurs must be able to handle significant ambiguity, which requires them to develop a “vision” or mental model of how to act in their environments, as well how to communicate their interests and goals to stakeholders to gain their support. The responsibility committed to the position of the entrepreneur is very large, because as decision makers, or sometimes the only decision maker, they take upon themselves to define the company’s strategy [24]. These decisions may be heavily influenced by the professional and personal life of the entrepreneur, the meaning they attach to reality and how they live it—in other words, by their mental models [24].

The mental models are a set of four elements from systemic construction: cognitive, functional, symbolic, and emotional. The functional elements are not only made from a number of physical characteristics of the organization, such as size, product line, and market infrastructure, but also translated into aspects of the utility of the company [25].

The symbolic elements are related to what the organization represents or symbolizes for the subject, in other words, the meaning he/she attaches to it. Cognitive elements are their mental constructions—or perceptions—about a particular phenomenon or object, including the perception that the individual has of the organization. In other words, cognitive elements create knowledge networks that organize and connect the various types of information, generating meanings to objects. Emotional elements show a series of “states of mind (pleasure, pain, joy, fear, etc.) that the individual carries on the organization.” These elements generally refer to the emotional state, either positive or negative, that the individual develops for the organization [25].

The entrepreneur registers objects and events from these elements. Based on external stimuli, the collective representations of the object and their own mental representations, form the subject of its business representation. So “the more important the organization is for the entrepreneur, the greater will be the network of meanings associated with it [25].”
Past experiences, social interactions, symbols and their meanings, and moments of difficulty, all contribute to the changes and consolidations of mental models. Thus, mental models do not depend on “just the heads of individuals,” but also on their life stories and their interpersonal relationships with employees, customers, suppliers, competitors, family, and friends [26].

The mental models, along with other external aspects, can contribute positively or negatively to the development of the skills of individuals, and therefore influence on the organizational performance. The responsibility of entrepreneurs about their organizations is in their actions, thoughts, and representations of the world—in other words, in their mental models [26].

In this viewpoint, Estrada et al. [15] argue that, given the context of evolution and constant changes in the markets, there is a growing trend of people incorporating more mature and evolved models in the values and objectives of the organization, with thoughts and attitudes continually seeking training, development, and true values. According to these authors, there is no point for an organization to have tools, instruments, techniques, organizational structure, resources, and information, if the mental models of individuals of the organization are unable to process them and make decisions to position the organization strategically. These considerations are consistent with those of Mioranza et al. [26], by claiming that the way individuals act and relate is also essential influencers to the organizational processes.

The competitiveness of companies depends on the ability of the organization—or entrepreneur—to identify opportunities, trends, and new realities in the market in which the organization operates; as well as the ability to see what occurs within the organization, to question existing practices and procedures, and have the ability to adapt them as needed. It is clear, therefore, that the way entrepreneurs think about their organization, the image they have of its development, and the way they pursue their objectives can either broaden or narrow the possibilities of the organization [15]. De Toni et al. [27] collaborate with this reasoning by stating that the construction of mental models of the entrepreneurs can strongly influence the performance of organizations, contributing to the differences in performance between same-sized organizations and in the same market segment.

The mental models are an important factor in the entrepreneurial process emphasizing the social nature of it and the need for the development of studies on the subject [28].

2.3. The creative economy in Brazil

The creative economy sector began to gain prominence in the worldwide in 1986, when the United Nations (NU) published the Declaration of the Right to Development, which states that it is an indisputable human right and also a duty of the state. The creative economy has to be understood as a “strategic axis of development for different countries and continents in the new century [3].”

The sector of the creative and cultural economy includes the activities performed from intellectual capital that generates new jobs and enables economic growth and the development of the country. According to the 2008 Report of the United Nations Conference on Trade and
Development (UNCTAD), the creative economy is comprised of “the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs [29].”

The creative factor is of great importance for the country’s economy. Creativity is a “relevant factor for the establishment of trade relations, competitiveness, and global economic integration to the extent that the ability to create becomes more important than the production of commodities and industrial products with low added value [30].”

In this economy, the main raw material is creativity itself, and its activities can be grouped as core, related activities, and support activities, in accordance with the UNCTAD’s proposed classification. Core activities include segments such as Cultural Expressions, Performing Arts, Visual Arts, Music, Film, Video, TV, Radio, Printing and Publishing, Software, Technology, Architecture, Design, Fashion, and Advertising. The related activities are composed of segments for secondary companies providing services and materials essential to the core activities. Support activities relates to the indirect deliveries of goods and services that support both the core and related activities.

It is important to realize that the creative economy is a productive sector and provides potential for development, including the creation of public policies that encourage its growth. The Office of Creative Economy (SEC) was created in 2011, under the Ministry of Culture, which developed the Plan of the Secretariat of Creative Economy, containing actions to regulate and stimulate the activities of this sector.

The SEC, through the Plan of the Secretariat of the Creative Economy, defines creative industries as “all productive activities that have as their main function the generation of a creative output of symbolic value, which becomes the central element for price formation and production of cultural and economic wealth [3].”

The 2012 SEBRAE report shows that the annual growth of the creative sector in the last 5 years, as compared to the country’s Gross Domestic Product (GDP), is of 6.13%. The survey data indicates the volume of people exercising formal occupations related to creative industries—3,763,271 people, or 8.54% of the country’s formal employees. There are 865,881 persons exercising formal occupations in activities related to the core, representing 1.96% of total formal employees in the country. The average monthly income of formal workers in the core activities of the creative industry is R$ 2293.64, 44% higher than the average income of formal workers in the country, which averages at R$ 1588.42. The research also shows that 63,373 companies are acting in the core of the creative industries, which corresponds to 1.86% of the total of 3,403,448 enterprises in the country [31].

Thus, one can observe the importance of the sector to the economy, especially if you take into account the fact that the country has a huge number of informal enterprises in this sector—as in other sectors of the economy—which makes it difficult to fully analyze it in terms of the number of acting enterprises and number of persons employed therein, as well as the financial transactions that it produces, and the extent of their contributions to their growth and development of the sector.
3. Methodology

The methodology of this research is characterized as qualitative, constituting of a descriptive and explanatory case study. The qualitative research is essentially interpretative, which includes a description and analysis of data about people, organizations, or even scenarios, with the aim to interpret and generate bases for some considerations and conclusions from the data [32].

The case study method appears to be the most suitable for the proposed goals of this work, the method “is characterized by deep and exhaustive study of one or a few objects, so as to allow their broad and detailed understanding [33].” The case study is the process that “investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly defined [34].” Thus, this research consists of a case study of multiple subjects.

This study can be characterized as descriptive and explanatory. The descriptive study aims to “accurately describe the facts and scenarios of a certain reality [35].” The explanatory research deepens the knowledge of a particular subject, and that it can be performed as a continuation of descriptive research [33].

Five companies in the cultural sector in Belo Horizonte, one of the segments that make up the sector of the creative economy, were selected based on the criteria of accessibility. As the focus of the research is the analysis of the mental models of the entrepreneur, which are related to individual behaviors and perceptions, there was no concern in distinguishing very successful companies to other that are less successful, but to select companies that were consolidated in market, having the entrepreneurs as the main subject of the research.

The fieldwork consisted of semi-structured interviews with an entrepreneur of each of the companies surveyed, based on the script used by Mioranza [16], adapted for the objectives of this research. For the analysis and interpretation of data, we used the technique of content analysis that should produce results that reflect the objectives proposed in the research based on the extracted content of communication [36]. The content analysis can be understood as a set of techniques for communication analysis, through an objective and systematic description of the revealed content, for the purpose of interpreting the message. This technique “seeks to know what is behind between the lines [37].”

The interviews were recorded and transcribed so that the speech content could be analyzed according to the thematic category method, with the aid of Windows Excel spreadsheets to interpret the data obtained. Data was analyzed according to Bardin [37] and is presented and analyzed in the next section.

4. Presentation and analysis of data

To better understand the organizations surveyed, a brief description of each is necessary. The first organization, the School of Visual Arts, was founded in 1999 in Belo Horizonte, and offers courses in cartoon illustration, drawing from observation, composition, anatomy
and perspective, animation, visual storytelling, painting, advertising art and illustration, sculpture and modeling, digital and 3D illustration, and technical course in visual arts. The school is a small business, founded by two partners with 16 employees, and a teaching staff consisting of 15 experienced and qualified teachers to provide quality education to their students.

The second company operates in the field of motion picture, founded in 1992 as an open air cinema in order to display French films only. Two years later, in 1994, the current owner took over the company with the vision to display a repertoire, not only French, but independent movies originating from all European, North American, Latin American countries, and more. Subsequently, the organization acquired sponsorships of large corporation, such as Unibanco and Usiminas, which provided greater livelihood to the exhibits. The organization currently has three projection rooms with a capacity for up to 138 people, and it promotes various film festivals, including free daily shows at public schools in the suburban areas with the goal of enabling low-income children to gain cultural access to through the exhibits. This project takes place throughout the year without the help of the government or any funding for its implementation. This is a small business and currently employs about 30 employees. Besides the exhibition of films, the open-air cinema houses in its space have a restaurant and cafe, a bookstore, and a small shop selling customized products.

The third subject is a publishing company founded in 1981 with the intention of bringing African-Brazilian and Brazilian cultures back into schools through the publication of books. According to the entrepreneur, the idea was to mildly debate the theme of racial prejudice by enhancing self-esteem and the sense of equality among children. This small business employs seven full time employees and relies on the cooperation of other freelance professionals for illustration and layout work. The publisher currently offers in its catalog books in the field of Anthropology, Sociology, History, Education, Brazilian Literature, Children, and Youth Literature. In textbooks, other topics were added to promote cultural development of children and adolescents, such as the children with special needs, native Brazilians in the current society, gender and homosexuality, among other topics.

The fourth company is a theater group founded in 1982 by 12 artists aiming to create pieces that reflect and represent their generation. The interviewee is one of the founders of the group that brought her education and professional business experience as an accountant and administrator to the enterprise. The theater group is a small business currently employing 50 people at its headquarters—the cultural center, created from the perceived need for greater social engagement with performance arts in the city, with focus on research, training, and encouragement of theatrical creation. The organization offers courses and workshops for artistic training for various projects in the area, while maintaining a research center, as well as preservation of the art through an in-house book and video library. The group has performed repeatedly in all regions of Brazil, as well as in the United States, Canada, and several countries in Europe and Latin America.

The fifth company is a puppet theater group founded in 1970 by three professors of the School of Fine Arts at the Federal University of Minas Gerais (UFMG). The group manages every project from script creation and adaptation, to scene props, to conceptualization, and creation of the puppets. In 2000, the group decided to part ways the University, looking for
greater administrative autonomy as well as greater possibilities for gaining sponsorship to finance their projects. In 2003, with the death of two of the original founders, the direction of the group was passed to one of the original partner’s daughter and two other professionals. Since then, the group has developed several projects, creating new shows, and a museum where the puppets and props of shows since its foundation and the school are exposed, and a school which offers introductory courses to puppetry.

With regards to demographics of the respondents, among the five subjects researched, three are men and two women. The entrepreneurs surveyed are between 40 and 71 years of age, two are married, two are single, and one is divorced. About their academic backgrounds, all respondents have training in the area in which they operated and exhibited quite diverse professional experiences prior to opening their current companies, which might have been beneficial in the development and growth of their current businesses—confirming the above cited theory by [24, 26].

The respondents reported that they always had an interest in getting involved in the arts industry. According to the theory, the motivations of the entrepreneur can originate from their creativity, need to contribute to society through their work, and the need for recognition [38]. Their motivations for the creation of their enterprises can be seen in the extracts below:

*And I always thought to myself, what would I be willing to do until I die? I’ll be working, because I do not believe in retirement. So what type of work would satisfy me? You often hear of artists of visual arts who die in the middle of a project, this is very common in this field and I admire that.* (I1)

*[…] What I feel for motion pictures is not passion, it is love. Love is very distinct from passion. Love requires dedication, resignation, sacrifice, patience, tolerance, cadence, faith, believe. Love is a different feeling by choice. I chose motion pictures because I love it.* (I2)

*[…] This space stimulates greatly. It’s a space where playfulness extraordinary are possible, where people can express their emotions, show their other side. This interested me more than being a farmer, which was my destiny because my father was a farmer.* (I4)

One interviewee showed her desire to give continuity to the work of her parents, a responsibility to carry on a social activity that brings cultural projects to less fortunate social classes.

*Years ago, my dad gave an interview at the group, and the end of it he laughed and he said “look, I think we’ve been condemned to make the world go round” and I agree! I agree because he left me here with the hot potato, and I’m thinking that’s it, I’m doomed, I don’t have too many options! (laughs)* (I5)

Such feelings are related to the life history of the individual, and even their family ties as described by [26]. Another observation from the interviews is the view that the company could contribute in some way to the social question, as in art school, which detected the lack of trained visual arts professionals in the city, fulfilling no only the commercial purpose of any institution, but also the social objective of training professionals. As the publisher, which seeks to bring schools the discussion of prejudice and racial inequality, it also has the function of changing the cultural viewpoint of the society:

*[…] God knows how I’ve been supporting my community library here. It’s what I like do—put a book into the hands of a kid, although kids today do not like to read much, but we have to insist! We can’t be discouraged! It’s a question value, I believe in the cause, I believe that this work is important and there’s a lot much more to be done.* (I3)
According to [25], mental models are characterized by cognitive, symbolic, emotional, and functional elements. The authors define the cognitive elements as the mental constructs of the individual on a particular experience or object, allowing the evaluation of the image the individual has of the organization. The extracts from the interviews that reflect these elements are presented in Table 1.

The data presented reflects cognitive elements of images that respondents constructed in relation to their organizations. Their speeches are marked by descriptor such as constant movement, community project, and what the company offers to its target audience. An element that displays disparity to the others is the symbolism of struggle and survival, as it relates to the difficulty of survival in a competitive environment. In this sense, the capacity and the behavior of the entrepreneur are fundamental bases for the continuity of the company [39].

The symbolic elements are related to what the organization represents or symbolizes for the subject, the meanings they assigns to it [25]. The data obtained from the interviews were presented in Table 2.

Entrepreneurs had common symbolic elements related to joy, memory and stability. Noteworthy are the symbolic elements, translated as “my life,” “big career goal,” which are greatly related to the identification with the organization. Other evidence presented in the interviews demonstrates certain symbiosis between the entrepreneur and their organizations: at times, entrepreneurs confuse the characteristics of the organization with their own and describe both. This can be clearly seen in the following extract: “The open air cinema is synonymous with strength, and I am his guardian (I2).” This can be explained by the fact that the entrepreneur is looking to print their values and characteristics in the companies they created. It is an interesting result, however, to find that level of identification with the established organization. Such data collaborates with the study of [15].

In the case of cinema, we are faced with the question of preserving the city’s cultural heritage. According to the theory, this fact can produce the strengthening of the creative potential and the development of the organization [40, 41].

The emotional elements refer to the affective state, albeit positive or negative, that the individual has towards the organization [25]. The emotional elements cited by the entrepreneurs surveyed were very diverse, most mentioned were feelings of satisfaction, joy, commitment, achievement, responsibility, anxiety, and frustration. Table 3 presents the elements mentioned.

| Cognitive Element | How do you describe... (company name)? |
|-------------------|---------------------------------------|
| This is the space where experienced artists show aspiring artists the possibilities that they may have. | It’s a house of public interest in the city, plus the responsibility of being the last open air cinema of the city. |
| It’s a small company in Brazilian context, which makes it an endless struggle, hard, difficult in every end. | It’s a collective project and lots of work. |
| It is an eternal motion, is an unrelenting thing, pulsating non-stop. |

Source: Survey data.

Table 1. Cognitive elements.
It is noticed that the emotional elements described by the interviewees are a mixture of positive and negative feelings, but most predominantly are feelings related to pleasure. It is noteworthy that the elements of anxiety and frustration are related to problematic situations which entrepreneurs surveyed are currently facing in their own businesses. In the first case, the entrepreneur expressed his concern to “refresh the group,” since, according to him, the actors are aging and the group needs to continue without their physical presence.

So we have been thinking about it, how refresh the group, how to give continuity to the group without the physical presence of the founders. Because today, our major limitation is also our greatest advantage - our product is that we do, and our shows take off mostly because of actors in them. This is a physical limitation of both time and space, which is disturbing. (...) And besides, we’re old, we’re getting old, and can’t really take the race (...) How about ten years from now? We’re already tired of traveling, how are we going to do? This is how generate revenue so we need to reinvent our model (I4).

Another fact that stood out was the question of succession. The interviewee, aged 71, is seeking a person who can continue his business with the cultural identity that he gave the company. Single and childless, this entrepreneur does not have a natural successor to take control of the company. She shares how she thinks about it daily and believes that the only solution would be to sell the company when she is no longer able to run the business.

The functional elements are comprised of a number of physical characteristics of the organization, such as size, product line, markets and infrastructure, and translated into aspects of company utility [25]. The interviewed entrepreneurs were asked about the benefits they get from the company. It can be seen through Table 4, that despite treating the physical aspects of the environment, most of the elements cited by entrepreneurs qualify as emotional. I was cautious to not fix the entrepreneurs in their speech to fully convey their own perceptions. The mental models are a partial reflection of object, which can be understood by the means of perception [20, 42].

The elements reported show the emotional bond that entrepreneurs have with relation to their companies. For the respondents, their companies symbolize their achievements, a place of personal and professional fulfillment. Aiming to expand the vision of the mental representations
of the interviewed entrepreneurs about their organizations, they were asked about what comes to mind when they hear the name of their company. The elements represented were the most diverse, but also related to the feelings they have for their companies. Some elements, such as love, commitment, sense of belonging to a collective project, joy, only underscore the level of personal connection entrepreneurs have with their own ventures. Thus, it is perceived that the mental models of the surveyed entrepreneurs of this cultural segment are loaded with symbolic representations related to the emotional aspects of the relationship between entrepreneurs and their own businesses. The results point to a strong relationship of identification and realization by the interviewees.

The surveyed cultural entrepreneurs had an inclination to identify market opportunities as [26, 39]. Two of the respondents reported having identified themselves to a market opportunity when opening their businesses, both aimed to fulfill unexplored markets in the city. As for new market opportunities, all cultural entrepreneurs surveyed reported to know opportunities in underexplored niches or of great potential in their own markets, both for the development of new products and services for these niches, confirming the approach [15]. Two of the entrepreneurs surveyed reported that one of the issues that ultimately hinder progress in this segment is the lack public policies for investments in the cultural area:

Because the government, I’ll give you an example, there is a line of credit from government for recovery open air cinemas and creating new theaters with Brazilian capital. Look how wonderful! A 4% interest per year, that looks wonderful!! And you can pay in 12 years, look how wonderful? Just you need to guarantee the same money you borrow! If I have the value I’m asking, it’s easy, no need to take loan! So that’s the difficulty here in Brazil. They need to understand that it’s not a ‘favor’ the state is creating, it’s a way to strengthen the cultural level of the people and this kind of cinema is strictly cultural. But the Brazilian government doesn’t understand it yet. (I2)

I think the biggest challenge is that we’re still an underdeveloped country. A country where you still have a narrow political class, managers who lack knowledge, lack of culture, lack citizenship, lack ethics, lack full observance of the constitution, and because of the lack of collective interests they always turn their back to the cultural industry. Fail to see that education and culture are essential for a human being to be happy. (I4)

Such difficulties are not unknown to the government; proof is in the second key challenge the Plan of the Secretariat of the Creative Economy, which calls for the development of public policies for the sector, as well as the coordination, encouragement, and promotion of creative endeavors. The document stresses that public notices of promotion are currently the only means of investment in culture in the country, and that it is necessary to find other ways to finance projects in this sector [3].
Thus, new forms of financing through the development agencies, public, and private banks need to be created. Lenders need to adapt their offers to the actual needs of the industry, while taking into consideration their inability to provide full security for such loans, and meet deadlines and other requirements imposed by the lending institutions. If the nature of these entrepreneurial endeavors differs from traditional enterprises, it is necessary to create policies and regulations that promote their development.

Regarding the process undertaken, respondents cited some factors that provide pleasure in the process. Among the most frequently cited factors are: the pleasure to see the outcome of their efforts, the possibility to create something new, the satisfaction of getting a positive result, to overcome challenges and see the company grow; as reflected in the statements below:

[…] It’s like having a dream and not knowing if it will ever work. (I1)

I think it is a chance, that’s all. (I2)

You see the book in the kid’s hand, whether at school or at any other place. That’s when I begin to drool! The kid doesn’t know who I am, never mind who the publisher is, he’s just there enjoying the book, the new world that he’s walking into. (I3)

You happen to see an invention come to fruition, a new idea to be performed - that gives me more pleasure than anything. To see it happen and transform it into reality. That’s what gives me pleasure. (I4)

I think it’s to create. To draw the puppet, see it being built, and finally ready. I think that is what gives me the most pleasure. (I5)

Some of the motivations refer to the need for achievement, which is a second entrepreneurial characteristic, according to [11]. This characteristic is the individual need of entrepreneurs to test their limits and capabilities to performing what they have proposed. The need for achievement drives individuals to start and build their businesses [11].

Regarding the involvement of the respondents with their ventures, they reported working about 10–12 h a day. In some accounts, it was observed that respondents often take work home and even work on weekends and during the holidays.

Regarding the degree of importance given to their businesses, three of the respondents reported that cultural entrepreneurs put their companies before their personal lives. The other two have given the company the second place in their lives, being second only to their children. About the motivations that lead them to continue with the organizations, the reports show the involvement and commitment of entrepreneurs with their organizations:

I think it’s the idea that we’re just beginning. (I1).

Man, I never want to stop! To stop for me would be the end of my life. (I2).

If I did not have to work, I don’t know what I would do. My sister says “Are going to work until you die?” I say: “If I could die working, I will find it to be a very good end.” (I3).

I think it’s because of all the possibilities that are still on the table, that I still can take a risk and see what could happen. (I4).

I think that’s my story, challenge, each year has a new challenge, a history, my days are never the same. So I think that’s what motivates me. (I5).
The reports feature elements such as: satisfaction, challenges, opportunities for personal and professional growth, possibilities for what the business can become, as well as the emotional bond created with the company. The existence of such elements strengthens the bond and commitment of the entrepreneurs interviewed with their businesses. This data confirm what [25] argues as the greater the importance entrepreneurs give to their organization, the larger meaning of commitment is associated with it.

The data also indicates common elements of mental models among entrepreneurs surveyed in this segment, especially with regards to the elements cited [25, 26]. Among them, the symbolic and emotional elements that led respondents to explore their mental representations in relation to their endeavors are highlighted. With this regard, it was apparent in their speech, evidence showing a strong connection, identification, and a symbiotic relationship with their companies, what seems to be one of the main sources of great motivation and commitment to the same. Such involvement can also come from the pleasure afforded by the fact that they do what they love, which in turn provides an opportunity to satisfy their need for achievement.

5. Final considerations

This study aimed to analyze the common elements in the mental models of cultural entrepreneurs in Belo Horizonte, Brazil. The field research was conducted through semi-structured interviews with an entrepreneur of each company studied.

The interview results indicated that cultural entrepreneurs are often required to deal with financial difficulties to sustain their ventures, whether through the Law for Promotion of Culture or sponsorship development. These difficulties require the entrepreneur to obtain necessary resources to execute their projects, as well as to have the ability to manage resources, deal with the allocated budget, all while striving to achieve the projected results.

For this to occur, it is necessary to develop the entrepreneurial skills that enable dealing with these activities efficiently. It is not enough for entrepreneur this segment, have only the artistic and cultural skills for the development of the organization. It is essential to create public policies and programs that make possible the formation and development of management skills in these entrepreneurs with the aim of strengthening the projects already established and also provide the basis for the creation of new ventures. Thus, it is necessary to consider that the nature and dynamics of these activities and projects differ from traditional enterprises, becoming essential and urgent to create policies that promote their development. It is necessary to establish new forms of financing that encourages the development of enterprises, calling for public and private banks to adapt their offerings by taking into account the challenge the entrepreneurs face that to offer collateral and abide by deadlines required by the lending institutions.

Investments in this sector is necessary as it has a have specific role in society. The cultural sector has great social impact in the country [43, 44]. Mainly because Brazil is a developing country, which should strive to invest in education and culture, thus promoting more than the development of its population, but the fulfillment of a constitutional right guaranteed to
the people. It is also considered that such actions justified the formalization of enterprises that operate informally, show that the industry has potential for economic growth and generation of tax revenue for the country. Small enterprises and valorization of the culture can provide a fertile environment for the strengthening of the local economy [45].

It is hoped that this study can contribute to the social context, providing information regarding the specifics of these organizations, to help establish public policies that enable the development of businesses in the creative economy sector as the first challenge in the proposed Plan of the Secretariat of Creative Economy (2011), with regards to survey information and industry data.

The collected data indicate common elements of mental models between the entrepreneurs surveyed. The most evident were the emotional and symbolic elements that led respondents to explore their mental representations in relation to their endeavors. Were evident, in their responses the strong connections with their respective companies (almost symbiotic), fueled their motivation and commitment to the success of their enterprises.

Among the common elements we highlight a few like emotional satisfaction, joy, commitment, achievement, responsibility, anxiety and frustration, and “all the emotions inherent to any other area of life,” mentioned during the interviews. The reports are marked by positive elements, such as satisfaction and achievement. Only two of the respondents also cited the frustration and anxiety due to adverse situations they face in their businesses. Such networks of meanings formed in their mental models around their developments point to some elements common to entrepreneurs surveyed: their high degree of involvement and commitment to their organizations, and also their emotional ties with their businesses. Distinct elements of mental models of entrepreneurs within the same segment are fully explainable since, despite of being companies in the same industry, they perform different activities.

The research results point to the importance of the theme of this study. The development of mental models of entrepreneurs can narrow or broaden the possibilities for growth of organizations, by building the skills of entrepreneurs and their decision-making in the conduct of their respective companies. As these are dynamic structures that can change over time, it is believed that mental models can be created to encourage the development and organizational performance. The development of mental models of entrepreneurs can narrow or broaden the possibilities for growth of organizations, by building the skills of entrepreneurs in the conduct of their companies.

A challenge found in this research is anchored by the fact that the subject of mental models still offers sparse literature, particularly in the area of administration, since this topic has been extensively explored in the areas of education and psychology. The studies related to the mental models of entrepreneurs conducted so far are few and recent. One limitation of the research is the fact that a small number of entrepreneurs have been interviewed.

It is suggested for future studies, the continuity of research conducted in non-traditional sectors of the economy, such as the creative economy, with the goal of building a more adequate research model for these segments, to better analyze the mental models of these entrepreneurs. Thus, this paper is expected to contribute to the expertise, education, and training of entrepreneurship, providing administrator with realistic training with a vision of new segments of
the economy to be better exploited. Above all, this study aims to show that this market sector is different from the others and it lacks specialized competencies of individuals wishing to enter this environment. It is believed that continuous research in these areas can greatly contribute to business growth, through the development of their entrepreneurial skills and consolidation of mental models geared to better organizational performance. In the perspective of management, the theme of the creative economy has still been little explored, constituting an opportunity for its development [44]. It is hoped that this study may well contribute to the development of the subject, and it may stimulate further research in the area considering its importance to the field of management studies.

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