

INFLUENCE LEADERSHIP ENTREPRENEURSHIP, ENVIRONMENT BUSINESS, DIGITAL LITERACY, AND RELIGIOSITY ON BUSINESS PERFORMANCE MEDIATED BY BEHAVIOR INNOVATIVE

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Abstract

The rapid development of the city of Pekanbaru is reflected in the rapid growth of businesses in various places and sectors. All business sectors have the potential to develop further. Still, from various districts in the Pekanbaru City area, the culinary business is a prominent sector, especially in Pekanbaru. The role of MSMEs in driving the wheels of the national economy is not only as seeds for the growth of large businesses but also as providers of products and services that large businesses cannot produce because they are less cost-efficient. This research aims to concentrate on and investigate the influence of entrepreneurial leadership, business environment, digital literacy, and religiosity on business performance, emphasizing the innovative behavior of MSMEs as an intervening variable. Study This quantitative study with a population study is City MSMEs Pekanbaru. The study collects data using a shared questionnaire with a Likert measurement scale and interviews with MSME actors in Pekanbaru City. Research results are: (1) Leadership Businessman is influential, positive, and significant in business performance. (2) The business environment positively and significantly affects business performance. (3) Digital literacy positively and significantly affects business performance. (4) Religiosity has a positive and significant effect on business performance. (5) Entrepreneurial leadership does not affect innovative behavior. (6) The business environment positively and significantly affects innovative behavior. (7) Digital literacy does not affect innovative behavior. (8) Religiosity has a positive and significant effect on innovative behavior. (9) Innovative behavior positively and significantly affects business performance. (10) Innovative behavior does not mediate the effect of entrepreneurial leadership on business performance. (11) Innovative behavior does not mediate the influence of the business environment on business performance. (12) Innovative behavior does not mediate the effect of digital literacy on business performance. (13) Innovative behavior does not mediate the effect of religiosity on business performance.

Keywords: Entrepreneurial Leadership, Business Environment, Digital Literacy, Religiosity, Business Performance, Innovative Behavior, MSMEs.

INTRODUCTION

The rapid development of the city of Pekanbaru is reflected in the rapid growth of businesses in various places and sectors. All business sectors have the potential to develop further. Still, from various districts in the Pekanbaru City area, the culinary business is a prominent sector, especially in Pekanbaru.

The micro, small, and medium business sector that many MSMEs choose is culinary. Businesses in the culinary sector are considered promising because food is one of the basic human needs (Muari et al., 2013). Syuhada (2014) found that establishing food businesses can help the government reduce unemployment and absorb labor while increasing the income received by the community, especially MSME business actors.

With the high number of MSMEs in Pekanbaru, these business actors must try to gain an advantage over competitors. Mauri et al. (2013) also concluded that culinary businesses could not only depend on the taste of food but must also pay attention to implementing superior strategies to remember the very high level of competition in the

culinary sector. This causes increasingly tight competition. Apart from that, the culinary MSME sector in Pekanbaru City is very competitive, with many culinary MSMEs operating in the area.

The performance of MSMEs in the culinary sector in Pekanbaru has challenges and opportunities that business owners must face to achieve successful business performance. Recognizing and overcoming these problems is essential to improve the performance of culinary MSMEs in Pekanbaru City and help culinary MSMEs grow and compete sustainably in a competitive market.

MSMEs must strive to maintain and enhance their competitive capabilities to survive in the market. MSMEs are required to be able to continue to make changes or innovations and carry out good management of their businesses. Various factors are needed to influence maximum performance. The main weakness in developing small and medium enterprises is the lack of human resource skills (Fatmasari, 2015).

On the other hand, successful business performance is determined by individual factors. Namely, business actors must have good leadership and specific competencies. According to many researchers, the influence of leadership is a crucial factor over time. Organizational performance in small businesses, especially MSMEs, is still being researched to provide views and descriptions of the role of leadership in various countries with diverse cultures in managing businesses. Leaders must also have good managerial skills and an individual entrepreneurial orientation. Leadership style theory shows that leaders are not born successful but can be created based on learned behavior (Larsson & Vinberg, 2010).

One of the phenomena debated among experts and reviews of organizational and leadership literature business people express is that it is vital and critical at this time to overcome the problem of leadership development in MSMEs. Nowadays, the goal of every organization is to survive and maintain its entity by improving its performance. Consequently, the role of leaders in ensuring excellent organizational performance must be considered because the influence of leadership is a crucial factor in the development of organizational performance—innovation capabilities, technological differences, entrepreneurial orientation, and so on.

Thus, entrepreneurial leadership has more opportunities to manage the organization effectively than a manager or informal leader without authority. MSMEs are considered a fundamental part of a country's economy, and it is essential to understand their role. Entrepreneurial leadership can influence organizational performance (Kurniati, 2014).

The role of the business environment in company operations is supported by most previous studies, although their findings were mixed. Previous studies have provided empirical evidence that the specific local business environment in which a firm is embedded can make a significant contribution to its performance (e.g., Neneh & VanMyl, 2012; 2014; Ng & Kee, 2012; Tu, 2012; Chittithaworn et al., 2011; Kennerley & Neely, 2003; Tan, 1996; Tan Litschert, 1994; Okoroafo, 1993).

Other studies have found that these factors have an inverse relationship (e.g., De Jong, Phan, & van Ees, 2012; Chittithaworn et al., 2011; Luo, 1999; Ward et al., 1995). Facing increasingly competitive competition, an unpredictable business environment, and highly competitive consumer demands require companies to look for new solutions in formulating company strategies to maintain the company's survival and competitiveness.

Without innovation, other companies will leave behind the company, but on the contrary, those who innovate continuously will be able to dominate the market with product creations, models, and appearance. Wang, Chen, & Chen (2012) found in their study that external environmental factors – which affect different organizations – are uncertain, complex, cause problems for organizations, and change rapidly. Any organization that ignores environmental factors will create difficulties for itself. Many researchers have found a relationship between performance and market orientation, depending on the organizational environment.

Digital literacy is an entrepreneur's ability to adapt to technological developments to utilize media for communication, marketing, trend analysis, and demand for goods and services. Social media is essential to today's society because people are constantly connected via smartphones. Various applications make it very easy to manage your business and expand the reach of the online market.

Various groups, trending topics, and communities are essential for business people to follow. This capability, developed with web management into e-commerce, supported by big data and coding, is required for launching a start-up where technology-based entrepreneurs can communicate and reach a broader market. Technology can also increase corporate entrepreneurship, indicating organizational innovation, self-renewal, new business discovery, and responsiveness (Alvarez & Barney, 2007).

With technology, SMEs can increase innovation accuracy, ultimately increasing the company's added value. Gilster (Lankshear & Knobel, 2015) states that digital literacy is the ability to understand and use information in various forms from various sources accessed via computer devices.

Religiosity is something commitment religious can _ be seen through the activity or behavior of owners of the MSMEs concerned with religion or confidence in the faith they adhere to. The indicators used to measure religiosity are religious beliefs, religious practices, feelings of diversity or religious feelings, religious knowledge, and consequences. *Religiosity* refers to an individual's religious aspect. Religiosity is identified with diversity. Religiosity is defined as how much knowledge, how to learn beliefs, ways of worship and conventions, and how deep the passion for religious beliefs is (Mathras et al., 2016; Mansour & Diab, 2016; Suhartanto et al., 2018).

Innovative behavior and innovation are two interrelated concepts in the organizational context. Although both relate to generating new ideas and contributing to positive change, the two have essential differences. Innovative behavior refers to individual actions demonstrating the ability to generate and implement new ideas that are helpful in the workplace (Ayuni & Etikariena, 2020).

It involves personal initiative, creativity, and thinking outside the box. Innovative behavior may include creating new solutions to existing problems, proposing process improvements, or developing new products or services. Research shows innovative behavior positively correlates with individual and organizational performance (Jayendra et al., 2022). On the other hand, innovation refers to the results of an innovative process. Innovation is the implementation of new ideas that are successfully measured to create significant value (AtmaMaki, 2018).

Implementing this innovative behavior is determined by consumer needs and current trends so that consumers will not feel bored with the products produced. Because innovation is a more critical component of a company's competitiveness, additional

research is needed regarding the factors that encourage and inhibit the ability of business actors to innovate. Along with identifying and understanding the factors that lead to the development of innovative behavior, it is essential to study how innovative behavior impacts business success. Innovative work behavior significantly contributes to a leader in various aspects of leadership.

Some of the contributions of innovative work behavior for a leader include improving employee performance: Research has shown that innovative work behavior has a positive and significant influence on employee performance (Purwanto et al., 2020)

LITERATURE REVIEW

Resource Theory (Resource Based View Theory)

RBV (Resource Based View) is a resource company introduced by Penrose (1959). The Resource View is focused on a company's ability to maintain a combination of resources that competitors cannot possess or build in the same way. The argument is that a competitor's inability to understand what causes superior performance over others helps to achieve sustainable competitive advantage for those currently performing at a superior level. Holley and Greenley (2005) state that the social context of certain resource conditions acts as an element to create isolation mechanisms.

Human Capital Theory (*Human Capital Theory*)

The concept and perspective of human capital that there is no substitute for knowledge and learning, creativity and innovation, competence, and ability must be continuously pursued and focused on the context of the company's environment and competitive logic (Rastogi, 2000). Individuals must be engaged with the organization if effective utilization of human capital is desired.

The quantity of talented individuals alone is not enough for the organization, so there must be a desire for individuals to invest in skills and expertise for the organization (Wright et al., 2001). The resource-based view of the company strengthens the statement that strategic human resources are an essential asset for organizational success. Regarding scarcity, human capital is an invisible asset, a collection of employees' abilities with different types and skills to obtain the necessary talents (Snell et al., 1996).

Leadership Businessman

Leadership businessman defined as form behavior different leadership _ from type behavior leadership other necessary _ For highly volatile, challenging, and competitive environments (Gupta et al., 2004). Entrepreneurial leadership can be one of the keys to achieving competitive advantage, and it influences customers' evaluations of all their products.

A business has a competitive advantage when it implements a strategy that creates superior value for customers and that competitors cannot duplicate or find too expensive to attempt to imitate. Warraich (2013) and Wijetunge (2016) found that entrepreneurial leadership is a source of competitive advantage.

Entrepreneurial leadership is measured by proactiveness, innovation, risk-taking, technical behavior, and ethical and psycho-emotive behavior (Mgeni et al., 2015).

- (a) Technical behavior concerns the leader's technical abilities, including his knowledge and 'knowing,' which can explain his capacity to influence.
- (b) Ethical leadership behavior is measured by observing the frequency or readiness of leaders to make appropriate decisions and actions, combined with good intentions and moral correctness of behavior.
- (c) P psycho-emotive measures the appeal of a leader's psychological traits to his character, social skills, and ability to create an attractive climate.

Environment Business

According to the article, the environment is defined as everything outside the organization. The environment closest to the organization, also called the task environment, industry environment, or specific environment, is the environment that directly influences strategy. This includes competitors, suppliers, customers, and trade unions. Meanwhile, environments that do not directly affect the organization are called general or remote environments.

According to Banfield et al. (2018), the business environment is an organization's environment and must be considered in making company decisions. An organization's daily activities include interactions with the work environment.

According to Stone et al. (2020), the definition of the business environment is all the conditions and forces that exist within and outside each business unit that will influence a company's policy direction in managing its business activities. These factors include the external environment and the internal environment.

Digital Literacy

Digital literacy has various definitions, including human interaction with the internet (Irfan et al., 2022) and digital education platforms (Sugiyantari, 2020). In the SDGs (Sustainable et al.), UNESCO defines digital literacy as skills or expertise related to the following aspects: functional skills, creative literacy, information skills, critical thinking and evaluating communication skills, collaboration skills, e-safety or security skills: Digital, and the ability to solve problems through digital technology.

Gilster (2022) stated that digital literacy is the ability to use technology and information from digital devices effectively and efficiently in various contexts. Donny (2018:4) stated that digital literacy uses information and communication technology (ICT) to find, evaluate, utilize, create, and communicate content or information with cognitive and technical skills.

Hauge and Payton (Akbar, 2017) stated that digital literacy is defined as an individual's ability to apply functional skills on digital devices so that he can find and select information, think critically, be creative, collaborate with other people, communicate effectively and still pay attention to electronic security and developing socio-culture.

Behavior Innovative

Etymologically, innovation is a person's effort to utilize thinking, imagination, various stimulants, and the individuals around him to produce new products for himself or his environment.

Meanwhile, according to (Domi et al., 2019), innovative behavior or Innovative Work Behavior (IWB) is individual behavior that aims to reach the introduction stage or tries to introduce new and valuable ideas, processes, products, or procedures in work, groups, or organizations. Innovative work behavior is the creation, introduction, and application of new ideas or thoughts in a job, group, or organization to improve the role performance of that individual, group, or organization (Janssen, 2020).

Innovative behavior is a total of individual actions that lead to emergence, recognition, and benefits throughout the organization. Something new includes the development of new product ideas or technologies, changes in administrative procedures aimed at improving work relations, or applying new ideas or technologies to work processes that significantly increase their efficiency and effectiveness (Klesen & Street, 2021). Janssen (2020) describes three indicators for measuring innovative behavior in the workplace, namely:

(a) Creating Ideas (*Idea Generation*)

Ability to recognize organizational problems and create new ideas or solutions that are helpful in any field. These ideas or solutions can be original or modified from existing products and work processes. For example, when problems arise in the organization, employees can find ideas to solve them.

(b) Sharing Ideas (*Idea Promotion*)

Employees can share new ideas or solutions with colleagues so that they can be accepted. Support is also gathered to implement and realize the idea in the organization. For example, when employees find an idea to solve a problem, they share it to get support, which can later be implemented in the organization.

(c) Realization (*Idea Realization*)

Capable of producing a prototype or a model of the idea, you have become actual products and work processes to apply in-scope work, group, or organization in a way that can increase efficiency. Work organization. For example, when an employee Already gets support from a colleague and Works for the idea created, then further application or application of the idea inward A organization as A solution problem.

Religiosity

Religiosity refers to an individual's religious aspect. Religiosity is identified with diversity. Religiosity is defined as how much knowledge, how to learn beliefs, ways of worship and conventions, and how deep the passion for religious beliefs is (Mathras et al., 2016; Mansour & Diab, 2016; Suhartanto et al., 2018). According to Ancok & Suroso (2008), religiosity is the extent of knowledge, how strong one's faith is, and how diligent one is in carrying out one's religious worship.

It can be concluded that religiosity is the depth of a person's religious passion and belief in the existence of God by obeying His commandments and avoiding His prohibitions from the heart and entire body. Not only does it adhere to what is seen and seen by the eye, but it is also a manifestation of daily life behavior that is not visible.

To measure *religiosity*, we use indicators that have been researched by Desiyanti, R., Md Kassim, AA (2020), which consist of 5 indicators, namely:

1) Confidence religious

Belief is the level of a person's ability to obtain things that are normative in their religion, such as belief in God, angels, and the existence of heaven and hell.

2) Religious Practices

Religious practice is a person's hierarchy of religious ritual obligations. Elements of religious practice include worship, obedience, and other things that further show an individual's seriousness about their religion.

3) Experience

Experiences are feelings that have been explored and learned. For example, being afraid of sinning, feeling that one's prayer has been answered, feeling close to God, getting help from God, and so on.

4) Religious Knowledge

Religious knowledge explains the extent to which a person knows about his or her religious sects, especially those contained in the holy books that the individual adheres to. Every individual with this belief must understand the basics of the holy books, beliefs, and traditions.

5) Consequence

The consequence is rejected by measuring to what extent an individual's behavior is motivated by the existing religious teachings he believes in life social; for example, if the individual has visited his neighbor sick, has a mild hand in helping people in trouble, donated his wealth, and so on.

Business Performance

Performance or performance describes the level achievement implementation of an activity program or policy in realizing goals, objectives, vision, and mission organization outlined _ through planning strategic something organization. Performance can be known if individuals and groups of employees have benchmark success criteria or standards set by the organization (Mangkunegara, 2017). The company's performance can be seen from the sales, profit level, return on capital, turnover rate, and market share achieved (Claudia, 2018). Performance is a pattern of actions to achieve goals, measured based on comparisons with various standards.

According to Falahat et al. (2018), business performance is the record of outcomes produced on a specified job function or activity during a specified period. Multidimensional performance assessment and analysis systems are the core of an effective strategic control system, as they are a critical link between strategy implementation and adjustment. So, business performance is a description of the achievement of an activity program or policy in realizing an organization's goals, objectives, vision, and mission as outlined in its strategic planning.

In quantitative research, which is based on a framework of thinking from several theories, the prepared hypothesis can be prepared from the results of theoretical deductions and propositions (Sugiyono, 2011). A hypothesis that measurably describes the research framework can be built entirely from a theory or part of it. This

is because propositions are components or parts of the theory itself. The rationale that underlies this research hypothesis is that the relationship between variables is taken as the basis for the research.

The relationship between transformational leadership and the initiative climate is very closely related because, in general, the initiative is unnatural behavior and must be trained. Without any orders or direction to carry out a task, such as research by Phuong V. Nguyen, Hien Thi Ngoc Huynh, Long Nguyen Hai Lam, Toan Bao Le, Nghi Hong Xuan Nguyen (2021), Megawaty, Hendriadi, KN Salam (2022), Erna Herlina, Martinus Tukiran, Syaiful Anwar (2021) stated Entrepreneurial leadership has a significant influence on business performance.

Cai Li, Habib Ur Rehman, and Makhdoom Shoaib Asim (2020) stated that the existence of a significant positive effect of entrepreneurial leadership on innovative work behavior is supported by research by Nory Pinela, Ruben Guevara, Mary Armijos (2022), Yen Efawati, Eeng Ahman, Disman, Kusnendi, and Harmon Chaniago (2020), which states that Entrepreneurial leadership has a positive effect on innovative work behavior.

Xingle Long, Yaqiong Chen, Jianguo Du, Keunyeob Oh, Insoo Han Jinhua Yan (2017). GlabisMewski, Waldemar; Grego-Planer, Dorota; LicMmańska-KopcewicM, Katarzyna (2018), Domingo García PérezM-De-Lema, Peter Bent Hansen, Antonia Madrid Gujjarro, Jane Lucia Silva-Santos (2018), and Siti Almaidah (2021) state There is a positive relationship between environmental innovation behavior and performance.

Research Ambroise, L., Prim- AllaM, I., Teyssier, C., & Peillon, S. (2017), Hashem Ismail Mohammad Ramadan, Saari bin Ahmad (2018), Vo Van Dut (2015), stated that Environmental factors have a significant effect on business performance.

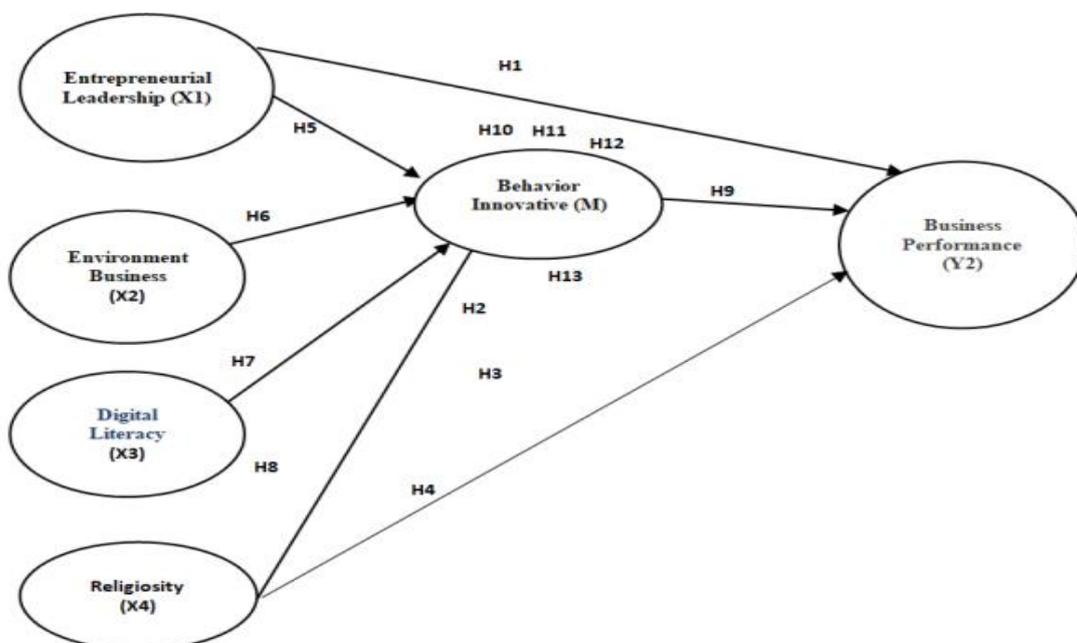


Figure 1: Conceptual framework

METHODS

This research adopts an explanatory method based on a quantitative approach. Sugiyono (2019) explains that Explanatory research aims to explain the position of the studied variables and their influence on other variables. The research respondents for culinary MSMEs in Pekanbaru were 300 people. The sampling technique used in this research was Purposeful Sampling. The data collection technique used in this research was a questionnaire. The analytical tool used in this research was a range of scales and multiple linear analysis.

RESULTS AND DISCUSSION

Characteristics of respondents in the study This consists of type sex. It is known that all respondents are women. This is because the iPhone is more popular with women.

Table 1: Respondent characteristics

Characteristics	Frequency	Percentage (%)
Gender		
Man	41	13.7
Woman	259	86.3
Education		
JUNIOR HIGH SCHOOL	45	15 %
SENIOR HIGH SCHOOL / VOCATIONAL SCHOOL	181	60.3%
DIPLOMA	19	6.3 %
S1	50	16.67 %
S2	5	1.67 %
Length of Business		
< 1 Year	26	8.67
15 years	207	69
6 - 10 Years	39	13

Source: Data processed by researchers (2023)

Based on Table 1, respondents who have type sex with women are more Often compared to various types of respondents, sex men, proven by the percentage of respondents men 13.7%, or as many as 41 respondents, whereas the percentage of women, namely 86.3%, or 259 respondents. Based on the length of business of MSMEs, most MSME actors in the city of Pekanbaru are 1-5 years old, or as much as 69% of 207 MSMEs.

For characteristics respondents based on education can is known that respondents who _ 45 respondents had junior high school education or 15%, 181 respondents had high school or vocational school education or 60.3%, 19 respondents had a Diploma education or 6.3%, and 50 respondents had a bachelor's degree or 16.67%.

In comparison, there were five respondents with a Master's Degree Education, or 1.67%. This matter shows that respondents are the most dominated by those with high school/vocational education, and the second perpetrator is business people with a Bachelor's degree (S1).

Validity test

Convergent (*Convergent Validity*)

Convergent validity is evaluated by evaluating the loading factor, which can be seen from the *original sample value*. GhoMali (2019) said that a question item (*observed*

variable) meets convergent validity evaluation if it has a loading factor greater than or equal to the critical value of 0.7; however, according to Chin (1998) in GhoMali (2019), research is still in the development stage. Loading factors of 0.5 are still permitted.

Table 2: Outer Loading Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
M1 <- M	0.940	0.941	0.009	108,506	0,000
M2 <- M	0.953	0.953	0.005	177,243	0,000
X11 <- X1	0.794	0.793	0.041	19,263	0,000
X12 <- X1	0.801	0.797	0.043	18,718	0,000
X13 <- X1	0.784	0.784	0.028	28,011	0,000
X14 <- X1	0.854	0.854	0.026	32,328	0,000
X15 <- X1	0.834	0.837	0.029	29,149	0,000
X16 <- X1	0.796	0.797	0.032	24,657	0,000
X21 <- X2	0.825	0.827	0.028	29,219	0,000
X22 <- X2	0.898	0.898	0.014	63,289	0,000
X23 <- X2	0.890	0.890	0.014	62,582	0,000
X31 <- X3	0.839	0.841	0.029	28,914	0,000
X32 <- X3	0.888	0.888	0.025	35,759	0,000
X33 <- X3	0.892	0.894	0.019	47,951	0,000
X34 <- X3	0.850	0.852	0.027	31,910	0,000
X35 <- X3	0.866	0.868	0.028	30,936	0,000
X36 <- X3	0.841	0.843	0.032	26,646	0,000
X41 <- X4	0.866	0.867	0.019	45,178	0,000
X42 <- X4	0.877	0.880	0.015	56,618	0,000
X43 <- X4	0.562	0.549	0.097	5,821	0,000
X44 <- X4	0.571	0.564	0.061	9,345	0,000
X45 <- X4	0.619	0.605	0.090	6,863	0,000
Y1 <- Y	0.871	0.878	0.061	14,369	0,000
Y2 <- Y	0.920	0.928	0.014	66,527	0,000

Source: Data processed by researchers (202 4)

Based on the information in the table above, each question item is known to the construct, both in the mediation and the proposed moderation models, from the question items used. For measure, Both models have all question items _ with a loading factor of 0.7. With Thus, the question item is declared valid.

a. Evaluation Reliability

Reliability evaluation relates to how far the measurement is unbiased (free from error), thereby providing consistency throughout and across items in the instrument (Ghojali, 2019).

Table 3: Composite Reliability Evaluation

Construct	Composite Reliability	Critical Value	Conclusion
Behavior Innovative (M)	0.945	>0.6	Fulfill evaluation of <i>composite reliability</i>
Leadership Entrepreneurship (X1)	0.920		Fulfill evaluation of <i>composite reliability</i> .
Environment Business (X2)	0.904		Fulfill evaluation of <i>composite reliability</i> .
Literacy (X2)	0.946		Fulfill evaluation of <i>composite reliability</i> .
Religiosity (X3)	0.833		Fulfill evaluation of <i>composite reliability</i> .
Business Performance (Y)	0.890		Fulfill evaluation of <i>composite reliability</i> .

Source: Data processed by researchers (2024)

Based on the information presented in Table 6, it is known that all constructs used in each model have *composite reliability* greater than *the critical value* of 0.6, so it can be concluded that all constructs have met *the composite reliability* (reliability) evaluation.

b. Evaluation of Cronbach's alpha

Cronbach's alpha evaluation aims at the degree of external consistency, which does not measure the unidimensionality of the construct. This evaluation was carried out by analyzing *the Cronbach's alpha* construct.

A construct meets the *Cronbach's alpha evaluation* if the construct's *Cronbach's alpha* is greater than *the critical value* of 0.6

Table 4. Evaluation of Cronbah's Alpha

Construct	Cronbach's Alpha	Critical Value	Conclusion
Behavior Innovative (M)	0.884	>0.6	Fulfill evaluation of <i>Cronbach's Alpha</i>
Leadership Entrepreneurship (X1)	0.896		Fulfill evaluation of <i>Cronbach's Alpha</i> .
Environment Business (X2)	0.841		Fulfill evaluation of <i>Cronbach's Alpha</i> .
Literacy (X2)	0.931		Fulfill evaluation of <i>Cronbach's Alpha</i> .
Religiosity (X3)	0.785		Fulfill evaluation of <i>Cronbach's Alpha</i> .
Business Performance (Y)	0.756		Fulfill evaluation of <i>Cronbach's Alpha</i> .

Source: Data processed by researchers (202 4)

Based on Table 4.1 5 above, the results obtained show that *Cronbach's alpha* and *composite reliability values* show that all latent variable or construct values have > 0.70. In this way, all latent variables have good reliability and meet the specified requirements; therefore, they can continue with structural model testing.

Coefficient of Determination (R-Square = R²)

Table 5: R-Square Analysis Results

Variable	R Square	R Square Adjusted
M (PI)	0.706	0.702
Y (KU)	0.392	0.381

Source: processed data with SmartPLS 3 2023

Based on the results analysis in Table 4.14, R-value² For Business performance is 0.307, behavior innovative 0.498, so level accuracy predictions moderate, Meanwhile *Adjusted R square* for Business performance (Y) is 0.381 or 38.1%, indicating the simultaneous influence of the variables Entrepreneurial Leadership (X1), Business Environment (X2) and Digital Literacy (X3), on Business performance (Y). Meanwhile, the *adjusted R square value* for innovative behavior (M) obtained a value of 0.702 or 70.2%, indicating the simultaneous influence of the variables Entrepreneurial Leadership (X1), Business Environment (X2), and Digital Literacy (X3) on Innovative Behavior (M).

Test result Hypothesis

Testing hypothesis with use criteria mark *p-value*, if mark *p-value* ≤ 0,05 so hypothesis accepted and vice versa when *p-value* ≥ 0,05 so hypothesis rejected. Graphically, the results of the SmartPIs analysis are presented in the image below.

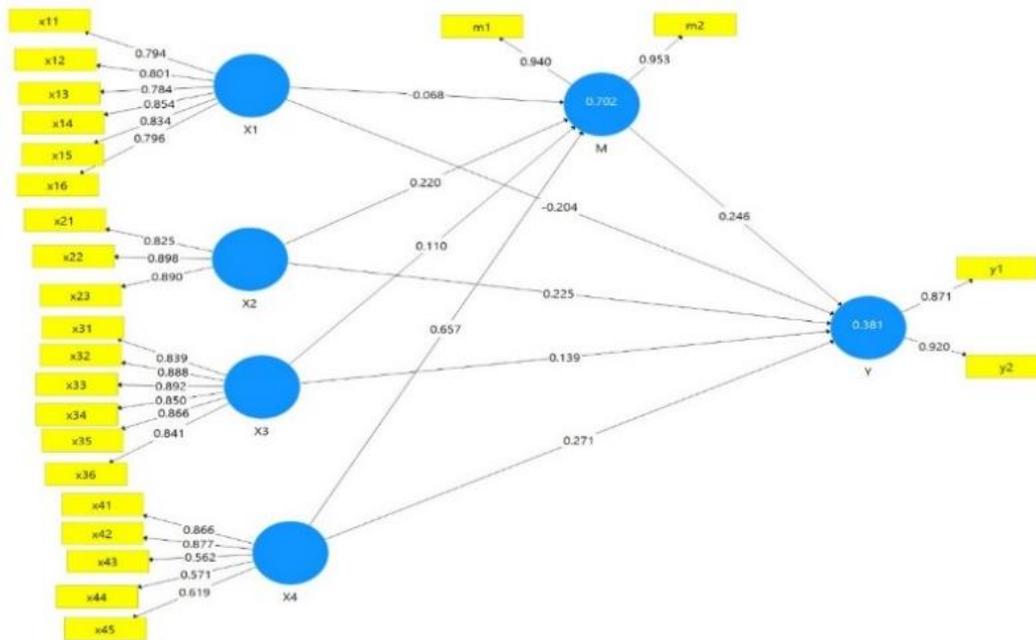


Figure 1: PLS-SEM analysis results

Source: PLS-SEM Output (2024)

Figure 4.2 shows an analysis track between variables, that is, Leadership Entrepreneurship (X1), Environment Business (X2), Digital Literacy (X3), and Religiosity (X4) on Performance (Y) mediated by Behavior Innovative (M). The following are the results of the data analysis process using SmartPLS version 3.0, namely:

$$Y = -0,24 X_1 + 0,225 X_2 + 0,139 X_3 + 0,271 X_4 + e$$

$$M = 0,068 X_1 + 0,220 X_2 + 0,110 X_3 + 0,657 X_4 + e_1$$

$$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_{10} M + e_1$$

$$Y = 0,068 X_1 + 0,220 X_2 + 0,110 X_3 + 0,657 X_4 + 0,246 M + e$$

- a. Influence Direct variable Leadership Entrepreneurship (X1) on Performance (Y). Based on calculations using *bootstrapping* or *resampling*, the test results for the estimated coefficient of Entrepreneurial Leadership (X1) on performance (Y) as a result of bootstrapping are -0.204 with a calculated t value of 1.993 and a standard deviation of 0.102. Then the *p-value* is $0.047 < 0.05$, so H_0 is rejected.
- b. Direct Influence of the Business Environment (X2) Against Performance (Y). Based on bootstrapping or resampling calculations, *the estimated coefficient test for Business Environment (X2) on Performance (Y) results* are 0.225 with a calculated t value of 2.719 and a standard deviation of 0.083. So the *p-value* is $0.007 < 0.05$, so H_0 is rejected
- c. Direct Effect of Digital Literacy (X3) on Performance (Y). Based on calculations using *bootstrapping* or *resampling*, the estimated coefficient test results for Digital Literacy (X3) on Performance (Y) as a result of *bootstrapping* are 0.139 with a calculated t value of 2.291 and a standard deviation of 0.061. So, the *p-value* is $0.022 < 0.05$, so H_0 is rejected.

- d. Influence Direct Religiosity (X4) on Performance (Y). Based on calculations using *bootstrapping* or *resampling*, the results of the estimated coefficient test for Religiosity (X4) on Performance (Y) as a result of *bootstrapping* are 0.271 with a calculated t value of 2.550 and a standard deviation of 0.106. So, the *p-value* is $0.022 < 0.05$, so H_0 is rejected.
- e. Direct Influence of the Entrepreneurial Leadership variable (X1) on innovative behavior (M). Based on bootstrapping or resampling calculations, the estimated coefficient test for Entrepreneurial Leadership (X1) on innovative behavior (M) resulting from bootstrapping is -0.068 with a calculated t value of 0.678 and a standard deviation of 0.101. The *p-value* is **0.498** > 0.05 , so H_0 is accepted.
- f. Direct Influence of the Business Environment (X2) Towards Innovative Behavior (M). Based on bootstrapping or resampling calculations, the estimated coefficient test for *the* Business Environment (X2) on innovative behavior (M) is 0.220 with a calculated t-value of 2.718 and a standard deviation of 0.081. So, the *p-value* is $0.007 < 0.05$, so H_0 is rejected.
- g. Direct Influence of Digital Literacy (X3) on Innovative Behavior (M). Based on bootstrapping or resampling calculations, the estimated coefficient test results for Digital Literacy (X3) on innovative behavior (M) resulting from *bootstrapping* are 0.110 with a calculated t value of 1.807 and a standard deviation of 0.061. So the *p-value* is **0.071** > 0.05 , so H_0 is accepted, and H_a is rejected
- h. Influence Direct Religiosity (X4) against Behavior Innovative (M). They are based on calculations using *bootstrapping* or *resampling*, where the test results estimate the coefficient of Religiosity (X4) on innovative behavior (M). The *bootstrap* result was 0.657, with a calculated t-value of 7.414 and a standard deviation of 0.089. So, the *p-value* is $0.000 < 0.05$, so H_0 is rejected.
- i. Direct Effect of Innovative Behavior (M) on Performance (Y). Based on bootstrapping or resampling calculations, where the test results estimate the coefficient of innovative behavior (M) on Performance (Y), the *bootstrap* result is 0.246 with a calculated t-value of 2.584 and a standard deviation of 0.095. So, the *p-value* is $0.010 < 0.05$, so H_0 is rejected.
- j. Indirect Influence of the Entrepreneurial Leadership variable (X1) on Business Performance (Y), which is mediated by innovative behavior (M). Based on calculations using *bootstrapping* or *resampling*, the test results for the estimated coefficient of Entrepreneurial Leadership (X1) on business performance (Y) through innovative behavior (M) are -0.017 with a calculated t value of 0.643 and a standard deviation of 0.026. So, the *p-value* is **0.521** > 0.05 , so H_0 is accepted.
- k. Indirect Influence of Business Environment variables (X2) on Business Performance (Y), which is mediated by innovative behavior (M). Based on calculations using *bootstrapping* or *resampling*, the results of the estimated coefficient test for the Business Environment (X2) on business performance (Y) through innovative behavior (M), the results of *the bootstrapping*, are 0.054 with a calculated t value of 1.815 and a standard deviation of 0.030. So, the *p-value* is **0.070** > 0.05 , so H_0 is accepted.
- l. Indirect Influence of the Digital Literacy variable (X3) on Business Performance (Y), which is mediated by innovative behavior (M). Based on calculations using *bootstrapping* or *resampling*, the results of the estimated coefficient test for Digital

Literacy (X3) on business performance (Y) through innovative behavior (M) are 0.027, with a calculated t-value of 1.328 and a standard deviation of 0.020. So, the *p-value* is **0.185** > 0.05, so H_0 is accepted.

- m. Indirect influence of the Religiosity variable (X4) on Business Performance (Y), which is mediated by innovative behavior (M). Based on calculations using *bootstrapping* or *resampling*, where the estimated coefficient test results for Religiosity (X4) on business performance (Y) through innovative behavior (M), the *bootstrap* results are 0.162 with a calculated t value of 2.514 and a standard deviation of 0.064. So the *p-value* is **0.012** > 0.05, so H_0 is rejected.

CONCLUSION

Research results show that (1) Leadership Businessmen are influential, positive, and significant in business performance. (2) The business environment positively and significantly affects business performance. (3) Digital literacy positively and significantly affects business performance. (4) Religiosity has a positive and significant effect on business performance. (5) Entrepreneurial leadership does not affect innovative behavior. (6) The business environment positively and significantly affects innovative behavior. (7) Digital literacy does not affect innovative behavior. (8) Religiosity has a positive and significant effect on innovative behavior. (9) Innovative behavior positively and significantly affects business performance. (10) Innovative behavior does not mediate the effect of entrepreneurial leadership on business performance. (11) Innovative behavior does not mediate the influence of the business environment on business performance. (12) Innovative behavior does not mediate the effect of digital literacy on business performance. (13) Innovative behavior does not mediate the effect of religiosity on business performance.

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