NARRATING THE INNOVATION OF TAIWAN'S CULTURE AND EDUCATION BUSINESS IN ENTREPRENEURING

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ABSTRACT

The development of Taiwan's culture and education business was virtually business operation full of interesting changed and struggled with adversities. This study adopted narrative approach and empirical research to explore development of Taiwan's culture and education business, the counter measures and responses of enter prises to such changes. Through the case study o "Taiwan Knowledge Bank (TKB)",it analyzed the mutual effects between the development of Taiwan's culture and education business and business operation. The narration of operator sledus back to the past, which brought about inspirations in terms of operation and management. The results of this study contained eight points: 1) Balance between innovation and risk to create a new business group; 2) Content is king; 3)Integrate core competitiveness to give full play of the comprehensive effect of economies of scope;(4)Create a new business group via blended learning; 5)Establish a system to implement business plan; 6)It's both difficult to startup and maintain a business;7) March the last mile of" betterness education"; 8) The recognition of entrepreneurship and operation innovation of entrepreneurs and employees. The results serve as the development strategies for the vast market of culture and education business and the reference of entrepreneurship and transformation of culture and education business.

KEYWORDS

Narrative approach, Taiwan's culture and education business, operation innovation, organizational identity, organizational change.

1. INTRODUCTION

A. RESEARCH BACKGROUND

During this time, Taiwanese education gradually lifted the restriction and underwent qualitative change. The market of tutoring spread from cities to all over Taiwan. Cram schools for adult and children in various forms of chain and franchise had been established grew fast with in a short time, especially, cram schools for American English for kids like Hess, Giraffe, Joy English, and Kid Castle. There were as many as 200 to 500 chain and franchise cram schools. At this point, Taiwan had fully shaped its style in culture and education business, while cram schools in Taiwan roseupto3,707.Suchamajor education policy change, serious sub-replacement fertility, financial crises sand economic down turn, as well as other adverse factors led to the cancellation of tutoring business and the new peaks of the number of cram schools were written off. In2013, 2014, and 2015,there were 779,809,and808cram schools were written off, which were the highest figures. By then (as of March 16, 2016),a totalof10,080cram schools wrote off, indicating the

increasingly worse operational environment. If they did not transform, the practitioners were bound to be abolished or written off.

Althoughthetotalnumbersofcramschoolsregisteredin2014and2015 remained 17,846and18,532, all the practitioners face the threat of serious sub-replacement fertility. They tried all means to transform and attempted to create new blue ocean of culture and education business. In particular, they adopted digital information technology, cloud, and international and new business models to pursue successful transformation.

B. RESEARCH MOTIVES

Starting from tutoring, the founders of Taiwan Knowledge Bank(TKB: main field in Taipei, Kaohsiung and Tainan) adhered to certain management logic to establish a tutoring system. In the digital context, it was important and valuable experience to success fully transform to digital learning, which could serve as reference for those who intended to get involved in culture and education business. Therefore, the main research motives of this study were summarized as follows:

- It narrated the history of Taiwan's culture and education business so as to learn its development.

- It understood the impact and operation innovation of digital learning on Taiwan's culture and education business through a case study.

- It learned how enterprises create a new situation through operation innovation in the face of changes of external environment based on the case study.

- It figured out the gap of recognition during operation innovation and creation of a new situation between entrepreneurs and management teams through the case study, which facilitates operators to learn the cooperative conditions and communication focus of operation innovation in internal environment.

2. LITERATURE REVIEW

A. OPERATION INNOVATION

Organizational innovation had been studied from many different perspectives, including product, process, product and process, and multiplying. Reference **[1]** argued that the theories on "organizational innovation" could be classified into five categories:

- Mechanical and organic model
- Dual- core model
- Ambidextrous model
- Dual-core and ambidextrous model
- Radicalness.

As tutoring industry and average schools focused on culture and education, this study reviewed the literature on school innovative operation. Reference **[2]** argued that school innovative operation aimed at enhancing the outcome and performance of various aspects, meet the demand so members and reform of external environment, and change and innovative internal and external operational manners.

B. ORGANIZATIONAL IDENTITY

The concept of organizational identity was prominent. Its importance should be more than that of organizational commitment, because the employees with high organizational identity would make decisions most compliant with the interests of organization seven there was no supervision. It was in line with con temporary management thinking, like participation in management, overall quality management, team management ,and authorization and empowerment, empowering front-line personnel to decision-making as much as possible. Certainly, the premise was that these people must have a high degree of organizational identity. Based on such concept, this study deemed that it was worth while to explore the establishment of organizational identity of professionals. The organizational identity or loyalty of professionals was determined as long as they entered companies(eg.[3[).

C. E-LEARNING

In recent years, information and communication technology (ICT)has brought about major and permanent transformation. The Internet had become an important medium for human life. However, such changes also affected educational institutions and educational learning styles. Students changed their ways of learning from traditional face- to-face learning to new learning model through net work. This new way of learning was called e-learning. Under the comprehensive development of e-learning, new example of modern education had been created. In higher education, e- learning playedavitalrole. The following discussed the definition, teaching pattern, and features of e-learning, respectively. In 1999, Jay Cross, an American scholar proposed the concept of" e-learning" for the first time which aroused the interest of industry and school. Reference[4] explored e-learning from two aspects, namely: The definition of e-learning and its advantages and disadvantages

3. RESEARCH METHOD

As of there search method o this study ,it first employed narrative inquiry of qualitative analysis and conducted verification with quantitative analysis of question naire. It focused on a single case, employed convenient sampling to select subjects for the survey, and used relevant statistical methods to verify the hypotheses.

A. NARRATIVE INQUIRY

This study adopted narrative inquiry of interpretive and qualitative research method. Reference [5] supposed that there were three methods used in social sciences, that was, positivism, interpretive social science, and critical social science, respectively.

This study started from the theory of entre preneuring and regarded the narration of entrepreneurs as its materials to learn what, how, why, who, and in what condition of the practice of entrepreneurs (eg.[6]). Thus, based on the innovation and entrepreneurship process of entrepreneurs, this study conducted deep research. It considered the process as the behavior logic behind "intuitive reaction" and used the connotation of" what works for me "to re-interpret the process. Simply, this study was a sense-making process, studied on the reasons of the specific practices of the founders of "TKB", and integrated, interpreted, and explored the connotation behind the practices. After summarization of these constructs, this researcher discussed with Dr.Chin-chung Shih again for one hour each week on each detail. After the discussion of 3 months(12times),we found that the founder of "TKB" demonstrated" entre preneurship" during

various processes, so we finally determined to emphasize the topic of" operation innovation" of the founder. Then, we adopted" the view point of entrepreneuring" tore construct the stories into research text which contained the following four stages: "business model at the early stage of entrepreneurship", " operation in e-learninger a", "operation layout of multiple brands", and" education innovation with competition and cooperation". There fore, under the influence of these research ideas, we confirmed to use the view point of"entrepreneuring" as the research theory, and focused on the behavior of the entrepreneurs and self-re- interpretation to form the research text of the case. We then attempted to under stand the behavior in entrepreneurship of the entrepreneurs based on the research text so as to learn more connotations of the practice of entrepreneurship from the narration of the entrepreneurs.

B. SAMPLE BASIC DATA ANALYSIS

The official questionnaire of this study with the purposeful sampling method was designed for TKB senior managers. During the period of survey from July 20,2016 to September28,2016,77questionnaires were distributed in total and all the 77 questionnaires were collected with the valid recovery rate of 100%.

4. RESEARCH CONCLUSION

Although this study was composed on the basis of case study, since the company involved in this study realized operation innovation through diversifieddevelopmentand32- year evolution, this study was expected to explore the company's achievements in operation innovation of its Successful cultural and educational business. The research conclusion was here by provided as follows:

A. BALANCE BETWEEN INNOVATION AND RISK TO CREATE NEW BUSINESS GROUPS

The founder was thes on of a fruit grower and he fully referred to his father's successful experience in growing different fruits(including banana, grape, mandarin orange, plum, Asian pear, apple, honey peach and persimmon,etc.)to avoid sticking to a single product or business. He had been actively developing diversified products and businesses when starting the business. At present, the company had eight business groups and ten brands, which prevented risks to the business due to excessive concentration. Mean while, new knowledge and inter disciplinary learning had continuously introduced to demonstrate the lifelong learning spirit and help the company over come different operational difficulties and crises, obtain substantial knowledge for decision a king and success fully eliminate difficulties and crises. Additionally, the planning for business group development requires

"pioneering" and "innovative" directions that ensures education to be the core of sustainable development, making "innovation" the "core competitiveness" of "TKB" and an important factor driving the diversified development of "TKB" so that" TKB" could seek in-depth development in the cultural and educational business and shape it self in to the only cultural and educational business enterprise providing complete and diversified courses for" children" and" working people" intheir" learning life" and" career".

B. CONTENT IS KING

From " DaShuo" Institute as a single tutoring business group, "TKB" had been developed into a cultural and educational business with eight business groups and ten brands having 500 self-

developed digital courses totaling 65,000 hours prepared by the famous teacher groups which was an essential source of profits for the company and had built the "TKBTV" and "e-Learning Center" into major brands fore-Learning enter prises and proved the company's core competitiveness in the field of digital content industry. Following the ideology that" Content is King", the company had further developed the digital content in to the driving force for expansion and development of different business groups, accelerating the development of business groups and facilitating their success. In particular, the key of success lies in the complementarity of content that brought comprehensive benefits of marketing objectives and pushed the operation of different business group store acheconomies of scale early as possible so that the business groups could maintain the dominant position in their fields and boost the chance of success for these business groups.

C. INTEGRATE CORE

Competitiveness to give full play of the comprehensive effect of economies of scope "TKB" entered the digital content industry from the tutoring industry. In respect to the background, technology was the key of success as well as the highlight of argument evaluation of" TKB's "transformation innovation. After evaluation, the "TKB" management team decided to independently develop a TKB e-Learning platform to integrate the information technology in to the field of learning, added information technology factors to the core competitiveness of "TKB" and built an ERP(Enterprise Resource Planning)system the learning industry by combining the TKB e-Learning platform and the company's functional departments as well as business groups. The system combined the demands of students using APP and market demands and integrated all internal recourses and services of enterprises, in which way, the company's operation and management method was officially and comprehensively developed in to the information technology management method that enhanced its competitive edges and gave full play to the comprehensive benefits of economies of scope.

Through establishing the new TKB e-Learning platform and the ERP system, in combination with the "innovation" capacities ofthebusinessgroupsandthe65,000-hour self- owned TKB digital courses, "TKB" developed its own core

competitiveness and created the new "TKB"" physical and virtual integrated" digital channel, namely, the "e-Learning Center "and the "cloud learning" digital channel "TKBTV" that over came the "time" and "space" limitations and realized the new "Any Time" "Any Where "learning model to meet the learning demands of customers and students, carried out "organizational restructuring" and further give full play to the economies of scope and comprehensive benefits of "brands" with "channel for business, brand for service".

D. CREATE A NEW BUSINESS GROUPS VIA BLENDED LEARNING

Social science research suggested that the "blended learning" of physical education and e-Learning was able to produce better learning outcomes. Hence, "blended learning" was adopted by "TKB" as the technology to develop the "diversified" "blended learning" method and promote Flipped Education to help learners obtain increasingly satisfactory learning outcomes. Thanks to" blended learning "and" Flipped Education", "YNSO" managed to cease loss for consecutive years and made a profit with the "innovative" learning models with in a year. It also successfully applied the learning models to its branches in Taiwan, facilitating the fast profitability of such branches. This was the most successful and typical internal case of transformation that other business groups successively copied its development pattern."YNSO"

developed the diversified blended learning by combining the "blended learning" model with "e-Learning Center" and "TKBTV" and boost "TKB's "confidence in developing other "innovative "and" entre preneuring " business groups.

E. ESTABLISH A SYSTEM TO IMPLEMENT BUSINESS PLAN

"TKB" had developed eight business groups ten brands and provided services to ten softhousands students every year mainly because eitha destablished systems in advance, proceeded routines with process standards with information technology methods and tackled exceptions in the flexible way of "management of exception". In addition, relevant experience of "management of exception "was transformed into process standards comprising rules and adopted as new cases for organizational learning so that the enterprise could outperform its peeredind evelopment and prevented lower operational efficiency or more risks due to "entre preneuring" new business groups or "innovative" new operation models. It was also the reason why the founder insisted on being a master without reservation. To specify positions and duties by formulation of specifications and voluntarily develop the ISO certification by "Da Shuo" enables transparent and systematic corporate governance and benefits long-term operation of the company.

Generally speaking, for the purpose of flexibility and convenience, SMEs usually skip the preparation of business plan for the coming year in advance. However, "DaShuo" and all" TKB" business groups were required to formulate operation strategies based on the changes in external environment and the company's resources and develop annual business proposals for the coming year with management by objectives with the KPI index in order to minimize the operational risk and boost the company's Profit ability.

F. DIFFICULTIES IN STARTING UP AND MAINTAINING A BUSINESS

In this study, the quantitative research indicated that operation innovation had positive in fluence on organizational performance and organizational change perception, which was consistent with the qualitative research result. In recent years, "sub-replacement fertility", "digitalization" and "change in education policies" had been playing" natural enemy" against the cultural and educational business. Thus, although the company had been making every endeavor to "innovative" transformation and development of "entrepreneuring" business groups and managed to develop cross-generation courses for children and working people. Without doubt, the business groups are g rowing step by step. Yet, during operation, the turn over of senior managers were the most significant in each business group, which resulted in the development and profitability of such business group falling short of expectations mainly because" business groups failed to achieve optimal control over the variable factors of potential problems during market analysis before entrepreneurial activities". Hence, "TKB" must focus on intensive" reform" and" improvement" of talent education and training as well as comprehensive management knowledge learning for senior management during "development" of new business groups and" innovative" transformation. Meanwhile, during development of "entrepreneuring" new business groups, the company should provide assistance to each "entrepreneuring" business group in building a "steering group" so that the" innovative" business model developed by such business group could be modified by the steering group to successfully develop new " entrepreneuring" businesses and maintain the long-term and up-to-date" businesses".

5. RESEARCH CONTRIBUTIONS AND RESULTS

This study mainly explored the process of" TKB's" development to new" entrepreneuring"

business groups and "innovative" transformation in the changing environment of "sub-replacement fertility" and" digitalization" which meant that environment could be recreated to make the software and hardware much more comfortable. There fore, the findings of this study could provide reference for enterprise leaders in respect of new "entrepreneuring" business groups and " innovative" transformation.

➢ Reference for Startup and Transformation of Current Cultural and Educational Business

➢ Development Strategy for Large Market

➢ Validation of qualitative research and quantitative research

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