
ANALYSIS OF ROLE ANTECEDENT VARIABLES ON INNOVATIVE WORK BEHAVIOR AND THE IMPACT ON BUSINESS PERFORMANCE OF MICRO AND SMALL ENTERPRISES

Marwan Marwan

Department of Management, Economic and Business Faculty, Khairun University,
Indonesia

ORCID: <https://orcid.org/0009-0005-5292-4680>

Marwan Man Soleman

Department of Management, Economic and Business Faculty, Khairun University,
Indonesia

ORCID: <https://orcid.org/0000-0002-9606-2753>

marwan@unkhair.ac.id

DOI: 10.13165/IE-25-19-1-09

Abstract

Purpose. The research aims to find out whether entrepreneur orientation affects the innovative work behavior and business performance of MSEs, whether knowledge management effects the innovative work behavior and business performance of MSEs, whether human capital has an impact on the innovative work behavior and performance of MSEs, and whether innovative work behavior influences the business performance of MSEs.

Method. SEM/PLS rules for determining the number of samples based on the number of indicators, there were 20 indicators, and a need for a sample size between 100 to 200 samples in this study. A more representative sample size is needed because the number of MSEs is quite large. Based on these considerations, a sample of 160 people was determined. Based on this number, samples will be randomly selected, and a questionnaire will be sent to each sample via the Google Forms application. The data obtained will be processed using the Partial Least Squares (PLS) method.

Findings. The research results show that entrepreneurial orientation has a positive and

significant effect on Innovative Work Behavior and business performance in MSEs, while knowledge management has a positive and significant impact on innovative work behavior and innovative work behavior has a positive and significant effect on business performance; human resources do not affect innovative work behavior and business performance, nor does knowledge management have a substantial impact on business performance; This research also reveals that innovative work behavior can mediate the relationship between entrepreneurial orientation and knowledge management on business performance, but innovative work behavior cannot mediate the relationship between human capital and business performance. This study provides a new perspective by attempting to reveal the role of human resource aspects in micro and small businesses. Micro and small business entrepreneurs must always try to strengthen entrepreneurial orientation and knowledge management to encourage increased innovation in work behavior and business performance.

Originality. This study provides new insights into the role of human resource management and innovative behavior in micro and small businesses.

Practical implication. Entrepreneurs in the micro and small business sector can encourage an increase in innovative work behavior and business performance by trying to strengthen entrepreneurial orientation and knowledge management.

Keywords: Antecedent, Innovation Work Behavior, Micro Small Enterprises, Performance of MSEs

JEL Classification: M21, L32, J24, D22, D23

Introduction

The rapid development of technology today has dramatically impacted all sectors of human life in the current global era. This is because, with technology, various developments and events occurring in one part of the world will instantly be known and felt in all corners. As a result, the values currently, in effect, use global standards. To fulfill these various values is a very high priority now. For this reason, it ultimately encourages intense competition in all private and public units. Therefore, since the digitalization 4.0 era, this encouragement has been felt. For this reason, all organizations are forced to make adjustments, which, in practical terms, is better known as innovation. Many organizations have succeeded and continue to survive and even develop. However, a few failed and were ultimately evicted and eliminated. However, as in every phase, change will always present two sides; one side is an opportunity, and the other is a threat (Bartuseviciene & Butkus, 2024). The presence of this digitalization wave also presents numerous opportunities for young practitioners who are astute at identifying and capitalizing on them, ultimately enabling them to achieve success. Likewise, with the business world. This influence is so strong that all processes in the business world today also apply technology. It starts with information

about the business world, planning, and production and moves to after-sales service. This is all related to aspects of competitiveness, effectiveness, and efficiency. Therefore, a proactive entrepreneur who is considering starting a business will diligently seek information about the type of business that has good prospects. This also continues the use of technology in search, like internet technology.

Based on data, there are currently 64.2 million micro, Small, and medium-sized enterprises (MSMEs) in Indonesia. The current contribution of MSMEs is also significant, especially in providing employment opportunities by absorbing around 97% of the workforce, contributing around 57% to Gross Domestic Product (GDP), and around 15% to total national exports. A similar phenomenon also occurred in Ternate City, where the numbers were relatively large and became a key factor in providing employment opportunities. The development of MSMEs here is similar to that in other regions and is prolonged. One of the reasons is this aided for more innovation from the owner. It is managed based on habits of time. Even though it is based on data, the number of MSMEs in Ternate City reached 14,210 business units. It comprises 9,424 micro businesses, 3,979 small businesses, and 807 medium businesses absorbing a workforce of 22,168 people (Ahmad *et al.*, 2022).

Several studies relate to the need for more innovation. (Carvache-Franco *et al.*, 2022), this is caused by a lack of corporate funding, high costs of innovation, and a need for qualified personnel in companies and countries. Meanwhile, (Halim *et al.*, 2023), financial constraints are a significant obstacle. Research has also been carried out (Agustina & Arganata, 2023). Research results show that entrepreneurial orientation and knowledge management influence collaborative innovation activities, as well as the collaborative relationship between innovation activities and innovation performance. (Augustinah *et al.*, 2022), found that human, social, and customer capital positively and significantly effect business performance. Likewise, technological innovation positively and significantly influences business performance.

To explore research problems in more depth, the scope of this research will only focus on Micro and Small Enterprises (MSEs), and the innovation in question is innovation related to Innovative Work Behavior (IWB). This has also been intensively researched. However, in several studies, there are still differences in findings. Mainly related to antecedent variables influencing IWB in MSEs and business performance. Likewise, (Hidayat *et al.*, 2023), that entrepreneur orientation has a significant and positive effect on business performance; (Danny & Utama, 2020), found that entrepreneurial orientation has a significant and positive effect on project success in the fashion sector (Raymond & Selamat, 2023), that entrepreneurial orientation positively influences the performance of cultural businesses in Jakarta. However, some studies have shown different results (Ngo, 2023), stating that entrepreneurial orientation does not significantly impact the performance of MSMEs in Vietnam. The findings of this research differ from those of several other studies (Gebremedhn *et al.*, 2022), which revealed that the five dimensions of human capital all have a significant effect on employee performance (Linda Sutanto *et al.*, 2023), that human resource readiness has a significant impact on business performance. However, several

studies revealed different results, including the following (Abdullah *et al.*, 2019), which revealed that IWB was insignificant to job performance.

According to the description of the phenomenon, data regarding the development of MSEs, and there are still contradictions in several previous research results, the aim of this research is as follows:

- 1) *To find out whether entrepreneurial orientation influences IWB towards the performance of MSEs;*
- 2) *To find out whether knowledge management influences IWB on MSE performance;*
- 3) *To find out whether human capital influences IWB towards MSE performance;*
- 4) *To find out whether IWB influences the performance of MSEs.*

This research was conducted in MSEs in Ternate City in 2024. For this reason, several businesses will be part of the research trade, services, and culinary.

1. Literature Review, Theoretical Framework, and Hypotheses Development

Literature review is one of the most important parts of research. In this section, the concept of all that is used in research variables is explained, and also the research model is constructed. In the final section, the hypothesis will be presented as an initial answer to the research problem. In this study, ten hypotheses will be tested in the next section. The following is the hypothesis of this research: Entrepreneur orientation (EO) has a significant influence on innovative work behavior (IWB) at UMK in Ternate City. KM has a significant influence on IWB at UMK in Ternate City, HC has a significant influence on IWB at UMK in Ternate City, IWB has a significant influence on business performance at MSEs in Ternate City, Entrepreneur Orientation (EO) has a significant influence on Business Performance (BP) at MSMEs in Ternate City, Knowledge Management (KM) has a significant influence on business performance in MSMEs in Ternate City, Human Capital (HC) has a significant influence on Business Performance (BP) at UMK in Ternate City, Knowledge management (KM) has a significant influence a business performance (BP) through Innovative Work Behavior (IWB), Entrepreneur orientation (EO) has a significant influence on Business Performance (BP) through Innovative Work Behavior (IWB), and Human capital (HC) has a significant influence on business performance (BP) through innovative business performance (IWB).

1.1. The Concept of Micro and Small Enterprises (MSEs)

According to the opinion expressed (Sanjiwani & Nurmawati, 2020), micro businesses have been regulated by law, namely, business entities owned by individuals or entities based on net assets and sale proceeds, while small businesses are productive businesses that are

not included in medium and large businesses and have assets and sales proceeds by statutory provisions. The same thing was also expressed by (Kusumaningrum *et al.*, 2021), that micro businesses have been regulated in law, namely, business entities owned by individuals or entities based on net assets and sales proceeds, while small businesses are productive businesses that are not included in medium and large businesses and have assets and sales proceeds by statutory provisions. Every activity carried out in a business certainly aims to achieve profit. However, this is only sometimes the case because there are other purposes, such as introducing new products, expanding market share, or improving product quality. The variety of objectives causes performance measures to be very dependent on the main objectives to be achieved. However, in various literature on business, business performance has meanings such as (Augusto da Conceição Soares, 2023), that the performance of small and medium enterprises can be seen in three aspects: profitability, productivity, and market.

1.2. Understanding Business Performance

The concept of business performance in general is always associated with achieving business profits. This is because every activity carried out in a business certainly has a goal, the main one being to gain profit. However, this is not always the case because there are other goals, such as introducing new products, expanding market share, or improving product quality. The variety of these goals causes performance measures to be highly dependent on the main goal to be achieved. However, in various literature on business, the concept of business performance has had a meaning, such as by (Augusto da Conceição Soares, 2023), that the performance of small and medium enterprises can be seen in three aspects, namely profitability, productivity, and market.

1.3.1. The Influence of Entrepreneur Orientation (EO) on Innovative Work Behavior (IWB) at MSEs in Ternate City

In many articles, entrepreneur orientation (EO) is defined as a process of making strategies for entrepreneurial actions and decisions. It can also be defined as behavior and characteristics, such as decision-making and practices regarding various new inputs. In another view, entrepreneur orientation is intended as a process, practice, and decision-making that directs towards various new inputs. About MSEs, entrepreneur orientation is often associated with innovative work behavior.

Several related studies have been conducted previously, including (Rofiaty *et al.*, 2023; Parga-Montoya & Cuevas-Vargas, 2019), revealing that EO has a significant effect on adaptive innovation; likewise (Oktavio *et al.*, 2019), reveal that EO has a significantly affect on innovation in a study conducted on hotels in Surabaya; more specifically (Ha, 2022), that EO has a significant effect on innovation behavior; (Kraus *et al.*, 2023), also succeeded in revealing that EO has a significantly affect on disruptive innovation; and (Shahid *et al.*,

2022), succeeded in revealing a significant effect of EO on IWB and also all its dimensions in a study conducted in Pakistan.

H1. Entrepreneur orientation (EO) has a significant influence on innovative work behavior (IWB) at MSEs in Ternate City.

1.3.2. The Influence of Knowledge Management (KM) on Innovative Work Behavior (IWB) at MSEs in Ternate City

According to (Pratama, 2019), that knowledge management is information management by implementing strategies, structures, cultures, systems, and capacities and attitudes of individuals in organizations related to their knowledge. This concept is currently widely explored in various studies to build organizational effectiveness.

Several studies have been conducted related to KM with innovation, including (Budiprayitno, 2020), which revealed that KM has a significant effect on innovation; (Bratianu *et al.*, 2021; Nawaz *et al.*, 2020), that all dimensions of KM have a significant effect on innovation products which are part of IWB; (Bawa *et al.*, 2023), explicitly stated that the three dimensions of KM, namely acquisition, dissemination, and responsiveness, have a significant effect on the company's innovation performance (Gunawan & Widodo, 2021) (Gunawan & Widodo, 2021) revealed that KM has a significant effect on IWB (Wibowo *et al.*, 2021) (Wibowo *et al.*, 2021)—also revealed that KM has a significant effect on performance.

H2. KM has a significant influence on IWB at MSEs in Ternate City.

1.3.3. The Influence of Human Capital (HC) on IWB at UMK in Ternate City

Human capital (HC) is an organization's key factor. Therefore, various efforts are always made to improve the competitiveness of human capital in each organization. Among them is increasing their capacity, knowledge, and expertise. This is because the better the human capital, the better it will be able to encourage increased organizational performance (Chiu & Lin, 2022). Of course, one of them is to improve the work behavior of the organization's citizens.

Several studies that have been conducted include (Yuwanda *et al.*, 2023), revealing that HC has a significant effect on IWB; (Linda Sutanto *et al.*, 2023), revealing that human capital readiness has a positive effect on service capability innovation; (Isa & Muafi, 2022), which revealed that HC has a significant effect on IWB in a study conducted on maintenance workers; (Kusumawijaya & Astuti, 2023), also managed to reveal a significant effect of the HC variable on innovation in small companies.

H3. Human Capital (HC) has a significant influence on IWB at MSEs in Ternate City.

1.3.4. The Influence of Innovative Work Behavior (IWB) on Business Performance (BP) at MSEs in Ternate City

According to some existing literature, innovation is defined differently, depending on the perspective. Innovation can be interpreted as new or creative ideas that emerge to improve a manufacturing process or a service. Along with the continuing expansion of development, innovation has also entered the behavioral aspect, including behavior at work. For this reason, research related to innovative work behavior (IWB) is being carried out very intensively.

Referring to several opinions of researchers, IWB is defined as (Sulistiawan & Andyani, 2020), that innovative behavior is formed through interactions between individuals and interrelated situations; (Xu & Suntrayuth, 2022), that IWB includes four parts, namely generating, content, promotion, and implementation; (Mahendra Baharudin & Ekowati, 2022), stating that IWB is a process of creating, introducing, and implementing an idea within an organization to maintain its sustainability.

Meanwhile, several studies that have been conducted related to IWB on Business performance are (Ampauleng, 2021), that IWB has a significant effect on (Jankelová *et al.*, 2021), also revealed that IWB is a predictor of BP; (Budiprayitno, 2020), that innovation has a significant effect on performance; (Al Taweel & Al-Hawary, 2021), revealed that innovation capability has a significant effect on organizational performance; meanwhile (Rofiaty *et al.*, 2023), also managed to reveal that adaptive innovation has a significant effect on company performance; likewise with (Rika Rahmayuni *et al.*, 2024), showing that entrepreneur orientation has a positive effect on the performance of MSMEs in West Sumatra, and (Anastasios & Filenta, 2023), Digitalization of business develops innovative practices, makes them more efficient and gains competitive advantage.

H4. IWB has a significant influence on business performance at MSEs in Ternate City.

1.3.5. The Influence of Entrepreneur Orientation (EO) on Business Performance (BP) at MSEs in Ternate City

(Kassim, 2023), revealed that of the five dimensions of EO, only one does not have a significant effect on performance, namely risk taking (Diandra & Azmy, 2021), that EO plays a vital role in determining performance; (Monalisa *et al.*, 2023), revealed that EO has a positive effect on large and small companies, MSMEs, and schools; (Fransisca & Soelaiman, 2023), that EO and market orientation affect the performance of culinary businesses in Jakarta; (Suder, 2023), also revealed that risk taking and proactiveness affect performance.

H5. Entrepreneur Orientation (EO) has a significant influence on Business Performance (BP) at MSEs in Ternate City.

1.3.6. The Influence of Knowledge Management (KM) on Business Performance (BP) in MSEs in Ternate City

The studies that have been conducted include (Borodako *et al.*, 2023), that KM has a significant effect on BP; (Adaileh *et al.*, 2020), that of the four dimensions of KM, only one is stated to support company performance significantly, namely knowledge application; (Budiprayitno, 2020), revealing that knowledge management has a significant effect on performance; (Alharbi & Aloud, 2024), that of the four dimensions of KM associated with the three dimensions of performance, only the knowledge sharing dimension does not have a significant effect on the three dimensions of performance, namely the dimensions of quality, operations. And innovation.

H6. Knowledge Management (KM) has a significant influence on business performance in MSEs in Ternate City.

1.3.7. The Influence of Human Capital (HC) on Business Performance (BP) at MSEs in Ternate City

Human capital is a source of excellence for an organization today. Therefore, in general, organizations strive to obtain individuals with various competencies related to various activities to achieve their goals. The concept of human capital has been widely explained in various management science literature. Among them is (Wujarso *et al.*, 2021), which states that human capital is a combination of intelligence, competence, and knowledge that differentiates it from other organizations. Furthermore, it is individuals who can learn, develop abilities, innovate, and provide creativity for long-term business sustainability; (Ohoiwutun, 2023), states that human capital is a qualitative dimension of human resources, such as expertise and skills that play a vital role in the level of individual productivity and can be improved through various educational programs; meanwhile (Ray *et al.*, 2023), explains that human capital is like the average level or total level of knowledge, experience or education in a company.

Several studies that have been conducted related to HC and BP are (Anggraini *et al.*, 2018), that HC has a significant effect on BP; (Costa *et al.*, 2020), that HC has a significant effect on ROA in the tourism sector in Portugal; (Chiu & Lin, 2022), revealed that human capital with its three dimensions, namely capacity, knowledge, and skills, has a significant effect on organizational performance; (Linda Sutanto *et al.*, 2023), also revealed that HC has a significant effect on business performance; (Anggreni *et al.*, 2022), revealed that intellectuals affect performance.

H7. Human Capital (HC) has a significant influence on Business Performance (BP) at MSEs in Ternate City.

1.3.8. The Influence of Knowledge Management (KM) on Business Performance (BP) Through Innovative Work Behavior (IWB)

Several previous studies have been conducted that have linked KM with BP through innovation, including (Budiprayitno, 2020), which revealed that innovation can mediate the relationship between KM and BP; (Wibowo *et al.*, 2021) revealed their research findings that KM has a significant effect on performance through innovation.

H8. Knowledge management (KM) has a significant influence a business performance (BP) through Innovative Work Behavior (IWB).

1.3.9. The Influence of Entrepreneur Orientation (EO) on Business Performance (BP) Through Innovative Work Behavior (IWB)

Research examining the relationship between EO and BP through IWB is still limited. In general, it examines direct influences. However, the dynamics of practical development are slowly leading to more complex research. Such as (Ha, 2022), revealed that innovative behavior is a mediation between EO and BP; (Mohungo *et al.*, 2022), that EO has a significant effect on BP through market orientation as a mediator; likewise, research conducted by on MSMEs in the culinary sector in Jakarta (Raymond & Selamat, 2023), successfully revealed that EO has a significant effect on BP through entrepreneurial competence as a mediator; the same thing was also expressed by (Daradkeh & Mansoor, 2023), that EO affects startup performance through both exploratory innovation and exploitative innovation as mediators.

H9. Entrepreneur orientation (EO) has a significant influence on Business Performance (BP) through Innovative Work Behavior (IWB).

1.3.10. The Influence of Human Capital (HC) on Business Performance (BP) Through Innovative Work Behavior (IWB)

Several studies that have been conducted are (Chiu & Lin, 2022), revealing that only human capital knowledge has a significant effect on performance through innovation leadership, while human capital capacity and human capital skills do not have a significant effect (Linda Sutanto *et al.*, 2023), also revealed that HC has a significant effect on BP through innovation capability as a mediating variable; likewise with (Nguyen & Dao, 2023), in their research successfully revealed that innovation is a mediation between human resource management practices with high performance standards and company performance.

H10. Human capital (HC) has a significant influence on business performance (BP) through innovative business performance (IWB)

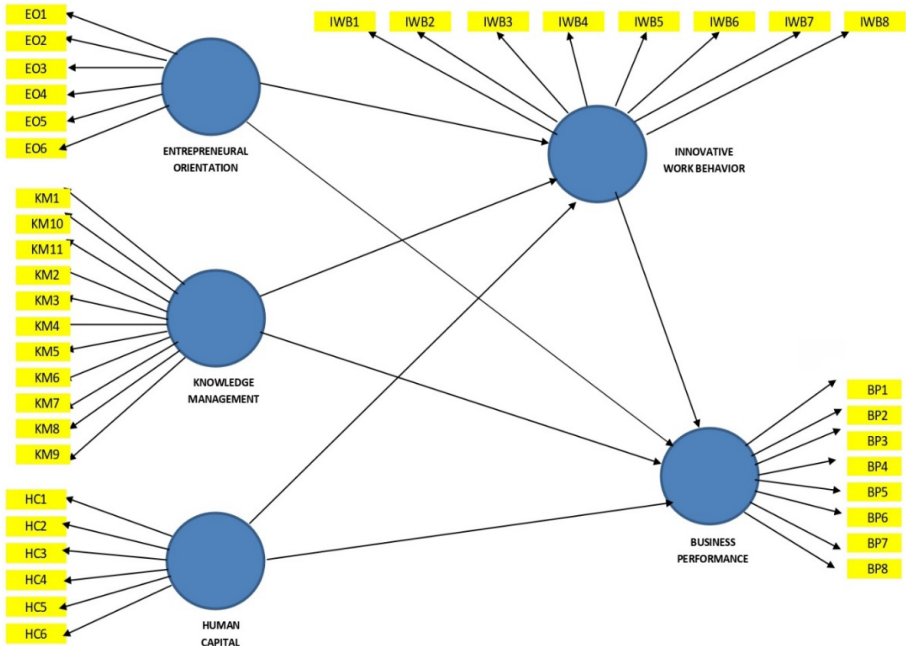


Fig 1. Conceptual Model

2. Model, Data, and Methodology

Based on the research problem, this research is a causality research. The aim is to analyze how several exogenous variables affect endogenous variables. The three exogenous variables in this study are the main capital in every business venture, namely entrepreneurial orientation, knowledge management, human capital. All three will be revealed their role in micro-enterprises, both directly on business performance and through one mediating variable, namely innovative work behavior. This research was conducted in Ternate City, regarding micro and small businesses. There were 160 micro and small business entrepreneurs who were used as samples. The time of implementation of the research activities is 2024.

2.1. Population and Sampling Method

To the SEM/PLS model rules regarding determining the number of samples to be used based on the size of the research indicators, in this research, there are 20 indicators, so a sample size of between 100 and 200 samples is required. A more representative sample size

was determined because the number of MSEs in Ternate City is quite large. Based on these considerations, the number of samples in this study was set at 160. MSEs entrepreneurs have unique characteristics, managing small-scale businesses generally serves the same segment of society as end users of various product or service variations. The profiles of entrepreneurs are also very diverse. For this reason, the sampling technique used is purposive. The criteria for the sample, respondents must be currently active MSEs entrepreneurs, have been running a business for at least three years, and have good reading and communication skills.

2.2. Data Collection Method

A questionnaire is a data collection technique that gives respondents a series of questions or written statements to answer. In this research, the questionnaire is closed, meaning that respondents will only choose predetermined answers. This research consists of 5 variables with 20 indicators and 40 question items. This research questionnaire is a Google form distributed to selected respondents via WhatsApp, and the answers are given to respondents according to their perceptions of each item.

The data used in this study is generally primary data. This data is about the respondents' perception of the research variables. The data was collected using a questionnaire shared through a Google form. The type of questionnaire used in this study is a closed questionnaire. That is the type of questionnaire that each question asked. The choice uses a Likert scale of 1 to 5. Respondents were only asked to state their attitude towards each problem raised by choosing one answer that best suited their perception. Furthermore, the data collected in this study will be analyzed using Partial Least Squares (PLS).

3. Results and Findings

The R2, value is the used to assess the influence of exogenous variables on endogenous variables in the study. In this case, it is the variables of entrepreneur orientation, human capital, and knowledge management towards IWB and BP. The R2 value should ideally range from 0 to 1. BP Construction obtained an R2 value of 0.645 or 64.5%. These findings show that the influence by the constructs BO, KM, HC, and IWB is 64.5%. These results confirm that the influence of the antecedent variable above is very good. The remaining 35.5% was explained by other variables outside the study. The complete R-square value results are presented in the table below.

Table 1. R-Square Value

		R Square	R Square Adjusted
B		,645	,629
IWB		,531	,515

The next test is to determine the significance of the influence between the independent and dependent constructs and answer the hypothesized question. Testing with a significance level of 5% or if the value of t-statistic value is > 1.96, the null hypothesis (H0) is rejected. The t-statistic value of the latent construct I license coefficient was obtained from PLS Bootstrapping. The results model is presented in Fig. 2 below.

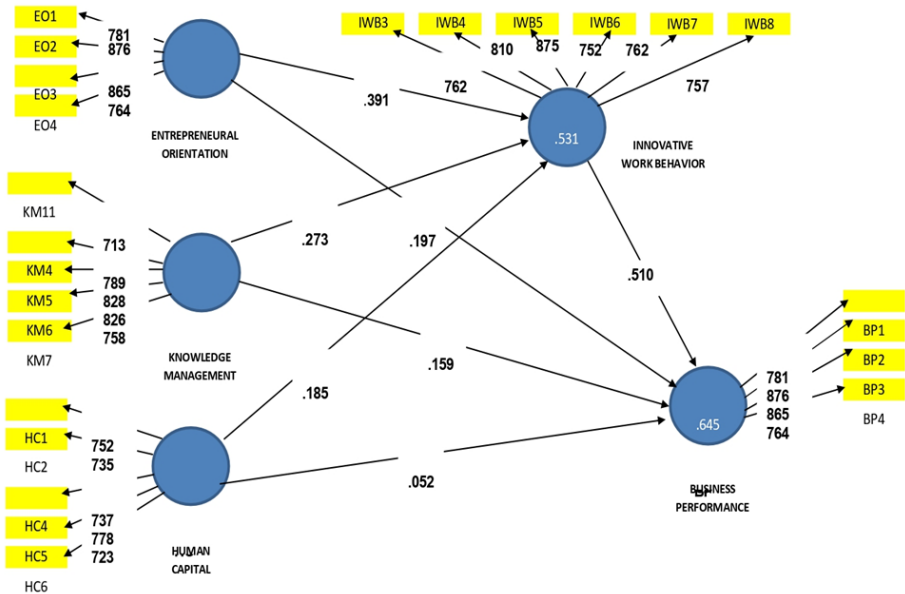


Fig 2. Bootstrapping Test Results

Parameter coefficient values can be seen in the values (original sample), standard error (standard deviation), t-statistic values, and p-values can be seen in the table below.

Table 2. Coefficient Values (Original Sample), Standard E or T-Statistics

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	
EO -> IWB	0,391	0,391	0,087	4,500	0,000	Accepted
KM -> IWB	0,273	0,276	0,083	3,280	0,001	Accepted
HC -> IWB	0,185	0,184	0,114	1,625	0,105	Rejected
IWB -> BP	0,510	0,511	0,072	7,134	0,000	Accepted

EO -> BP	0,197	0,197	0,075	2,622	0,009	Accepted
KM -> BP	0,159	0,157	0,112	1,415	0,158	Rejected
HC -> BP	0,052	0,056	0,106	0,489	0,625	Rejected

3.1. Direct Influence

Table 2 shows the results of the research hypothesis testing. For entrepreneurial orientation towards innovative work behavior (H1), the t-statistic value is 4.500 and the p-value is 0.000. Therefore, the t-statistic value is $4.500 > 1.96$ and the value $-0.00 < 0.05$, which indicates that the research hypothesis (Ha) is declared accepted. Furthermore, the hypothesis about the influence of knowledge management on innovative work behavior (H2) obtained a t-statistic value of 3.2 and a p-value of 0.001. Therefore, the t-statistic value is $3.280 > 1.96$ and the p-value $0.001 < 0.05$, the research hypothesis is declared accepted. Meanwhile, the hypothesis regarding the influence of human capital on innovative work behavior (H3) obtains a t-statistic value of 1.6 and a p-value of 0.105. Because the t-statistic value is $1.625 < 1.96$ and the p-value is $0.105 > 0.05$, the research hypothesis (Ha) is also rejected. Furthermore, for the hypothesis regarding the influence of innovative work behavior on business performance (H4), the t-statistic value is 7.1, and the p-value is 0.000. Because the t-statistic value is $7.134 > 1.96$ and the p-value is 0.000, it shows that the research hypothesis (Ha) is accepted. For entrepreneurial orientation towards business performance (H5), the t-statistic value is 2.6 and the p-value is 0.009. Based on the provisions, if the t-statistic value is $2.622 > 1.96$ and the p-value is $0.009 < 0.05$, then the research hypothesis (Ha) is declared accepted. In the hypothesis about the influence of knowledge management on business performance (H6), the t-statistic value is 1.4 and the p-value is 0.158. Therefore, the t-statistic value is $1.415 < 1.96$ and the p-value is $0.158 > 0.05$, the results clearly indicate that the research hypothesis is rejected. In the hypothesis of the influence of human capital on business performance (H7), the t-statistic value is 0.4 and the p-value is 0.625. Because the t-statistic value is $0.489 < 1.96$ and the p-value is $0.625 > 0.05$, it shows that the research hypothesis (Ha) is rejected.

Table 3. Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T Statistics (O/STDEV)	P Values	
KM -> IWB -> BP	0,139	0,142	0,051	2,705	0,007	Accepted
EO -> IWB -> BP	0,199	0,199	0,051	3,883	0,000	Accepted
HC -> IWB -> BP	0,094	0,093	0,059	1,602	0,110	Rejected

3.2. Indirect Influence

Based on Table 3, for the hypothesis regarding the influence of knowledge management on business performance through innovative work behavior (H8), t-statistic value is 2.7 and a p-value of 0.007 was obtained. Because the t-statistic value is $2.705 > 1.96$ and the p-value is $0.007 < 0.05$, the research hypothesis is declared accepted. Regarding hypothesis testing of the indirect influence of entrepreneurial orientation on business performance through innovative work behavior (H9), the t-statistic value is 3.8 and the p-value is 0.000. Because the t-statistic value is $3.883 > 1.96$ and the p-value is $0.0 < 0.05$, the research hypothesis is declared accepted. For the influence of human capital on business performance through innovative work behavior (H10), a t-statistic value of 1.6 and a p-value of 0.110 were obtained. Because the t-statistic value is $1.602 < 1.96$ and the p-value is $0.11 > 0.05$, the research hypothesis is declared rejected. The results above show that EO significantly and positively affects BP MSEs in Ternate City. This shows that EO can be used to predict BP MSEs in Ternate City.

4. Discussion

The research findings reveal that EO has a positive and significant effect on IWB in MSEs in Ternate City. This means that the EO variable can be used as a predictor of IWB. Positive findings mean that the high or low IWB in MSEs in Ternate City is very much determined by the high or low EO of entrepreneurs. The study shows that in terms of the loading factor indicator value, the two highest EO items are EO2, which is about dramatic changes in the product line, which is part of the innovation dimension and EO3, which is about bold action. Achieving business goals is part of the risk-taking dimension. Meanwhile, IWB was initially measured with eight items, but only six items had qualified values. Two items had the highest loading factor values, namely IWB4, about employees always trying to find new ways to do their jobs, and IWB5, always making teammates excited with new ideas. For this reason, MSEs always try to increase their competitiveness in the face of the increasingly tight competition today. The results of this study are also supported by several other studies, such as (Shahid *et al.*, 2022), which revealed that there is a significant relationship between EO and IWB through its dimensions (Ha, 2022) by emphasizing that high performance can be achieved with awareness of one of the roles of employee innovation behavior; Several other studies that also link EO to innovation have produced similar findings, including: (Kraus *et al.*, 2023); that EO has a positive influence on innovation, it is even emphasized that it has a very positive influence on all types of innovation, especially business innovation; (Clarissa *et al.*, 2023), that entrepreneurial orientation has a positive and significant influence on sustainable business growth.

Furthermore, that KM has a positive and significant effect on IWB in MSEs in Ternate City. These results indicate that the KM variable can be used as a predictor for IWB

in MSEs in Ternate City. This means that KM as an antecedent variable has a very vital role in influencing IWB. This means that if knowledge management is implemented well in MSEs in Ternate City, it will be able to increase innovative work behavior. Likewise, if knowledge management is poor, then innovative work behavior will also be poor. Figure 2 above shows that KM initially consisted of eleven items, but only five items were stated to have qualified values. Furthermore, two items had the highest loading factor indicator values, namely KM5 regarding the policy of periodically reviewing employee knowledge and KM6 regarding providing feedback on their ideas and knowledge. Meanwhile, IWB was initially measured with eight items, but only six items had qualified values. The two items had the highest loading factor indicators, namely IWB4, namely employees who always try to find new ways to work, and IWB5, namely employees who always try to make teammates excited with new ideas. These findings very strongly support the results of the research conducted (Bawa *et al.*, 2023), that the three elements of KM, namely Knowledge Acquisition, Knowledge Dissemination, and Responsiveness to Knowledge, have a significant effect on innovation in companies (Budiprayitno, 2020), conducting research on the creative industry in Malang Raya revealed that KM has a significant effect on innovation; (Bratianu *et al.*, 2021), also found that customer KM is very significant to IWB and in detail relates it to each of the IWB dimensions; likewise with (Bratianu *et al.*, 2021), in his research on customer knowledge management, it was revealed that KM greatly influences all dimensions of IWB, even in indirect tests of the sustainability of innovative products.

Other findings revealed that HC did not have a significant effect on IWB in MSEs in Ternate City. These results indicate that HC cannot be used as a predictor of IWB in SMEs in Ternate City. Therefore, the strength or weakness of IWB is not relevant to being associated with HC. However, this does not mean that the HC factor does not contribute, it is just that other driving factors are still needed to be able to provide that role. Such as competition. Research conducted on HC on IWB is still minimal, but some studies are close (Ibrahim *et al.*, 2023), revealing that the welfare of educators does not significantly influence IWB.

Innovative work behavior has a positive and significant effect on BP. This shows that IWB can be used as a predictor of MSEs performance. Meanwhile, positive diction shows that the direction of the influence of IWB on BP is in the same direction, meaning that if IWB in MSEs is good, it will cause MSEs performance to be good too. Conversely, if IWB is not good, it will cause low performance. This finding is also empirically supported by facts in practice. In general, businesses that are managed with a more open attitude to the latest methods will grow more rapidly. Among them, there are those whose business scale has increased with several branches in several places. Several studies have succeeded in revealing the same findings, including (Jankelová *et al.*, 2021) who found that IWB has a significant effect on employee performance and business performance; (Clarissa *et al.*, 2023) who revealed that innovation also has a positive and significant effect on growth; Likewise (Al Taweel & Al-Hawary, 2021) who revealed that the power of innovation also has a significant effect on performance. Several studies support the findings of this study

(Wahyuni & Sara, 2020); (Ha, 2022). This is supported by several studies that have been conducted, including (Ngo, 2023) which examined MSEs in Vietnam.

EO significantly affects BP, meaning that EO can be used as a predictor of BP. Its positive influence indicates that its influence is in the same direction. This means that if the EO of MSEs entrepreneurs is good, it will cause MSEs in Ternate City to be good too. Likewise, if EO is low, it will cause business performance to be low. Related to the loading factor indicator value, two highest EO items were obtained, namely EO2, which is about dramatic changes in the product line which is part of the innovation dimension, and EO3, which is demanding bold action to achieve business goals, which is part of the innovation dimension, from the risk-taking dimension. Meanwhile, for the BP variable, two items have the highest indicator values, namely BP2 regarding the sales value of products from circulating businesses, which is included in the effectiveness dimension, and BP4 regarding the smaller range of sales costs incurred. Compared to the budget included in the effectiveness dimension, based on this description, the development of MSEs in Ternate City is currently good and has prospects for continued growth.

The results of this research are in line with several other studies, including research conducted by (Rofiaty *et al.*, 2023), who researched orchid plant entrepreneurs; Likewise the research conducted (Cuevas-Vargas *et al.*, 2019); likewise with (Sianipar, 2022), revealed the same results that EO had a positive effect on the business performance of MSEs in Tebing Tinggi; (Wahyuni & Sara, 2020) there is research on MSEs in Bali which also reveals the same thing; (Widodo, 2023), who researched MSEs in West Java, which revealed that among the five dimensions of EO, namely autonomy, innovation, proactiveness, risk-taking, and competitive aggressiveness, only one dimension was not significant, namely risk-taking; (Diandra & Azmy, 2021), revealed that although not all dimensions of EO always influence BP, most of the articles studied agree that EO plays a significant role in designing company performance; (Monalisa *et al.*, 2023), who researched three sectors, namely companies, schools and MSEs, and succeeded in revealing that EO has a significant and positively influence on performance; And (Fransisca & Soelaiman, 2023), in his research on the culinary business in Jakarta, he also succeeded in revealing that the five dimensions of EO had a significant effect on business performance. However, several studies have different results, including (Ngo, 2023), which states that EO does not significantly affect the performance of MSEs in Vietnam.

KM does not significantly effect BP. This shows that KM cannot be used as a predictor of BP in SMEs in Ternate City. This means that KM cannot be used to predict the performance of MSEs in Ternate City. Initially, KM was measured with twelve items, but only five were declared to have qualified values. Furthermore, two items have the highest loading factor indicator values, namely KM5, regarding the policy to periodically review employee knowledge, and KM6, regarding providing feedback to employees on their ideas and knowledge. Meanwhile, for the BP variable, two items have the highest indicator values, namely BP regarding the sales value of products from the circulating business, which is included in the effectiveness dimension, and BP4 regarding the smaller range of sales costs

incurred. Compared to the budget included in the effectiveness dimension, these results indicate that MSEs in Ternate City also actively manage knowledge in their businesses. However, their current business performance is acceptable. These findings strengthen the results of research that has been conducted previously, including (Borodako *et al.*, 2023), who researched provider companies in Poland; (Widodo, 2023), who researched MSEs in West Java; (Dyah Poespita Ernawati, 2020), who researched MSEs actors, especially batik artisans in Surabaya; (Alharbi & Aloud, 2024), which researched the dimensions of knowledge management on performance dimensions, the results of which showed that the three dimensions of knowledge management, namely knowledge creation, knowledge capture, knowledge application, had a significant effect on business performance, (Bawa *et al.*, 2023), revealed that knowledge management has a significantly affect on performance in manufacturing companies in Ghana; (Adaileh *et al.*, 2020), that of the four dimensions of knowledge management, there are two significant to performance, namely Knowledge Capturin and Knowledge Application.

HC was found to have no effect on BP on SMEs in Ternate City. This shows that human capital is not a predictor of BP. This means that good or bad business performance of MSEs in Ternate City cannot be associated with human capital. This finding confirms that MSEs are generally still managed based on traditional patterns. So that human capital, using three indicators, namely experience, knowledge, and skills, was found not to affect BP. Several things, such as strategic locations, friendliness, and proximity, are considered to play a much greater role in supporting business performance. This study confirms the findings of several previous studies (Nuryani, 2018), research on village credit institutions revealed that human resources did not have a significant effect on financial performance. Nevertheless, the findings of this research are different from the findings of several other studies, including (Gebremedhn *et al.*, 2022), that the five dimensions of human capital have a significant effect on employee performance (Linda Sutanto *et al.*, 2023), resource readiness has a significant effect on business performance; and (Sklavos *et al.*, 2024), one of the factors influencing the adoption of green entrepreneurship-oriented digital transformation practices is the low level of digital HR expertise..

The mediation test in Table 3, it reveals 3 findings. *First*, it was revealed that the IWB variable can mediate the influence between EO and BP. This shows that MSEs entrepreneurs who actively explore various innovative ideas and implement them in their businesses can improve their business performance. The results of this study are in line with several previous studies which revealed that of the five dimensions of EO, four dimensions affect MSEs performance through market orientation, and only one dimension has no effect, namely risk taking.

Second, Furthermore, the IWB variable can mediate the relationship between KM and BP. This shows that IWB can mediate the relationship between KM and BP in MSEs in Ternate City. The more traditional management system of MSEs causes the spread of knowledge and practical experience through routine habits. The interaction between family and relationships strongly encourages increased IWB among business actors. This certainly has

an impact on business performance. These results are in line with research findings, including those conducted (Budiprayitno, 2020), which revealed that KM has a significant effect on performance through innovation; (Dyah Poespita Ernawati, 2020) also revealed that innovative behavior significantly mediates the influence of knowledge sharing on the performance of batik entrepreneurs.

Third, IWB cannot mediate the relationship between HC and BP. This finding is also in line with the practice of MSEs, that very little investment is made in the human resource aspect. businesses are more traditionally run. Even from one generation to another. This is in line with research conducted (Chiu & Lin, 2022), human capital consists of knowledge, total capital skills, and human capital. The results of the study showed that only human resource skills affect organizational performance through innovative leadership (Sidrianita *et al.*, 2024) which more firmly stated that IWB cannot mediate between HC and work quality. Likewise, with the findings (Isa & Muafi, 2022) that HC, through innovative behavior on performance, is not significant. However, there are several different studies; (Linda Sutanto *et al.*, 2023), that revealed that HC readiness affects organizational performance through innovation.

5. Conclusions and Policy Implications

Several conclusions can be drawn from this research. *First*, entrepreneurial orientation has a positive and significant impact on innovative work behavior and business performance in MSEs, while knowledge management is found to have a positive and significant impact on innovative work behavior and likewise IWB has a positive and significant effect on business performance. These findings indicate that the influence of the two antecedent variables above has the same direction on both IWB and BP, so that if both are good it will be possible to increase IWB and BP. However, if both are low or not good then IWB and BP can be low. *Second*, human capital has no effect on innovative work behavior and business performance, nor does knowledge management have a significant effect on business performance. These findings reveal that KM cannot be used as a predictor of IWB or business performance. This research also reveals that IWB can mediate the relationship between entrepreneurial orientation and knowledge management on business performance. However, IWB cannot mediate the relationship between human resources and business performance. Suggestions that can be formulated to be addressed to the local government and MSEs stakeholders in Ternate City are: First, the need for government actors to provide understanding and direction to MSEs to clarify their entrepreneurial orientation. Such as increasing business focus and increasing the dimension of risk-taking through increasing bold and aggressive attitudes to increase the possibility of increasing potential opportunities. Second, MSEs are expected to be able to apply knowledge management in the dimension of knowledge application by encouraging the use of different methods so that employees can develop their knowledge and apply it to new things. Third, MSEs need to encourage

the growth of IWB in the idea championing dimension to always explain innovative ideas clearly. This research has limitations, including that the data collection uses a questionnaire, to determine the answer choices. This limits respondents from being able to provide in-depth answers to various items in this research. For this reason, this research can only take brief photos of the surface. The consequence is that we cannot a priori the possibility of other answers or recommendations emerging to this research problem. Therefore, there are still many opportunities to continue this research in the future. Several areas that can be used for further research development are conducting qualitative studies. Apart from that, this can be done by trying to explore various other variables.

References

1. Abdullah, N. H., Wahab, E., & Shamsuddin, A. (2019). Creative self-efficacy, innovative work behaviour and job performance among selected manufacturing employees. *Journal of Social Sciences Research*, 5(2), 291–297. <https://doi.org/10.32861/jssr.52.291.297>
2. Adaileh, M. J., Alrawashdeh, M., Elrehail, H., & Aladayleh, K. J. (2020). Assessing the nexus between knowledge management and firm performance: A data article. *Data in Brief*, 32. <https://doi.org/10.1016/j.dib.2020.106283>
3. Agustina, T. S., & Arganata, M. E. P. (2023). Determining Factors in SMEs Innovation Performance: An Empirical Study in Indonesia. *INOBI: Jurnal Inovasi Bisnis Dan Manajemen Indonesia*, 6(2), 149–162. <https://doi.org/10.31842/jurnalinobis.v6i2.265>
4. Ahmad, I. M., Habsyi, F. Y., Renjaan, D., Kie, S., & Abstract, R. (2022). Analisis Kebutuhan Materi Pelatihan Umkm di Kota Ternate. *Jurnal Ilmiah Wahana Pendidikan*, 8(22), 640–647. <https://doi.org/10.5281/zenodo.7662915>
5. Al Taweel, I. R., & Al-Hawary, S. I. (2021). The mediating role of innovation capability on the relationship between strategic agility and organizational performance. *Sustainability (Switzerland)*, 13(14), 1–14. <https://doi.org/10.3390/su13147564>
6. Alharbi, G. L., & Aloud, M. E. (2024). The effects of knowledge management processes on service sector performance: evidence from Saudi Arabia. *Humanities and Social Sciences Communications*, 11(1). <https://doi.org/10.1057/s41599-024-02876-y>
7. Ampauleng, S. A. (2021). Intellectual Capital, Female Manager Innovative Behavior and Catering Business Performance. *Jurnal Manajemen*, 25(1), 39. <https://doi.org/10.24912/jm.v25i1.702>
8. Anastasios, M., & Filenta, P. (2023). the Digital Transformation of Enterprises As a Lever To Enhance Extroversion of Foreign Trade: the Case of Greece. *Intellectual Economics*, 17(2), 384–415. <https://doi.org/10.13165/IE-23-17-2-07>
9. Anggraini, F., Abdul-Hamid, M. A., & Azlina, M. K. A. (2018). The role of intellectual capital on public universities performance in Indonesia. *Pertanika Journal of Social Sciences and Humanities*, 26(4), 2453–2472.
10. Anggreni, K. A., Riana, I. G., Ketut Surya, I. B., & Supartha, I. W. G. (2022). the Effect of Psychological Empowerment on Psychological Capital and Innovative Work Behavior. *In-*

- ternational Journal of Business Management and Economic Review*, 05(04), 11–22. <https://doi.org/10.35409/ijbmer.2022.3408>
11. Augustinah, F., Chandra, E., Julyanthry, J., Putri, D. E., & Sudirman, A. (2022). Existence of SMEs Business Performance During the Covid-19 Pandemic: Analyzing the Contribution of Intellectual Capital and Technological Innovation. *Jurnal Organisasi Dan Manajemen*, 18(2), 87–99. <https://doi.org/10.33830/jom.v18i2.3592.2022>
 12. Augusto da Conceição Soares. (2023). Comparative Study of Post-Marriage Nationality Of Women in Legal Systems of Different Countries International Journal of Multicultural and Multireligious Understanding The Effect of Business Strategy on Business Performance Moderated by Environmental Dyna. *International Journal of Multicultural and Multireligious Understanding*, 10(1), 352–364. <http://ijmmu.comhttp://dx.doi.org/10.18415/ijmmu.v10i1.4401>
 13. Bartuševičienė, I., & Butkus, M. (2024). The effect of digital governance to stimulate the anti-fragile capabilities of public sector organizations. *Economics and Sociology*, 17(3), 41–61. Centre of Sociological Research.
 14. Bawa, S., Attah, P. K., Agougil, A., & Harch, M. El. (2023). Impact of Knowledge Management on Firms' Innovation Performance. *Technology and Investment*, 14(04), 293–328. <https://doi.org/10.4236/ti.2023.144018>
 15. Borodako, K., Berbeka, J., Rudnicki, M., & Łapczyński, M. (2023). The impact of innovation orientation and knowledge management on business services performance moderated by technological readiness. *European Journal of Innovation Management*, 26(7), 674–695. <https://doi.org/10.1108/EJIM-09-2022-0523>
 16. Bratianu, C., Stanescu, D. F., Mocanu, R., & Bejinaru, R. (2021). Serial multiple mediation of the impact of customer knowledge management on sustainable product innovation by innovative work behavior. *Sustainability (Switzerland)*, 13(22). <https://doi.org/10.3390/su132212927>
 17. Budiprayitno, S. (2020). The Effect of Knowledge Management on Innovation and Organizational Performance in the field of Application and Game Development. *Management and Economic Journal (MEC-J)*, 4(2), 185–200. <https://doi.org/10.18860/mec-j.v4i2.8448>
 18. Carvache-Franco, O., Carvache-Franco, M., & Carvache-Franco, W. (2022). Barriers to Innovations and Innovative Performance of Companies: A Study from Ecuador. *Social Sciences*, 11(2). <https://doi.org/10.3390/socsci11020063>
 19. Chiu, M., & Lin, C. (2022). Journal of Innovation. *Journal of Innovation & Knowledge*, 7(4), 1–6. <https://doi.org/10.1016/j.jik.2022.100264>
 20. Costa, V., Silva, L., & Loureiro, P. (2020). Intellectual capital and its impact on business performance: An empirical study of Portuguese hospitality and tourism sectors. *Intangible Capital*, 16(2), 78–89. <https://doi.org/10.3926/IC.1550>
 21. Cuevas-Vargas, H., Parga-Montoya, N., & Fernández-Escobedo, R. (2019). Effects of Entrepreneurial Orientation on Business Performance: The Mediating Role of Customer Satisfaction—A Formative–Reflective Model Analysis. *SAGE Open*, 9(2). <https://doi.org/10.1177/2158244019859088>
 22. Danny, F. G., & Utama, L. (2020). Pengaruh Orientasi Kewirausahaan dan Kapasitas Inovasi terhadap Kesuksesan Proyek pada Bidang Fashion. *Jurnal Manajerial Dan Kewirausahaan*, 2(3), 690. <https://doi.org/10.24912/jmk.v2i3.9581>

23. Daradkeh, M., & Mansoor, W. (2023). The impact of network orientation and entrepreneurial orientation on startup innovation and performance in emerging economies: The moderating role of strategic flexibility. *Journal of Open Innovation: Technology, Market, and Complexity*, 9(1), 100004. <https://doi.org/10.1016/j.joitmc.2023.02.001>
24. Diandra, D., & Azmy, A. (2021). How Multidimensional Approach of Entrepreneurial Orientation (EO) Effect Firm Performance: A Critical Review. *Jurnal Manajemen Bisnis*, 12(1), 30–40. <https://doi.org/10.18196/mabis.v12i1.9743>
25. Fransisca, T., & Soelaiman, L. (2023). the Effect of Entrepreneurial Orientation and Market Orientation on Jakarta'S Culinary Business Performance. *International Journal of Application on Economics and Business*, 1(3), 1503–1511. <https://doi.org/10.24912/ijaeb.v1i3.1503-1511>
26. Gebremedhn, A., Mekonnen, W., & Mulusew, W. B. (2022). Aspects of Human Capital Management and Employee Job Performance: The Moderation Role of Perceived Organizational Support. *Jurnal Manajemen Teori Dan Terapan | Journal of Theory and Applied Management*, 15(2), 161–180. <https://doi.org/10.20473/jmtt.v15i2.37616>
27. Gunawan, R. M. B., & Widodo, W. (2021). Analyzing the effect of knowledge management and teaching creativity on innovative work behavior: The organizational empowerment perspective. *Management Science Letters*, 11, 619–626. <https://doi.org/10.5267/j.msl.2020.9.005>
28. Ha, J. C. (2022). Capturing Emerging Business Opportunities through Entrepreneurial Orientation and Innovation Behavior: The Moderating Role of Leader-Member Exchange. *Sustainability (Switzerland)*, 14(6). <https://doi.org/10.3390/su14063585>
29. Halim, H. A., Andalib, T. W., Ahmad, N. H., & Ramayah, T. (2023). Effect of Internal Barriers on Innovation Performance in Embryonic SMEs in Malaysia. *Asian Academy of Management Journal*, 28(2), 29–60. <https://doi.org/10.21315/aamj2023.28.2.2>
30. Hidayat, Y. A., Siregar, L. S., & Kurniani, K. (2023). Pengaruh Orientasi Kewirausahaan dan Inovasi Produk Pada Kinerja Bisnis UMKM Kopi Temanggung. *Jurnal Agribisnis Indonesia*, 11(1), 190–204. <https://doi.org/10.29244/jai.2023.11.1.190-204>
31. Isa, E. S. A. I., & Muafi, M. (2022). Human Capital, Organizational Learning and Their Effects on Innovation Behavior and Performance of Banking Employees. *International Journal of Finance & Banking Studies* (2147-4486), 11(1), 01–18. <https://doi.org/10.20525/ijfbs.v11i1.1533>
32. Jankelová, N., Joniaková, Z., & Mišún, J. (2021). Innovative Work Behavior—A Key Factor in Business Performance? The Role of Team Cognitive Diversity and Teamwork Climate in This Relationship. *Journal of Risk and Financial Management*, 14(4). <https://doi.org/10.3390/jrfm14040185>
33. Kassim, Y. H. (2023). *The Effect of Entrepreneurial Orientation on SMEs ' Performance : Market Orientation as a Mediating Variable*. 1(2), 15–26.
34. Kraus, S., Vonmetz, K., Bullini Orlandi, L., Zardini, A., & Rossignoli, C. (2023). Digital entrepreneurship: The role of entrepreneurial orientation and digitalization for disruptive innovation. *Technological Forecasting and Social Change*, 193(May), 122638. <https://doi.org/10.1016/j.techfore.2023.122638>
35. Kusumaningrum, D. A., Pangestu, N. D., Yolanda, D., & Putra, R. H. O. (2021). Strategi Usaha Mikro Kecil (UMK) Kuliner Menghadapi Pandemi Covid-19 di Jakarta. *Jurnal Disrupsi Bisnis*, 4(6), 551. <https://doi.org/10.32493/dr.b.v4i6.14536>

36. Kusumawijaya, I. K., & Astuti, P. D. (2023). The effect of human capital on innovation: The mediation role of knowledge creation and knowledge sharing in small companies. *Knowledge and Performance Management*, 7(1), 64–75. [https://doi.org/10.21511/kpm.07\(1\).2023.05](https://doi.org/10.21511/kpm.07(1).2023.05)
37. Linda Sutanto, Bambang Tjahjadi, & Fiona Niska Dinda Nadia. (2023). The Impact of Human Capital Readiness on Business Performance : The Mediating Role of Innovation Capability. *Journal of Accounting Science*, 7(2), 130–145. <https://doi.org/10.21070/jas.v7i2.1725>
38. Mahendra Baharudin, R. D., & Ekowati, D. (2022). Psychological Capital dan Innovative Work Behavior pada Perusahaan Tenun Ikat. *PERWIRA - Jurnal Pendidikan Kewirausahaan Indonesia*, 5(2), 109–131. <https://doi.org/10.21632/perwira.5.2.109-131>
39. Mohungo, Y., Muhammad Asdar, Jusni, & Madris. (2022). The Effect of Entrepreneurial Orientation on the Business Performance: Market Orientation as Mediation Variable. *Quantitative Economics and Management Studies*, 3(4). <https://doi.org/10.35877/454ri.qems941>
40. Monalisa, Payangan, O. R., Alam, S., & Pono, M. (2023). *The Effect of Entrepreneurial Orientation on Company Performance*. Atlantis Press International BV. https://doi.org/10.2991/978-94-6463-146-3_29
41. Nawaz, N., Durst, S., Hariharasudan, A., & Shamugia, Z. (2020). Knowledge management practices in higher education institutions-A comparative study. *Polish Journal of Management Studies*, 22(2), 291–308 <https://doi.org/10.17512/pjms.2020.22.2.20>
42. Ngo, Q. H. (2023). The Impact of Entrepreneurial Orientation on SMEs' Performance in a Transitional Economy: The Mediating Role of Differentiation Advantages and Innovation Capability. *SAGE Open*, 13(4), 1–22. <https://doi.org/10.1177/21582440231203035>
43. Nguyen, D. T., & Dao, T. K. (2023). The mediating role of innovation in the relationship between high-performance human resource management practices and firm performance. *Heliyon*, 9(12), e22720. <https://doi.org/10.1016/j.heliyon.2023.e22720>
44. Nuryani, N. N. J. (2018). Influence of human capital, social capital, economic capital towards financial performance & corporate social responsibility. *International Journal of Social Sciences and Humanities (IJSSH)*, 2(2). <https://doi.org/10.29332/ijssh.v2n2.128>
45. Ohoiwutun, Y. (2023). Human Capital and State Civil Apparatus Development. *East Asian Journal of Multidisciplinary Research*, 2(6), 2273–2280. <https://doi.org/10.55927/eajmr.v2i6.4662>
46. Oktavio, A., Kaihatu, T. S., & Kartika, E. W. (2019). Learning Orientation, Entrepreneurial Orientation, Innovation and Their Impacts on New Hotel Performance: Evidence From Surabaya. *Jurnal Aplikasi Manajemen*, 17(1), 8–19. <https://doi.org/10.21776/ub.jam.2019.017.01.02>
47. Parga-Montoya, N., & Cuevas-Vargas, H. (2019). Assessing the entrepreneurial orientation by opportunity/necessity dichotomy: An institutional perspective. *Polish Journal of Management Studies*, 19(1), 298–308. <https://doi.org/10.17512/pjms.2019.19.1.23>
48. Pratama, Y. A. (2019). Penerapan Knowledge Management di SMK Diponegoro Depok. *Al-Idarah: Jurnal Kependidikan Islam*, 8(2), 293–306. <https://doi.org/10.24042/alidarah.v8i2.3521>
49. Ray, C., Essman, S., Nyberg, A. J., Ployhart, R. E., & Hale, D. (2023). Human Capital Resources: Reviewing the First Decade and Establishing a Foundation for Future Research. *Journal of Management*, 49(1), 280–324. <https://doi.org/10.1177/01492063221085912>
50. Raymond, Y., & Selamat, F. (2023). the Impact of Entrepreneurial Orientation on Business

- Performance Through Entrepreneurial Competency As Mediation Variable: a Study on Smes in Culinary Sector in Jakarta. *International Journal of Application on Economics and Business*, 1(2), 103–111. <https://doi.org/10.24912/v1i2.103-111>
51. Rika Rahmayuni, Yulia Hendri Yeni, & Syafrizal. (2024). the Influence of Entrepreneurial Orientation and Competitive Advantage on Performance. *Journal Publicuho*, 7(1), 245–253. <https://doi.org/10.35817/publicuho.v7i1.358>
 52. Rofiaty, R., Aisjah, S., & Susilowati, C. (2023). The effect of entrepreneurship orientation and flexibility toward adaptive innovation and improved firm performance. *BISMA (Bisnis Dan Manajemen)*, 15(1), 96–118. <https://doi.org/10.26740/bisma.v15n1.p96-118>
 53. Sanjiwani, K. A. P., & Nurmawati, M. (2020). Pengaturan Pembiayaan Usaha Mikro Dan Kecil Oleh Pemerintah Sebagai Upaya Strategis Dalam Mendukung Perekonomian Nasional. *Kertha Semaya : Journal Ilmu Hukum*, 8(9), 1396. <https://doi.org/10.24843/ks.2020.v08.i09.p10>
 54. Shahid, M., Chaudhry, S., Bilal, M., Amber, H., Aslam, S., Malik, S., & Shahzad, K. (2022). The Link Between Team Identification, Entrepreneurial Orientation, and Innovative Work Behavior and Its Dimensions in the Context of Pakistan. *SAGE Open*, 12(1). <https://doi.org/10.1177/21582440221079893>
 55. Sianipar, C. N. (2022). The Influence of Entrepreneurship Orientation, Business Environment and Management Ability on Business Performance of MSMEs Cafe in Tebing Tinggi City, Indonesia. *Frontiers in Business and Economics*, 1(3), 108–114. <https://doi.org/10.56225/finbe.v1i3.115>
 56. Sklavos, G., Theodossiou, G., Papanikolaou, Z., Karelakis, C., & Themistokles, L. (2024). Investing the Impact and the Challenges of Digital Transformation and Green Entrepreneurship in Greek Food Industry. *Intellectual Economics*, 18(2), 360–383. <https://doi.org/10.13165/IE-24-18-2-06>
 57. Suder, M. (2023). Impact of entrepreneurial orientation on performance and moderating role of crisis perception: multi-method examination. *Journal of Organizational Change Management*, 36(8), 86–116. <https://doi.org/10.1108/JOCM-04-2023-0124>
 58. Sulistiawan, J., & Andyani, D. (2020). Psychological Contracts, Innovative Work Behavior, and Knowledge Sharing Intention: the Role of Work Engagement and Job Resources. *Jurnal Aplikasi Manajemen*, 18(4), 741–753. <https://doi.org/10.21776/ub.jam.2020.018.04.13>
 59. Wahyuni, N. M., & Sara, I. M. (2020). The effect of entrepreneurial orientation variables on business performance in the SME industry context. *Journal of Workplace Learning*, 32(1), 35–62. <https://doi.org/10.1108/JWL-03-2019-0033>
 60. Wibowo, D. Y. A., Muljono, P., & Sumertajaya, I. M. (2021). Analysis of the Effect of Knowledge Management, Competency, and Innovation on Employee Performance. *Jurnal Aplikasi Manajemen*, 19(4), 804–811. <https://doi.org/10.21776/ub.jam.2021.019.04.09>
 61. Widodo, D. S. (2023). the Nexus of Entrepreneurial Orientation and Knowledge Management on Business Performance of Smes in West Java: Role of Competitive Advantage. *Journal of Law and Sustainable Development*, 11(7), 1–15. <https://doi.org/10.55908/sdgs.v11i7.1364>
 62. Wujarso, R., Saprudin, S., & Dameria, R. (2021). Human Capital Management as a Resource in Achieving Competitive Advantage. *Budapest International Research and Critics Institute*

- (BIRCI-Journal): *Humanities and Social Sciences*, 4(2), 3052–3058. <https://doi.org/10.33258/birci.v4i2.2023>
63. Xu, Z., & Suntrayuth, S. (2022). Innovative work behavior in high-tech enterprises: Chain intermediary effect of psychological safety and knowledge sharing. *Frontiers in Psychology*, 13. <https://doi.org/10.3389/fpsyg.2022.1017121>
64. Yuwanda, T., Fadhlan, A., & Daud, I. (2023). Building Competitive Advantage through Human Capital and the Impact on Business Performance: Analysis at Individual and Organizational Level. *Jurnal Dinamika Manajemen*, 14(1), 72–86. <https://doi.org/10.15294/jdm.v14i1.38384>