

A Study on a approach of venture management methodology for improving the profitability of a private music-institute

Ji-Young Park^{1*}

¹Assistant Professor of Venture Start-up Supporting Center, Hoseo University

음악학원의 성과를 위한 벤처경영 접근방식에 관한 연구

박지영*

¹호서대학교 벤처창업사업실, 조교수

Abstract Recently, there are so many music school graduates. In addition, there are many private music institutes. For this reason, there is a fierce competition in music education market. In the past, those who worked in music education market earned big money and so many parents wanted their girls and boys to learn playing a piano and other musical instruments. In the recent times, however, birth ratio was reduced dramatically in Korea and parents do not want their children to learn musical instruments due to economic depression and deteriorated music market. Eventually, the size of music education market was diminished dramatically and the competition in music education market is getting fiercer. Therefore, it is difficult to expect good performance in music education market without having an improved management system. In this respect, this study aims to understand what main factors have an impact on business performance in music institutes. The main areas studied in this paper include successful factors, reason why they start up a business, and successful management factors. The survey of this study targeted music institute owners. Based on the surveyed results, for the owners of the music institute, the method of the venture management approach, in other words, the application of the marketing knowledge, the consideration of the company system, the application of the smart technologies, etc., has been presented.

요 약 최근 시장환경의 변화와 음악을 전공하는 음악학도가 감소하면서 음악학원이 위기를 맞고 있다. 무엇보다도 결정적인 이유는 음악을 전공하는 학생의 졸업 후 진로로 이어지는 음악학원의 경쟁강도가 거세지고 있는 반면, 출산율 감소로 음악전공지원 학생이 감소하여 학원 시장의 규모가 잠재적으로 축소되고 있다는 것이다. 이에 따라 본 연구는 음악학원의 운영의 성과인 경영성과에 영향을 미치는 요인을 규명하고, 이를 통하여 음악 학원 경영에서의 벤처경영 방식 도입에 대한 제안을 하고자 한다. 본 연구를 위해 조사는 크게 3가지 영역으로 하여, 창업의 성공요인, 창업동기, 경영성과와 관련된 내용을 살펴보았으며, 이를 위해 음악학원을 창업한 원장들을 대상으로 설문지를 통해서 경영성과에 영향을 미치는 요인을 분석하였다. 이러한 분석 결과를 바탕으로 경영성과에 영향을 줄 수 있는 다양한 변수를 고려하여 원장 개인의 사업 수준에서 운영되고 있는 음악학원경영자들에게 벤처의 경영방식, 즉 마케팅 지식의 도입, 회사체제의 도입, 스마트테크놀로지의 적용 등 벤처 경영방식의 접근법을 제시하였다.

Key Words : Management performance, Music institute, Private education market, Management success, Venture Mngement

*Corresponding Author : Ji-Young Park(Hoseo Univ.)
Tel: +82-10-8767-2393 email: musicjypark@naver.com

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I. Introduction

Private institute has important implications for us as ‘social education institution that provides a place and pays for the education expenditure incurred considering lecture hours at the beneficiary’s level.’ From such socio-educational aspects, private institute is contributing greatly to the social development through the variety in the related fields and the diversity in the processes in order to cope with developed vocational skills and diversified civilized societies like in modern times or conform with the manpower demand and supply in line with economic development [1]. Private educational institute is one of the most important social education institutions that can offer an opportunity for citizens to learn about necessary educational contents as social educational institution sensitive to social changes.

Recently, many of those who majored in music are opening an academy of music, but the academy is facing a crisis because there is an increasing number of graduates who majored in music with the recent changes in market environment. Above all, the decisive reason is that music management competitors are increasing and private institute market size is potentially diminishing because of reduced number of students attending the institute caused by the reduction in birth rate. As the competition between music institutes is getting fierce, many institutes are using the term management rather than operation. This suggests that private institute is not a safe zone any longer as individual business. Now is the time when their role is expanding from the role as educator who teaches playing a piano to students to the role as manager who manages music institute.

The existing researches on music institutes focused only on educational aspects of private institute rather than management. However, with the recent increasing interest in music management, several researchers have studied the management perspective for the activation of music institute [9,10,11,17,3,5], but their researches

are focusing on the physical environment of private institutes or the leadership of director of music institute to understand the management perspective and using current status-centered basic analytic methods and so there are insufficient analyses on the causal relationship influential to the management performance, which is the performance in operating a private institute. Moreover, there are few systematic researches on how efficiently investment factors or facilities in private institutes contribute to management performance and also few researches helpful for understanding what activities private institute directors should involve in centering on which factors in order to improve management performance.

In this respect, this study aims to identify influential factors to management performance, which is the performance in operating music institute and propose how music institute managers should use venture spirit to manage music institutes. This study also tries to understand how human capital, business startup motivation, and type of business startup serve to the success of business startup and how such factors are influential by conducting a survey of private institute directors who opened music institutes.

II. Theoretical Background

2.1 Successful Factors in Starting Music Institutes

Music management is a discipline that has been developed since the mid 2000s and has a broader sense than in the previous music education fields and with the development of various media, information, and technical innovation, is achieving an outstanding educational growth even in music education businesses. Many efforts have been made to realize better education and create values through communication with education management and knowledge management as new concepts within the big framework that education is management for the purpose of pure music

education, but with the recent excessive number of graduates who majored in music and fierce competition, more and more music institute managers are having a tough time or becoming a loser[9].

Unlike our music management in Korea, music management in overseas countries has broader cultural management factors in a complex way. In other words, their complex type of management includes the country's entire broader cultural industry including musical, music, concert, culture and tourism, music engineering, opera, lighting, and sound. Music management in foreign countries is different from that in ours because their music management or culture management includes their entire cultural industry. On the other hand, music management in ours has a narrower scope than that in foreign countries because it is limited to music institute, private lesson, institution, group guidance largely based on piano lesson[3]. The recent music education, of course, is trying to give help in understanding music management based on the principle of management in order to adapt to the times, but there are still few management perspectives on music education.

Various researches have been made to reveal the factors to determine success or performance of venture businesses until now, but there are few researches that identified the successful factors for private institute management and associated these to business startup performance. In general, many researchers have studied the successful factors of business. Regardless of type of business or scale, there are various opinions on the successful factors depending on the perspective of measuring them. The most common perspective related to the successful factors among business operators is trait perspective that sees that there is a difference in business operators and non-business operators[14]. In other words, business operator's individualistic characteristics such as demographic characteristics and psychological characteristics have a significant impact from business startup to operation. The major characteristics related to the successful factors that

appeared in previous studies, include, business founder's gender, age, academic ability, family background, and experience, as demographic characteristics[15,31] analyzed the influential factors to the success of business and found that entrepreneurial spirit, career, and experience had a significant impact.

Furthermore, researches on the successful factors of business startup are analyzing various approaches: the first approach is to reveal successful factors from the unique characteristics of business startup to understand what the major successful factors are, and the second is to reveal what constituting factors an enterprise and a business operator must have for success. Among which, in administrative management, technical factors like management of employees as well as systematic business planning, goal setting, administrative capability, and business strategy are important as the size of business gets bigger and bigger after operation than early in business startup (Lambert, 1993).

The third is that human capital is an important factor for survival, growth, and benefit for venture business [26,20,22] revealed that human capital contributed the most to the success of business because it was provided by business operator's ability, by analyzing the impact of education on the performance of business, such as failure in business startup, survival after startup, and high growth. In other words, the existing researches are presenting experiences in education and industrial fields as significant variables. [20] stated that financial capital is an important capital in such fields as traditional manufacturing industry or construction industry, but business founder's education and previous work experience in related fields, which are human capital factors, are more important in new industrial fields such as service industry that provides skilled techniques.

In fact, business performance is subject to who your leader is early in business startup stage regardless of what your company that you are attending is. But, many empirical studies suggested that significant correlations in performance between individualistic

characteristics and startup business are not so high and rather critical opinions on such researches have been presented. There might be an objection, of course, to whether such a research has measured the characteristics of business founder and further, whether business founder's ability is really measurable, but few correlations have been revealed more than expected[4].

From above information, it can be found that researches on the successful factors of business startup tend to seek management performance from human capital or internal characteristics which is business founder's individualistic internal factors rather than from the changes in external environment like economy. In this respect, this study limits the successful factors of music institute to the individualistic factors of private institute operation such as human capital and business startup motivation and internal factors such as current status of private institution operation.

2.2 Business Startup Motivation

Business startup motivation is a subject that is being studied in many administration and economy fields because understanding business startup motivation is the basis for understanding business operator. Business startup motivation has been treated as a very important factor that is influential to the characteristics or success that startup business has after starting a business as well as the success or failure of business startup itself [21]. In business startup motivation related studies, business startup motivation includes achievement need[27,13,29], market opportunity and ambition, extrinsic reward, independence/autonomy, self achievement, and growth related intrinsic reward depending on the type of business, scale, and contextual conditions. On the other hand, Sin Yu-Geun (1995) simplified this and divided it into economic motivation like pursuit of profits and social motivation like exercise of power.

Feldman & Bolino(2000) revealed in their study on self-employed business owners that the reason why

they run their own business is, in order of importance, ability to control their life themselves, use of their own skills and ability, ability to live at the place they want to live in a way that they want to do, exertion of creative ability, enjoying challenge, having a good business idea, hoping to earn money.

Like above, researches on business startup motivation have been conducted and verified in various aspects depending on the level of analysis. According to such research results, such activities as business startup and operation are not understood fragmentarily but a process that various psychological, economic, non-economic, and social motivations are correlated complicatedly depending on individualistic characteristics, type of business, market situation, scale, and region of business foundation. In such existing academic fields, business startup research findings appear to be applicable for the understanding of business founder in music institute management.

2.3 Management Performance in Music Institute

Given private institute is an organization that continues to be maintained and developed in measuring performance like enterprise, performance variables, used in strategy researches, can be used for private institute. Corporate performance variables show a slight difference in such fields as organization theory, industrial organization theory, and strategic management theory [19], but traditionally, many researches on industrial organization theory are adopting profitability indexes (ROI, ROE, ROA, etc) as performance variables. Organization theory field is adopting job performance, job satisfaction and organizational effectiveness as performance variables.

Venkatraman et al.(1986) also identified corporate performance multidimensionally and argued that performance evaluation should be made at three dimensions such as financial performance, business performance (market share rate, growth rate, diversification, and product innovation), and

organizational effectiveness (satisfaction, quality of working life, and social power). However, some researchers are mentioning about the necessity of comprehensive performance evaluation and at the same time, adding that financial indexes like profitability must be adopted preferentially in studying business strategy.

The existing business startup field researches are using both financial performance index and non-financial performance index from short-term perspective in measuring business startup performance. In particular, one of the problems in question related to business startup performance is validity dispute between objective index and subjective one [6]. There are mixed disputes that subjective measurement technique is a reliable index for corporate actual performance [23] and that there is no significant relationship between subjective performance index and objective performance index [30]. But, objective performance has the following limitations. First, it cannot take into account of performance variables that each company thinks important as fully as possible, second, it is difficult to find out variables that can be used to evaluate the strategies that each company pursues as sufficiently as possible, and third, it is difficult to control industrial effects [24]. Especially in Korea, financial indexes have reliability issues due to the presence of difference in accounting standards between enterprises in measuring performance, and specific performance indexes show high measurement values, whereas another indexes don't [7]. This suggests that there are limitations in using financial indexes for measuring performance.

Given music institute is different in terms of scale of business and growth speed from enterprise, there are limitations in applying traditionally-used objective performance data. Moreover, no unified measurement techniques acknowledged objectively have been summed up yet in measuring corporate performance. So if there is a considerable correlation between subjective performance index and objective

performance index, it is possible to measure performance, whichever you choose to use [1]. Therefore, this study uses questionnaires rather than objective indexes to measure management performance of music institute with satisfaction and monthly average income as subjective performance index.

III. Methodology

3.1 Data Collection and Analysis Method

In this study, survey was used as data collection method, and survey questionnaire items were based on literature review and analysis of music institute director's FGI(Focus Group Interview) and various research papers.

To collect data for this study, survey was conducted in CEOs who are operating music institutes in Seoul, Incheon, Gyeonggi-do, and other provinces. The period of survey was from May 1, 2011 to May 30, 2011 for about a month and respondents selected self-administered questionnaire. The number of distributed questionnaire was 200 copies in total and the number of questionnaires retrieved was 160 copies. Among which, unfaithful questionnaires were excluded from our analysis data and finally a total of 156 copies were used for our analysis.

The survey data collected in this study were analyzed with frequency analysis and multiple regression analysis which are used for analyzing basic data using SPSS for Windows 12.0.

3.2 Definition of Variables

To identify the characteristics of survey participants, they were asked about their gender, academic ability, major, and residence and regarding the current status of management of music institute, about type of business of music institute, type of institute operation, number of lecturer, size of institute, amount of investment, and period of institute operation.

They were also asked about business startup

motivation questions, as single items, such as parent recommendation, purpose of living, and because of major considering the characteristics of management of music institute.

To measure the performance of management, subjectively, satisfaction with institute operation was measured on 5-point Likert scale and the monthly average income of institute operation was measured.

3.3 Research Hypotheses

1. The demographic characteristics of survey participants will have an impact on the music institute management performance.
2. Business startup motivation will have an impact on the music institute management performance.
3. The status of music institute management will have an impact on the music institute management performance.

IV. Empirical Analysis Results and Discussion

4.1 Demographical Characteristics of Sample

The characteristics of research participants are presented in <Table 1>. When it comes to gender, male was 41% and female 59%, and when it comes to academic ability, college graduate was 45.5%, followed by two-year-college or less 24.4%, master's degree 22.4%, and doctor's degree 7.7%. When it comes to major, practical music was 27.6%, classics 52.6%, and others 19.2%. When it comes to residence, Seoul was 31.4%, Incheon and Gyeonggi-do 32.1%, and other provinces 36.5%.

Table 1. Demographical Characteristics

Class.	Description	Frequency	Percent
Gender	Male	64	41.0
	Female	92	59.0
Academic ability	two-year-college graduate or less	38	24.4
	College graduate	71	45.5
	Master's degree	35	22.4
	Doctor's degree	12	7.7
Major	Practical music	43	27.6
	Classics	82	52.6
	Others	30	19.2
Residence	Seoul	49	31.4
	Incheon and Gyeonggi-do	50	32.1
	Other provinces	57	36.5

4.2 Current Status of Private Institute Operation

The current status of music institute of survey participants are presented in <Table 2>.

To look at the type of business of private institute operation specifically, practical music was 42.3% and classics 57.7%. To look at the type of institute operation, operation by seniors and juniors was 35.9%, followed by single at 31.4%, lecturer employment at 21.8%, and couple at 10.3. The number of lecturer was 1-2 persons, which occupied 41.7%, the highest, followed by 3-4 persons at 26.9%, 0 persons at 17.9%, and 5 persons or more at 13.5%. To look at the size of private institute, 21-30 pyeong was 28.2%, followed by 31-40 pyeong at 19.9%, 41-50 pyeong at 17.3% and 51 pyeong or higher at 17.3%, 11-20 pyeong at 14.1%, and 10 pyeong or less at 3.2%. To look at the amount of investment to private institute, 30.01-50 million won was 28.8%, followed by 50.01-70 million won at 23.1%, 10.01-30 million won at 16%, 70.01-100 million won or less at 15.4%, 10 million or less at 12.2%, and 100 million won or higher at 4.5%. To look at the period of private institute operation, 5-10 years was 34.6%, followed by 1-5 years at 31.4%, 1 year or less at 17.3%, 15 years or higher at 10.3%, and 10-15 years at 6.4%.

Table 2. Current Status of Private Institute Operation

Class.	Description	Frequency	Percent
Type of private institute operation	Practical music	66	42.3
	Classics	90	57.7
Type of business startup operation	Single	49	31.4
	Couple	16	10.3
	operation by senior and junior	56	35.9
	Lecturer employment	34	21.8
Number of lecturer	0 persons	28	17.9
	1-2 persons	65	41.7
	3-4 persons	42	26.9
	5 persons or more	21	13.5
	Size of private institute	10 pyeong or less	5
	11-20 pyeong	22	14.1
	21-30 pyeong	44	28.2
	31-40 pyeong	31	19.9
	41-50 pyeong	27	17.3
	51 pyeong or higher	27	17.3
Amount of investment	10 million won or less	19	12.2
	10.01-30 million won	25	16.0
	30.01-50 million won	45	28.8
	50.01-70 million won	36	23.1
	70.01-100 million won	24	15.4
	100 million won or higher	7	4.5
Period of private institute operation	less than 1 year	27	17.3
	1-5 years	49	31.4
	5-10 years	54	34.6
	10-15 years	10	6.4
	15 years or higher	16	10.3

4.3 Business Startup Motivation and Management Performance in Music Institute

The business startup motivation and management performance of music institute are presented in <Table 3>.

To look at the business startup motivation, because of major was 48.1%, followed by purpose of living 31.4%, parent recommendation 14.1%, and other 5.8%. To look at the management performance of music institute, monthly average income was 3.01-4 million won at 35.3% followed by 2-3 million won at 27.6%, 4.01-5 million won at 12.8 %, 5.01-6 million

won at 11.5%. To look at the satisfaction with private institute operation, moderate was 41.7%, followed by satisfied 33.3%, dissatisfied 13.9%, very satisfied 8.3%, and every unsatisfied 2.8%.

Table 3. Business Startup Motivation and Management Performance in Operating Music Institute

Class.	Description	Frequency	Percent
Startup motivation	Parent recommendation	22	14.1
	Purpose of living	49	31.4
	Because of major	75	48.1
	Other	9	5.8
Monthly average income	2-3 million won	43	27.6
	3.01-4 million won	55	35.3
	4.01-5 million won	20	12.8
	5.01-6 million won	18	11.5
	6.01 million won or higher	19	12.2
Satisfaction	Very satisfied	9	8.3
	Satisfied	36	33.3
	Moderate	45	41.7
	Dissatisfied	15	13.9
	Very dissatisfied	3	2.8

4.4 Influential Factors to the Management Performance of Music Institute

To determine influential factors to the management performance of music institute, this study used multiple regression analysis. To test multicollinearity between independent variables for obtaining the stability of regression model, tolerance and Variation Inflation Factor (VIF) were checked. As a result, tolerance limits indexes all appeared higher than the standard value of 0.1 and VIF appeared less than 10, which suggested that there was no problem in multicollinearity.

Among the influential variables to the management performance, demographic characteristics such as gender, major, and residence were treated as dummy variable and institute management status such as music institute operation, business startup motivation, and type of startup business operation were treated as dummy variable. The detailed results are shown in <Table 4> and <Table 5>.

Table 4. Regression Analysis of Satisfaction

Class.	Satisfaction				
	B	Beta	t	Sig.	
(Constant)	1.848		3.310	.001	
Gender(based on: Male)	.038	.020	.185	.854	
Academic ability	-.032	-.031	-.296	.768	
Major (based on: others)	Practical music	.670*	.347	2.463	.016
	Classics	.516*	.281	2.075	.041
Residence (based on: provinces)	Seoul	.255	.118	.972	.334
	Gyeonggido	.016	.009	.066	.947
Institute operation (based on: practical music)	Classics	.589*	.316	2.497	.014
business startup motivation (based on: others)	Parent recommendation	.631	.222	1.464	.147
	Purpose of living	.619	.309	1.751	.083
	major	.240	.133	.691	.491
Type of institute operation (based on: lecturer employment)	Single	.168	.087	.641	.523
	Couple	-.129	-.044	-.359	.721
	Senior and junior	-.082	-.043	-.315	.754
Number of lecturer	.038	.039	.310	.757	
Size of institute	.046	.072	.579	.564	
Amount of investment	.186*	.300	2.467	.016	
Institute operation period	-.208*	-.314	-2.525	.013	
Institute income	.069	.086	.688	.493	
F Ratio	2.315**				
R2	.326				
Adj R2	.185				

*P<.05, **P<.01, ***P<.001

Table 5. Regression Analysis of Music Institute Income

Class.	Music Institute Income				
	B	Beta	t	Sig.	
(Constant)	-3.06		-.484	.630	
Gender (based on: Male)	-.199	-.086	-.913	.364	
Academic ability	-.083	-.064	-.715	.477	
Major (based on: others)	Practical music	-.101	-.042	-.335	.738
	Classics	.165	.073	.608	.544
Residence (based on: provinces)	Seoul	.228	.086	.811	.420
	Gyeonggido	-.305	-.132	-1.185	.239
Institute operation (practical music)	Classics	-.133	-.058	-.512	.610
Business startup motivation (based on: others)	Parent recommendation	.953*	.271	2.093	.039
	Purpose of living	.423	.171	1.109	.270
	Because of major	.681	.304	1.863	.066
Type of institute operation (based on: Lecturer employment)	Single	-.039	-.016	-.139	.890
	Couple	.425	.117	1.118	.267
	Senior and junior	-.061	-.026	-.219	.827

Number of lecturer	.304*	.258	2.425	.017
Size of institute	.186*	.233	2.221	.029
Amount of investment	.204*	.266	2.531	.013
Institute operation period	-.043	-.053	-.473	.637
Satisfaction	.079	.064	.688	.493
F ratio	4.695***			
R2	.496			
Adj R2	.390			

*P<.05 **P<.01 ***P<.001

First, as a result of regression analysis model of satisfaction with music institute, goodness-of-fit of model was $F = 2.315 (P < .01)$, which obtained the stability of model and the explanatory power of regression equation appeared at 18.5%. To look at the significance of individual variables, major, type of business of institute operation, amount of investment, and period of institute operation had a significant impact.

To look at it specifically, if subject's major is practical music or classics rather than others, it had a positive impact on satisfaction and if the type of business of private institute operation is classics rather than practical music, it had a positive impact on satisfaction. Amount of investment to music institute had a positive impact on satisfaction and period of institute operation had a negative impact on satisfaction.

Next, regression analysis was carried out on the monthly average income of music institute. As a result, goodness-of-fit of model was $F = 4.695 (P < .001)$, which obtained stability of model and the explanatory power of regression equation appeared at 39%. To look at the significance of individual variables, business startup motivation, number of lecturer, size of institute, and amount of investment had a significant impact.

To be specific, if the business startup motivation of music institute is parent recommendation rather than others, it had a positive impact on monthly average income of music institute, and in the current status of institute operation, number of lecturer, size of institute, and amount of investment had a positive impact on monthly average income of music institute.

V. Venture Management Approach As Proposal

As indicated in the above, now is the time that music institute management is going beyond the operation at the level of individual business like in the past. This is the request of the appropriateness of the times that music institute should adapt rapidly to the changes of the times by introducing corporate management mind and marketing under the recognition of the situations that there is a fiercer competition in music institute management, with the reduction in the number of students caused by increasing number of music major students, intensifying institute competition, and reduction in birth rate. Music institute management is a business that music majors can start easily, but has limitations in that managers will have difficulties in growing as a big enterprise. From this dimension, the appearance of music institute by recent many management agencies or managers makes music institute more difficult at the individual business level.

To overcome such an environmental crisis, this study proposes a way to overcome a crisis by introducing venture management approach and mind sets.

5.1 Exact Definition of the Students Who will Attend a Music Institute

In the first place, it is necessary to define students who will attend a music institute and make music curriculum accordingly. Unified curriculum cannot satisfy music students who have various needs, which will be a factor for reducing the music students. In the first place, there will be promising students who want to major in music for the future or promising students who want to learn music as hobby. Those promising students who learn music as hobby can be divided into child students and adult ones. Defining such promising students and developing educational curriculum and management method customized for each promising student will improve the satisfaction of students with

music lesson, which will be a catalyst for collecting more students through word of mouth.

5.2 Introduction of Corporate Management Style

As mentioned in the above results, it is found that the amount of investment cannot exceed 70 million won and the area is more or less than 30 pyeong. This level of amount of investment and area will not be able to go beyond the level of one-person small business and in the end, such a small business management will produce a small management outcome. I want to make an attempt to change this institute establishment requirement drastically. Still, a numerous number of music majors are going out into the world and among them, it is unknown that what % of them will be employed by music-related companies. Probably, only a small number of graduates will go to the music related companies so that they can continue their major, whereas a great number of students will do private lesson, open an institute, or work at a completely different field. Therefore, if opening a new private institute startup curriculum at the level of 4th grade for students who set their career as running a private institute after graduation, teaching them about private institute startup and management contents, and supporting them to open a private institute while giving them know-hows continuously in the way of opening a new business entity by recruiting several students as the cradle of venture startup at a school, school will get a good evaluation and students will establish a good institute with good facilities and big scale if they achieve economies of scale and make bigger institutes in the form of corporation by gathering money together rather than running a small institute with small investment. If collecting a large amount of money, there is a possibility to establish much better curriculum, good lecturers, and facilities, which will attract more students to a music institute more easily and encourage the company who opened the music institute together to cooperate and go through any

difficulties. If the school that supports them continues to offer know-hows about private institute management and support the latest educational techniques, it will become a well-reputed school.

In addition to this, entrepreneurial spirit must be fostered as business startup motivation. As venture businessman, ambitious will to overcome any difficulties with indomitable spirit and fighting spirit and positive mindsets are important, above all, and cooperation with the company who opened a private institute together and becoming one mind are also important. Sense of community to be successful together selflessly is more necessary.

5.3 Utilization of Smart Technology

Recently, smart technology is used in other types of institute management: for example, utilization of online contents and smart student management. I'd like to suggest the use of smart technology in utilizing music contents and managing student progress and attendance in the field of music institute management.

5.4 Introduction of Close Contact Management Approach

Music institute will become close contact management rather than business at the national level. Therefore, it will be important to make frequent exchanges with local residents by doing something meaningful for local area, in other words, community unit and encourage parents to visit a music institute frequently through activation of exchange with parents. In other words, if making music institute a place where local residents can visit often by offering a concert for local residents or opening a curriculum related to other musics for free, parents who visited it quite often would select this institute.

VI. Conclusion

As more music institutes are opened in Korea, music

institute has changed from operation style to management one. But, over time, it naturally changes. As the era of low birth rate spreads, there are so many institutes, but the number of students who attend the institute was reduced in overall. For this reason, it has become difficult for the institute which followed the footsteps of other ordinary institutes without any special business mindset to survive.

Therefore, this study identified the influential factors to management performance, which is the performance of operation of music institute, discussed how to manage music institute in order to become an advanced music institute, and proposed.

First, as a result of regression analysis of satisfaction with music institute, major, type of business of music institute operation, amount of investment, and period of music institute operation had a significant impact, and as a result of regression analysis of monthly average income of music institute, business startup motivation, number of lecturer, size of music institute, and amount of investment had a significant impact.

As human resource in music institute operation, major had an impact on the subjective satisfaction with institute operation and business startup motivation had an impact on the income of institute. The influential factors to subjective satisfaction and monthly income which are management performance in institute operation, differed. In particular, as the longer the institute operation period was, the lower the satisfaction was. This had many suggestions. In particular, as the longer the operation period was, the less the satisfaction. There might be many reasons, but above all, it can be attributable to the rapid changes in environmental characteristics of music institute unlike in the past. Institute income appeared to be influenced greatly by business startup motivation and institute operation status rather than human resources. In other words, given that as the larger the scale of institute was, the more the institute income was, it is predicted that management perspective will be important for music institute.

Furthermore, to solve the issue of higher satisfaction with classics rather than practical music in music institute operation, it is necessary to seek ways to improve business operator's satisfaction in the field of practical music and continuous research is necessary in this field. Academic approach is insufficient, both quantitatively and qualitatively, in practical music, compared to classics. Given the characteristics of practical music that is being spread rapidly, it is hoped that this field can be studied continuously.

Music education field is not open but classical and traditional in the nature, and so today's deteriorated management or fiercer competition is considered to be a factor for deteriorating satisfaction. Therefore, now is the time to change the closed music institute operation. In other words, it is the time to change music institute operation in an innovative way by introducing venture spirit and management mindset or explore strategic methods to proceed.

Managing music institute is a difficult type of business without management mindset although teaching students is important. Therefore, music management needs to be one discipline because advancing and understanding this rapidly-changing times and responding and adapting to this has become a key issue in the field of music education like in business management. So marketing strategy, important area for music management, is necessary, and related studies need to be conducted.

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Ji-Young Park

[Regular member]



- Feb. 1995 : Hoseo Univ., Sanhak, Bachelor of Arts, Graduation with honors
- May 1997 : New England Conservatory, Boston, USA, Master of Music
- May 2001 : University of Maryland, USA, Doctor of Musical Arts
- May 2002 ~ current : Hoseo Univ., Dept. of venture Start-up Supporting Center, Assistant Professor

<Research Interests>

Music Education, Music Business