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The Influence of Creativity, Innovation, and Flexibility with Technology as A Success Factor For Culinary MSMEs

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ABSTRAK

The culinary industry is one of the fastest-growing business sectors in Indonesia in recent years. Creativity, innovation, and flexibility are essential characteristics of originality or authenticity that an entrepreneur must possess to increase income, expand their business, and compete effectively in the market. MSMEs in the culinary sector must develop strategies that have broad implications for creativity, innovation, and flexibility, with technology serving as a supporting factor for business success. This study aims to examine the role of creativity, innovation, and flexibility, with technology as a contributing factor to the success of culinary MSMEs in Grogol Petamburan, West Jakarta. The sample for this study consists of 100 culinary MSME entrepreneurs from the Grogol Petamburan sub-district, West Jakarta. Four hypotheses are tested, focusing on the influence of creativity, innovation, flexibility, technology in innovation, and business success. The sampling technique employed is a non-probability sampling method using a purposive sampling technique, with data collected through online questionnaires via Google Forms. The data is then processed using PLS-SEM. The study results indicate that creativity and innovation do not have a significant effect on the business success of MSME entrepreneurs. However, flexibility and technology in innovation have a positive and significant impact on their business success.

Keywords : Creativity, Innovation, Flexibility, Technology In Innovation, Business Success

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are economic activities carried out by some big Indonesian societies as support to obtain income. Based on data from the Ministry of Cooperatives and SMEs in 2023, it will reach 65.5 million business units, and the number of SMEs will increase by 1.7% compared to the year previously. Of the 97%, which is business micro, 2% is business small, and 1% is business medium. Based on BPS data, the contribution of MSMEs to the Product Domestic Gross (GDP) reaches 61% or worth 9,580 trillion. This figure increased by 2.3% compared to the previous year. The contribution of MSMEs to absorption power work nationally is also huge, namely 97% of the total power work.

There is a quality problem in entrepreneurship even though the number of business units in Indonesia is huge. The level of entrepreneurship shows low productivity. Some of the big quality entrepreneurship MSME actors are still low, so productivity is low, there is less innovation, and no sustainability, and in turn, they may not be capable of competition. Furthermore, part of the size of MSMEs is scale business micro. The small business may cooperate with bigger scale business in partnership (Fortunisa, 2022). The success of MSMEs depends on implementing appropriate strategies and monitoring indicator-relevant performance. (Widiantara, 2023) highlighted the importance of strategy in helping MSMEs achieve the objective of their business. To ensure that MSMEs remain on the right track, they must adopt a sustainability way. A good strategy not only covers long planning but also involves monitoring indicator performance sustainability.

The central main of MSME activities is creativity, where with their existence creativity may increase income. MSMEs that adopt creativity can generate new ideas for innovation services and have more opportunities to reach market success through the development of new products and processes (Mazla et al., 2020). Creativity in culinary may create new menus combining traditional flavour with a modern touch to attract the customers trying the dishes (Nashiruddin Al-Bakry, 2024). Creativity plays a pivotal role in raising income sales and influencing increased business performance (Anderson & Hidayah, 2023).

Everyone should own creativity because that will make somebody independent and seek opportunities. Creativity results from creative ideas about business or possible endeavours to new opportunities for business (Trisnawati, 2024). Furthermore, creativity is the things owned by people who generate new ideas for starting their business and become more creative, someone can start a new business (Widiantara, 2023).

Innovation is the ability of somebody or a company to develop products and services into new identities for opportunities and use technology to increase performance (Tantawy, 2020). According to (Bashir, 2023), innovation does renewal and uniqueness and adopting new support technology and new will can increase the level of satisfaction among customers. Furthermore, creativity, innovation, and technological advancement are in a relation to entrepreneurship development (Juliana et al., 2021).

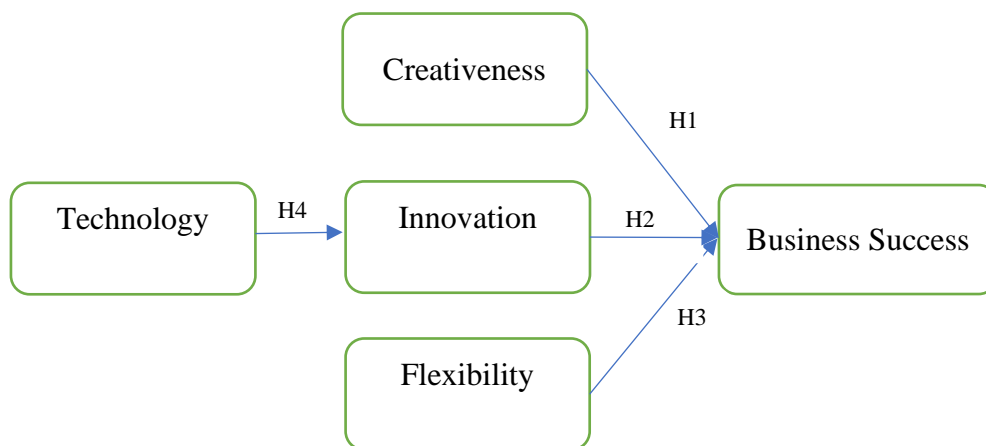
Flexibility is a key operational factor for successful entrepreneurs. The ability to adapt to change, maintain an innovative attitude, integrate technology, compete at a global level, and overcome obstacles are essential elements (Ubaidillah et al., 2021). Entrepreneurs who recognize and seize opportunities are more likely to achieve long-term success in a dynamic business world.

Over time, technology has developed rapidly, and this is something we cannot easily avoid. Moreover, we are now in the era of the Industrial Revolution 4.0, where technology is present in almost every aspect of our lives. Technology can bring many positive impacts to society, such as encouraging innovation and growth, enabling people to adapt to the advancements of the modern era.

Culinary products or food are basic daily necessities for the public, ensuring a constant demand for food (Rynardo & Utama, 2021). This creates a highly potential business opportunity in the culinary industry. Moreover, MSMEs (Micro, Small, and Medium Enterprises) in the culinary sector can be started with a small amount of capital, even under Rp. 1 million. However, this does not mean that starting a culinary MSME is easy. Beginners must first acquire the necessary knowledge, skills, and mindset required to become successful entrepreneurs. This includes identifying the right business idea, bringing it to life, and managing it effectively to ensure growth and sustainability. Furthermore, the business in culinary needs a creative and innovative leadership style as considered it can encourage creative and innovative behavior in the workplace (Marianti et al., 2023).

Based on the explanation above, it can be concluded that creativity, innovation, and flexibility, supported by technology, can influence the success of business efforts, as described in the following research model.

Figure 1. Framework Think



Hypothesis in study as following:

H1: Creativity has a positive influence on business success

H2: Innovation has a positive influence on business success

H3: Flexibility has a positive influence on business success

H4: Technology has a positive influence on innovation

Formulation Problem

The problem formulation in this study is whether creativity, innovation, and flexibility, supported by technology, have a positive and significant influence on the success of running a culinary business. Meanwhile, the objective of this study is to examine the relationship between creativity,

innovation, and flexibility, supported by technology, and the success of operating a culinary business.

RESEARCH METHODS

The research methodology used is quantitative in nature and based on the variables studied. The variables related to business success in this study include creativity (X1), innovation (X2), flexibility (X3), technology (Z), and business success (Y). The sampling technique used is a non-probability sampling method with a purposive sampling technique.

In this study, the researcher used a specific sample of respondents who own culinary businesses in the Grogol Petamburan sub-district, West Jakarta. This research employed a questionnaire for data collection. The total number of respondents obtained was 100 people. The respondents were predominantly male (62%), aged 36-45 years (35%), with a high school/vocational school education as their highest level of education (47%), and an income/turnover of Rp 50-100 million per month (37%).

Data collection was conducted using a questionnaire with a Likert scale ranging from 1 to 5. The data was analyzed using PLS-SEM with the SmartPLS 4 software. In processing the outer model data, the first step was conducting a validity test by examining the factor loading value, which should be >0.5 . Then, a discriminant validity test was performed by analyzing the cross-loading values between latent variables and indicator variables; if the cross-loading value was higher, the relationship was considered strong. Next, reliability testing was conducted by evaluating the Average Variance Extracted (AVE), which should be greater than 0.5; composite reliability, which should be greater than 0.7; and Cronbach's Alpha, which should be greater than 0.6. Meanwhile, in processing the inner model data to test the hypotheses, the first step was to assess the research construct by analyzing the R-Square (R^2) value. The classification criteria for R^2 were as follows: values above 0.67 were classified as strong, between 0.33 and 0.67 as moderate, and between 0.19 and 0.33 as weak.

The variables and the number of questions used are presented in the table below:

Table 1. Construction Study

No.	Variables	Item	Source
1.	Creativity	5	Anggraini; Aurel; Hannes; Deden; Janivita; Hanifah; Indra
2.	Innovation	5	Juven; Hidayah; Rintan; Rama; Zulfan; Yuhendri; Kevin; Louis
3.	Flexibility	5	Makmoor; Nafisah; Dini; Kevin; Louis; Yuhendri; Rizal
4.	Technology	5	Latydia; Selvina; Laili; Lusiani; Fatema; Nature; Rakian; Lieli
5.	Success business	5	Yuliani; Andhika; Diki; Bambang; Nurmala; Tri; Rosyda

RESULTS AND DISCUSSION

One of the results of data processing using SEM-PLS can be observed through the outer loading value and Average Variance Extracted (AVE), with the requirement that the resulting value must be greater than 0.5 (Hair et al., 2019).

Table 2. Convergent Analysis Results (Outer Loadings)

Flexibility	Innovation	Success business	Creativity	Technology
0.942				
0.926				
0.949				
0.937				

0.948				
	0.920			
	0.929			
	0.904			
	0.961			
	0.944			
			0.925	
			0.927	
			0.859	
			0.932	
			0.880	
		0.896		
		0.958		
		0.930		
		0.930		
		0.938		
				0.957
				0.880
				0.942
				0.946
				0.960

Source: Data processed with Smart PLS 4.0

Based on the table above, it can be concluded that all indicator values are greater than 0.5, indicating that the variables Creativity, Innovation, Flexibility, Technology, and Business Success can be considered valid data.

The highest Outer Loading value in the Flexibility variable is found in indicator F3, with a value of 0.949, while the lowest is in indicator F2, with a value of 0.926. For the Innovation variable, the highest Outer Loading value is observed in indicator I4, with a value of 0.961, whereas the lowest is in indicator I3, with a value of 0.904. In the Business Success variable, the highest Outer Loading value is recorded in indicator KU2, with a value of 0.958, while the lowest is in indicator KU1, with a value of 0.896. For the Creativity variable, the highest Outer Loading value is in indicator K4, with a value of 0.932, whereas the lowest is in indicator K3, with a value of 0.859. Lastly, in the Technology variable, the highest Outer Loading value is found in indicator T5, with a value of 0.960, while the lowest is in indicator T2, with a value of 0.880.

In addition, Table 2 shows that the direct influence of creativity on business success is 0.233; the direct influence of technology on innovation is 0.872; the direct influence of innovation on business success is 0.090; and the direct influence of flexibility on business success is 0.607.

Table 3. Cross loading test results

	Flexibility	Innovation	Success business	Creativity	Technology
F1	0.942	0.806	0.830	0.768	0.805
F2	0.926	0.806	0.801	0.756	0.830
F3	0.949	0.856	0.848	0.830	0.821
F4	0.937	0.801	0.814	0.771	0.803
F5	0.948	0.807	0.840	0.804	0.829

I1	0.807	0.920	0.786	0.876	0.847
I2	0.802	0.929	0.771	0.893	0.789
I3	0.775	0.904	0.754	0.851	0.731
I4	0.844	0.961	0.807	0.924	0.862
I5	0.811	0.944	0.790	0.926	0.826
K1	0.809	0.916	0.779	0.925	0.814
K2	0.765	0.895	0.778	0.927	0.811
K3	0.691	0.800	0.706	0.859	0.738
K4	0.767	0.889	0.762	0.932	0.765
K5	0.748	0.839	0.709	0.880	0.754
KU1	0.753	0.681	0.896	0.698	0.690
KU2	0.854	0.826	0.958	0.812	0.824
KU3	0.830	0.823	0.930	0.803	0.837
KU4	0.811	0.768	0.930	0.751	0.759
KU5	0.838	0.798	0.938	0.773	0.805
T1	0.840	0.837	0.796	0.798	0.957
T2	0.767	0.724	0.729	0.737	0.880
T3	0.809	0.836	0.814	0.837	0.942
T4	0.829	0.845	0.816	0.821	0.946
T5	0.827	0.837	0.794	0.826	0.960

Source: Data processed with Smart PLS 4.0

Based on Table 3, the discriminant validity test results can be observed in the bold values, which have weight values exceeding other variable indicators. This confirms that each indicator within the variable is considered valid data.

Table 4. Path Coefficient Test Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P Values
Flexibility -> Success business	0.607	0.608	0.122	4.988	0.000
Innovation -> Success business	0.090	0.075	0.195	0.460	0.645
Creativity -> Success business	0.233	0.247	0.158	1,474	0.141
Technology -> Innovation	0.872	0.872	0.027	32,086	0.000

Source: Data processed with Smart PLS 4.0

H1: Creativity has a positive influence on business success

The path coefficient test results show that creativity has a positive influence on business success, with an original sample value of 0.223. This indicates that support from creativity can contribute to increased business success. However, the T-statistic value for this hypothesis is 1.474, which is below the required threshold of 1.96. Additionally, the p-value is 0.141, exceeding the 0.05 significance level. Therefore, it can be concluded that while the hypothesis is accepted, the influence of creativity on business success is not statistically significant.

H2: Innovation has a positive influence on business success

The path coefficient test results show that innovation has a positive influence on business success, with an original sample value of 0.090. This indicates that support from innovation can contribute to increased business success. However, the T-statistic value for this hypothesis is 0.460, which is below the required threshold of 1.96. Additionally, the p-value is 0.645, exceeding the 0.05 significance level. Therefore, it can be concluded that while the hypothesis is accepted, the influence of innovation on business success is not statistically significant.

H3: Flexibility has a positive influence on business success

The path coefficient test results show that flexibility has a positive influence on business success, with an original sample value of 0.607. This indicates that flexibility can enhance business success. This finding is further supported by a significance test, where the T-statistic value is 4.988 and the p-value is 0.000. Since the T-statistic value exceeds the threshold of 1.96 and the p-value is below 0.05, it confirms a significant influence of flexibility on business success. Therefore, it can be concluded that H3 is accepted.

H4: Technology has a positive influence on innovation

The path coefficient test results show that technology has a positive influence on innovation, with an original sample value of 0.872. This indicates that technological support can enhance and improve innovation. This finding is further reinforced by a significance test, where the T-statistic value is 32.086 and the p-value is 0.000. Since the T-statistic value exceeds the threshold of 1.96 and the p-value is below 0.05, it confirms a significant influence of technology on innovation. Therefore, it can be concluded that H4 is accepted.

Discussion

This study includes 25 statements consisting of 5 indicators for Creativity, 5 indicators for Innovation, 5 indicators for Flexibility, 5 indicators for Technology, and 5 indicators for Business Success. Data processing was conducted using SmartPLS software version 4. The study involved two model tests: the outer model and the inner model. The outer model test was performed to assess validity and reliability using outer loadings, cross-loadings, and Cronbach's Alpha. Furthermore, the inner model analysis in this study included tests for the coefficient of determination (R^2), effect size (f^2), and hypothesis testing using the path coefficient. The results of the coefficient of determination test indicate that the business success variable can be well explained. Based on the effect size test, the f^2 value for the Creativity variable is 0.021 (small effect), for the Innovation variable it is 0.003 (small effect), while for the Flexibility variable it is 0.458 (strong effect). Additionally, the Technology variable has a significant effect size of 3.172. Based on the results of the hypothesis test, hypothesis H1 has a T-statistic value of 1.474 and a p-value of 0.141, indicating that H1 is not significant. The core aspect of MSME activities is creativity, as creativity can contribute to increased income (Anderson & Hidayah, 2023). Creativity plays a crucial role in boosting sales revenue, which in turn influences business performance (Trisnawati, 2024).

Based on the results of the hypothesis test, hypothesis H2 has a T-statistic value of 0.460 and a p-value of 0.645, indicating that H2 is not significant. Implementing innovation-oriented strategies effectively can help companies increase sales revenue, attract customers, and enhance business performance (Anderson & Hidayah, 2023). According to (Lai & Widjaja, 2023), innovation in

culinary MSMEs should include the courage to adapt to evolving trends, align with popular culinary trends, and implement a self-ordering system to improve customer convenience.

Based on the results of the hypothesis test, hypothesis H3 has a T-statistic value of 4.988 and a p-value of 0.000, indicating a significant influence of flexibility on business success. This finding shows that flexibility has a positive and significant impact on business performance. This is supported by research from Lai and Wijaya (Lai & Widjaja, 2023), which states that an entrepreneur's willingness to embrace change is a prerequisite for achieving improved business performance. Flexibility is a key factor in operating a successful business. Entrepreneurs who understand and apply this concept have greater opportunities to achieve long-term success in a dynamic business environment.

Based on the results of the hypothesis test, hypothesis H4 has a T-statistic value of 32.086 and a p-value of 0.000, indicating a significant influence of technology on innovation in business success. This finding is supported by research from Lumpkin and Dess (Mevarech, 1982), which states that innovation is the ability of an individual or company to develop products and services by identifying opportunities and utilizing technology to enhance their performance.

The reason why the results of H1 and H2 are not significant can be analyzed from Figure 4.3. Based on Figure 4.3, it is evident that out of 100 respondents, 6% have a master's degree (S2), 10% have an elementary school education, 16% have a bachelor's degree (S1), 21% have completed junior high school, and 47% have completed high school. The majority of culinary MSME owners in this study have an educational background of high school or lower. As a result, they may not have the same level of creativity and innovation as those with a bachelor's degree. This is because most high school graduates and below may lack knowledge about the importance of creativity and innovation in business. Additionally, they tend to prefer following or copying other people's ideas, hoping to achieve similar success. This pattern is further supported by Figure 4.4, which shows the income distribution of the respondents. Out of 100 respondents, 6 earn more than 200 million, 12 earn between 150 to 200 million, 22 earn between 100 to 150 million, 23 earn less than 50 million, and 37 earn between 50 to 100 million.

CONCLUSION

The conclusions derived from this study are as follows: First, creativity does not have a significant influence on business success. Second, innovation also does not have a significant influence on business success. Third, flexibility has a significant influence on business success. Fourth, technology has a significant influence on business success.

A recommendation for future research is to use simple and clear Indonesian language when formulating indicator questions. This will help respondents better understand the questions, considering the varying educational backgrounds of participants, and will minimize errors in questionnaire responses. For culinary MSME entrepreneurs in Grogol Petamburan District, West Jakarta, it is recommended to focus on improving creativity and innovation as key factors in increasing income and remaining competitive in the business landscape.

A suggestion for future research is to use simple and clear Indonesian language when formulating indicator questions. This is intended to help respondents better understand the questions, considering their varying levels of education, and to minimize errors in completing the questionnaire. For culinary MSME entrepreneurs in Grogol Petamburan District, West Jakarta, it is recommended to focus on improving creativity and innovation as key factors in increasing

income and maintaining competitiveness in the business landscape by addressing existing shortcoming.

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