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Governing the Artificial Muse: A Conceptual Framework for Integrating GenAI Literacy into the Creative Entrepreneurship Curriculum

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ABSTRACT

The 12th Malaysia Plan (12MP) identifies the creative industry as a high-impact sector, aiming to contribute RM31.9 billion to the national GDP through high-value creation. However, the rapid democratization of Generative AI (GenAI) introduces a pedagogical paradox for Malaysian higher education. While the MyDIGITAL blueprint has successfully accelerated digital adoption, concerns are growing that without proper cognitive scaffolding, undergraduates may use GenAI as a shortcut rather than a tool for innovation, leading to talent stagnation. This paper addresses this challenge by proposing the Cognitive Augmentation Model of Entrepreneurial Mindset (CAM-EM). Grounded in Social Cognitive Theory, the framework argues that Generative AI literacy must extend beyond technical proficiency to include ethical and compliance awareness, aligning with the Malaysia Madani principle of sustainability. The model hypothesizes that GenAI literacy influences the entrepreneurial mindset only when mediated by augmented decision-making and moderated by innovation self-efficacy. To validate these relationships, the study outlines a quantitative methodology using Partial Least Squares Structural Equation Modeling (PLS-SEM) with a sample of 300 creative arts undergraduates. The expected contribution is a validated framework for the Ministry of Higher Education (MOHE), advocating a curriculum shift from tool-based training to cognitive training, ensuring cultural identity is preserved in the AI era.

Keywords: *Generative AI Literacy; Entrepreneurial Mindset; Cognitive Augmentation; Creative Education Policy; Malaysia Madani.*

INTRODUCTION

The intersection of Artificial Intelligence and the "Orange Economy" is central to Malaysia's strategic vision. While the National Creative Industry Policy (DIKN) supports infrastructure and access, a significant gap remains in understanding the psychological mechanisms that allow students to use AI for distinct cultural innovation rather than mere imitation. Despite the allocation of RM30 million to the Madani Creative Youth Program, it is unclear whether GenAI usage enhances or suppresses the Entrepreneurial Self-Efficacy of young creators. This paper proposes the Cognitive Augmentation

Model of Entrepreneurial Mindset (CAM-EM) to answer the question: How does ethical GenAI literacy influence the development of a proactive entrepreneurial mindset among Malaysian undergraduates? The study proposes a model with three independent variables (IVs) and two dependent variables (DVs).

PROPOSED CONCEPTUAL FRAMEWORK

The Cognitive Augmentation Model of Entrepreneurial Mindset (CAM-EM) integrates the Digital Entrepreneurship Process Model with Social Cognitive Theory. It moves beyond simple adoption models to explore how technology drives cognitive transformation in users.

1. Independent Variable: Generative AI Literacy (The Digital Enabler)
Generative AI literacy is conceptualized as a multidimensional construct comprising:

Prompt Engineering Ability: The technical skill to interact effectively with large language models.
Ethical and Compliance Awareness: Understanding copyright and cultural integrity, which aligns with the Malaysia Madani principle of sustainability.
Content Quality Evaluation: The ability to critically assess AI-generated outputs for accuracy and relevance.

2. Mediating Variable: Augmented Decision-Making (The Cognitive Process)
The model posits that literacy leads to a mindset shift only when it enhances decision-making processes, specifically through:

Predictive Risk Simulation: Using AI to forecast uncertainties and assess potential outcomes.
Strategic Option Expansion: Leveraging AI to broaden creative and strategic choices.

3. Dependent Variable: Entrepreneurial Mindset (The Digital Outcome)
The entrepreneurial mindset is defined not by financial gain but as a psychological orientation characterized by:

Proactive Innovation Orientation: A preference for novelty and creative solutions.
Alertness to Opportunity: Cognitive sensitivity to emerging ideas and possibilities.

4. Moderating Variable: Entrepreneurial Self-Efficacy

The framework hypothesizes that students with high confidence in their creative abilities (innovation self-efficacy) will use AI for augmentation, while those with low self-efficacy may rely on it for automation.

METHODOLOGY AND PROPOSED ANALYSIS

This conceptual paper outlines a future validation study using a cross-sectional survey design. The target sample will include 300 final-year undergraduate students enrolled in Creative Arts, Design, and Multimedia programs at Malaysian public universities. The instrument will employ 7-point Likert scales adapted from established sources (Liu et al., 2025; Salem et al., 2024; Ireland et al., 2003). Data analysis will be conducted using SmartPLS 4 to evaluate both the measurement model (reliability and validity) and the structural model. A key focus will be testing the mediation hypothesis (H3) to determine whether augmented decision-making serves as the essential bridge between digital skills and entrepreneurial mindset.

EXPECTED RESULTS AND DISCUSSION

Although empirical data is forthcoming, several theoretical outcomes are anticipated:

The Primacy of Ethics over Syntax:

Ethical and compliance awareness is expected to be a stronger predictor of a sustainable entrepreneurial mindset than technical prompt engineering. This aligns with the "human-in-the-loop" philosophy, suggesting that students who understand the implications of AI are more likely to use it strategically rather than passively.

The Mediation Necessity:
The model is expected to demonstrate a full mediation effect, indicating that simply providing students with GenAI tools does not significantly enhance their entrepreneurial mindset unless curricula explicitly teach augmented decision-making, such as using AI for risk simulation. Without this cognitive step, AI usage may remain superficial.

The Self-Efficacy Trap:
We anticipate a significant interaction effect: students with low self-efficacy may exhibit a negative relationship between AI usage and entrepreneurial mindset (dependency), while those with high self-efficacy are likely to show a positive relationship (augmentation).

CONCLUSION

This paper presents the CAM-EM framework as a theoretical blueprint for the Ministry of Higher Education (MOHE). By conceptually linking ethical AI literacy to the entrepreneurial mindset, it argues that national policy must shift from "digital adoption" (purchasing tools) to "cognitive augmentation" (developing minds). If validated, this model will provide the foundation for reforming Digital Content Grant (DCG) criteria and creative curriculum design, ensuring that Malaysia's creative ecosystem produces innovators who lead the AI revolution rather than being displaced by it.

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