

HOW THE CREATIVITY AND INNOVATION CAN SUPPORT THE SUSTAINABILITY OF THE EMBROIDERY BUSINESS TO FACE 4.0 COMPETITION

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Abstract

This study explains the importance of innovation and creativity in business for embroidery artisans in order to fight the business competition in 4.0 Industrial Revolution era. This research focus on how embroidery small business located in Central Java, Indonesia can survive the competition through creativity and innovation in business. The respondents in this study were 156 owners or managers of the embroidery small enterprises. The data analysis technique used in this study was Structural Equation Modelling (SEM). The results of this study indicate the importance of business creativity in improving business performance. However, the innovation capability is not able to improve the business performance directly, instead of it improves the business creativity. This study also found the importance of marketing orientation in improving the capability of business innovation and business creativity. Meanwhile, it is necessary to conduct future studies and elaborate the entrepreneurship more deeply, because it is an element of business creativity that can be well-actualized.

Keywords: *Marketing Orientation, Business Creativity, Innovation, Business performance, Embroidery Small Business*

1. Introduction

In the era of 4.0 industrial revolution, the existence of small and medium enterprises (SMEs) such as the embroidery industry has a very important and strategic role in Indonesia's economic development. Besides increasing the income, SMEs also play a role in income distribution and resilience to crises, especially the 1997-1998 economic and monetary crises. In fact, SMEs play an important role in economic growth, and play a role in the country's foreign exchange earnings through the export of their products (Jamilah, 2016). The existence of SMEs is quite dominant in the Indonesian economic fields. First, the number of industries is large and can be found in every economic sector. Second, they have great potential in employment (reducing unemployment) and poverty; and third, the contribution of SMEs in the formation of GDP is quite significant at 60% of total GDP in 2018 (Ministry of Cooperatives and SMEs Report, 2018). However, the growth of the scale of the embroidery business in Indonesia, especially in the province of Central Java, has experienced fluctuations that tended to be good in terms of production volume growth, sales turnover and labor growth from 2014 to 2018 (BPS Jateng, 2017; BPS Jateng Report, 2017; BPS Jateng, 2018; BPS Jateng, 2019). This phenomenon shows that the business performance of the embroidery sector is not yet optimal in achieving maximum results.

Some scholars (Langerak, 2003; Oly Ndubisi, 2007) showed that to improve the business performance, the first thing to consider is the marketing orientation and significant increased business competition and changes on the consumers' needs. So the company must be able to understand the market opportunities and what their consumers need at the moment. It is stated by Uncles (2000) that market orientation is a series of process and activities related to the customers' creation and satisfaction by sustainably

assess the customer's needs and desires. The application of market orientation will lead to improved performance for the company. Market orientation is a corporate culture that places the market as a strategy to maintain the business sustainability.

However, some of them also have contradictions between one and another. Based on the results of the previous studies, important information was obtained that there was a research gap in the influence of marketing orientation on the marketing performance. It could be classified into two groups. The first group showed no significant effect (Darroch, 2005; Jaiyeoba, 2011; Mavondo et al., 2005). The second group indicated a significant positive effect (Laforet, 2008; Jhonson et al., 2009; Aziz and Yasin, 2010). Besides, the inconsistent influence between market orientation and business performance indicates that the marketing orientation capability possessed by the owners or craftsmen of embroidery in managing and facing tight business challenges may not necessarily improve business performance significantly. This can be understood that efforts to increase embroidery production are determined by the number of orders received. Of course, the number of embroidery products that can increase the sales rate must be superior and can only be realized through creativity and innovation (Woodman et al., 1993; Amabile, 1997; Laforet, 2011). This is in line with a research from Shalley (1991) stating that innovation based on creativity is created by a company that will be able to improve the company's business performance. Therefore, the innovation capability and business creativity are required in maintaining its superiority within the competition.

The efforts to improve business creativity or innovation capability of the company can be seen from the adaptive and creative business orientation of the entrepreneurs or managers in creating and making new models at affordable prices and quality that is far superior to other competing products (Boer & During, 2001; Sulaiman, et al., 2015). Based on the research gap, in this study, the promoted variables are needed to fill the gap, namely innovation capability and business creativity. Of the two variables, they are proposed as the gap filler in the relationship between marketing orientation and business performance. Therefore, it is necessary to encourage a research that proves whether the innovation capability and business creativity can improve the business performance of small business in the embroidery business sector in Indonesia..

2. Literature Review

2.1. Business performance

The achievement of company's goals is visualized in the business performance. Business performance is a part of organizational performance. Organizational performance consists of marketing, financial, and human resources performance. The company's strategies are always directed towards producing business performance, namely sales volume, market shares, and sales growth and business performance as an effort to measure its performance levels including sales turnover, number of buyers, profits, and sales growth (Voss & Voss, 2000). The business performance is a measure of the results achieved by a company from its marketing activities or operations (Clark, 2006; Parasuraman & Zinkhan, 2002), in the form of: market measurements, perceptions of customers' values, and et al benefits obtained from the marketing activities. Egan (2001) also explained that the business performance can be reflected by the acquisition of market shares, market shares growth, sales growth, profit growth and end customers. Then, Voss and Voss (2000) described that the indicators of business performance consist of fulfilling sales targets, number of customers, year-on-year sales growth, marketing reach, and profit growth. These indicators are also often referred by other researchers.

2.2. Marketing Orientation

Jaworski and Kohli, (1993) stated that market orientation has the potential to improve the marketing performance. Slater and Narver (1994) explained that the market orientation consists of three behavioral components, namely (1) customers orientation, which is an adequate understanding of the target buyers in order to create superior values for the company continuously; (2) competitors orientation, in which according to is the company's efforts to understand short-term strengths and weaknesses as well as the long-term capacity and strategies of the current and main and potential competitors; (3) inter-functional coordination as a utility of corporate resources that is coordinated through all the parts that exist within the organization to create superior values toward the target customers. The business performance will be better along with the better orientation of the company in the target market (Reijonena & Kompulab, 2010; Aziz & Yassin, 2010; Usta, 2011). Market orientation and innovation also are at the core of the capability strategy of a market-based business. Han *et al* (1998) stated that the innovation significantly mediates the influence of market orientation on the business performance, but through innovation as an intervening variable. These results are supported by the study of Jhonson *et al.* (2009) providing clear evidence that a good marketing orientation will generate high business performance, where one form of business performance is shown by the successful innovation (Erdil, *et al*, 2013; Wang, 2015; Wang & Miao, 2015; Tutar, *et al*, 2011). According to Slater and Narver (1995) market orientation is the most effective organizational culture in generating important behaviors for the creation of superior values for the costumers and performance in the business activities. Referring to the results of these studies, some hypotheses of this study can be constructed as follows:

Hypothesis 1: marketing orientation positively affects business performance.

Hypothesis 2: marketing orientation positively affects innovation capability.

Hypothesis 3: marketing orientation positively affects business creativity.

2.3. Innovation Capability

Teece *et al.* (1997) clearly stated that the dynamic capability theory has been built on Schumpeter's ideas which explains that innovation capability is a derivative of dynamic capability obtained from the learning process that continues to develop over time. Innovation capability is the capability of a company to turn ideas into something new that brings economic values that increase profits and improve business performance (Kumar and Che Rose, 2010). According to Ngah and Ibrahim (2011), innovation capability refers to the company's capability to produce knowledge in the form of intellectual properties, such as patterns. Laforet (2011) referred the innovation capability as the availability of resources, collaborative structures, and processes to solve problems. Innovation is one of the decisive aspects of the business performance, especially in the increasingly fierce competitive environment nowadays. Gray *et al* (2002) stated that innovation has been recognized as an enabler for the companies to create values and maintain competitive advantages in increasingly complex and rapidly business changes.

The companies with higher level of innovation will be more successful in responding to customer needs and developing new capabilities that enable them to achieve better performance or superior profitability (Calantone *et al*, 2002). Innovative organizations have the ability to improve the performance of individuals within and competitive advantages (Liao & Wu, 2010; Kalmuk & Acar, 2015). Referring to the results of these studies, a hypothesis for this study can be constructed as follows.

Hypothesis 4 innovation capability positively affects business performance

2.4. Business Creativity

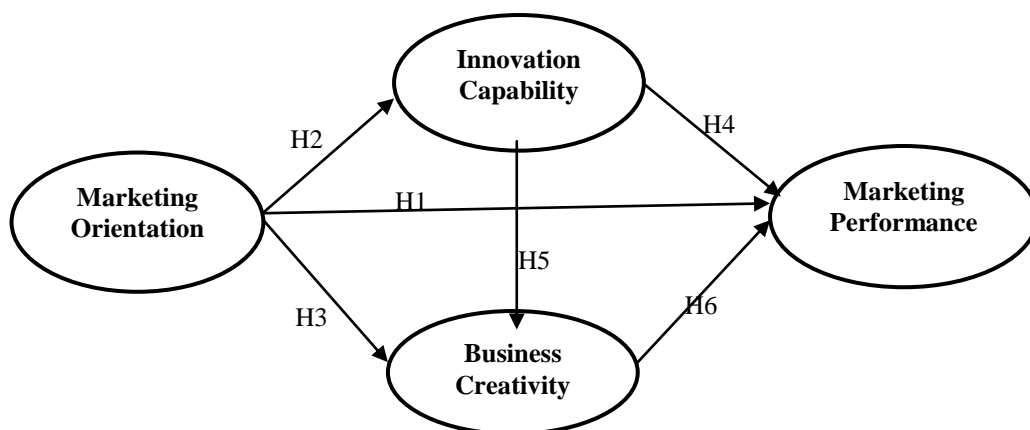
In terms of utilizing opportunities, an entrepreneur is required to always own creative and innovative attitudes. Hubeis (2005) stated that there are four stages to carrying out creativity, namely (1) exploring problems, (2) proposing ideas, (3) selecting choices, (4) implementation. Amabile (1997) revealed that the business creativity can be measured by special skills possessed (expertise), creative thinking, and instinctive motivation on the tasks. Therefore, business creativity is a creation of value, new and useful products, services, ideas, procedures, or processes carried out by individuals working together in a complex system (Woodman *et al*, 1993). Good and creative process is the most potential challenge facing today's business. Without any creativity, the company will soon be left behind by its competitors. To form creativity, an entrepreneur must have the ability to innovate (Larsen, 2007). The ability to innovate is very important in order to compete and survive in this sharp economic competition. Innovation is the ability to apply creativity to solve problems and opportunities to enrich and improve life (Suryana, 2003). Many studies have stated that competitive advantage leads to improvements in financial performance, such as income growth (Barney, 1991; Geroski, 2000; Von Nordenflycht, 2007). Thus, those that encourage creativity will experience increase in profit growth and subsequent performance. Furthermore, Von Nordenflycht (2007) observed the relationship between creativity and performance in 122 U.S. advertising agencies to determine the positive linear relationship between employees' creativity and business performance. It is generally reasonable that the results of creativity in competitive differentiation result in enterprise-level success. Referring to the results of these studies, a hypothesis for this study can be constructed as follows

Hypothesis 5: innovation capability positively affects business creativity.

Hypothesis 6: business creativity positively affects business performance

Based on literature studies and previous research, as well as developing hypotheses, the empirical research model can be illustrated as follows.

Figure 1. Research Empirical Model



3. Methodology

This is a basic research based on survey, conducted by collecting primary data obtained directly from the original sources. The analysis unit in this study is the embroidery companies included in the criteria Small Enterprises running in Central Java area. The respondents in this study are the owners or embroidery craftsmen who still exist and have business performance problems. Determining the size of the sample so that it can be used to estimate the Structural Equation Model (SEM) analysis refers to the rule of thumb of sample sufficiency in SEM (Ghozali, 2016). The distribution of questionnaires containing statements in closed questionnaires is made using interval scale with the score range of 1-7, where the score of 1 shows the respondents strongly disagree, while the score 7 shows the respondents strongly agree. This scale is used to measure attitudes, opinions, and perceptions of a person or group of social phenomena (Ferdinand, 2014). Business performance that is measured with following indicators (growth in the amount of corporate profits, the growth of consumers and buyers and, sales growth adopted from (Slater & Naver, 1994; Voss & Voss, 2000; Morgan, 2011). Next, innovation capability can be measured with following indicators innovation of product quality, innovation of process that are proxied by Ngah and Ibrahim, 2011; Laforet, 2011.

Business creativity is measured by observing five dimensions of business creativity, i.e. a) creativity in developing new products adopted from; b) creativity in responding to changes in market tastes; c) creativity in the use of new technologies d) creativity in the distribution of new products; and e) creativity in promoting or marketing new products, that are proxied by (Menon et al, 1999; Hajimanolis, 2000; Lamb et al, 2001). Meanwhile, the variable of marketing orientation is measured using some indicators 1) Customer orientation; 2) Orientation to competitors; 3) Coordination between the functions of the embroidery industry, which is adopted from Piercy and Cravens (2012).

4. Results and Discussion

4.1 Variable Description

The return rate of the questionnaire in this study was 62.5%, of which of the 250 questionnaires distributed, only 153 questionnaires could be identified. Then the index number calculation is performed by each variable. To find out the description of the phenomena of marketing orientation, innovation capability, business creativity, and business performance are presented in the following table.

Table 1. Description of Variable Index

Indicator	Index
Index Values of marketing orientation variable	60,56 (Medium)
Index Values of innovation capability	62,74 (Medium)
Index Values of business creativity	60,90 (Medium)
Index Values of business performance	57,71 (Medium)

Source: Processed primary data, 2019

Table 1 shows that the marketing orientation variable for embroidery craftsmen (or the owner embroidery business) has the index value of 60.56, which means that the level of marketing orientation possessed is in the medium category, including several indicators namely customers' orientation, competitors' orientation and inter-functional coordination. Meanwhile, the innovation capability variable has the index of 62.74, which means that the level of innovation is in the medium category, with the indicators innovation of product quality, innovation of product materials in the medium category, the innovation of craftsmen's skills, and innovation of

embroidery machines. The business creativity has the index of 62.72 which means that the level of the creativity is in the medium category, including the creativity in developing new products; responding toward changes in market desire; the use of new technology; seeking market opportunity; and promoting new products. Meanwhile, the business performance variable has the index value of 62.23, which means that the level of business performance achieved by Small Enterprises of embroidery business is in the medium category, with the following indicators the growth in the number of company profits, the growth of buyers and customers, the sales growth.

4.2 Structural Equation Modeling Assumption

The first test in SEM analysis is a model assumption test which includes evaluating normality of data, evaluating outliers, and testing multicollinearity or singularity. The assumption used in the causality test is that the research data must be normally distributed tested by using univariate and multivariate analysis. Multivariate data normality test is carried out using multivariate critical ratio (Hair et al, 2009) using the significance level of +/- 2.58. The data have normal distribution if *z* is between -2.58 to 2.58. From the presented calculations, multivariate normality value is 1.016, and it is above - 2.58 and below 2.58. Thus, it can be concluded that the data used in this study are normally distributed. The indication of the presence of multicollinearity can be seen in the values of the sample covariance determinant which are very small or close to zero. The result of the determinant of sample covariance matrix analysis in this study is 11748.56, thus it can be concluded that the test results show a very large determinant value so that it can be said that there is no multicollinearity.

4.3 Assessment of Measurement Model

The validity in this study is tested using convergent validity test by paying attention to the value of the loading factor obtained from standardizes regression weight compared to the rule of the thumb value used in this study that is equal to 0.6 (Ghozali, 2016). Apart from convergent validity, it also requires testing discriminant validity where the validity uses variance extracted analysis, namely the percentage of average value of variance extracted between indicators of a set of latent constructs.

Table 2. Results of Variance Extracted and Reliability

Constructs / Indicators		Loading Factor	AVE	Validity Tests	Construct reliability	Reliability test
Marketing Orientation	OP1	0,749	0,587258	Valid	0,892273	Reliable
	OP2	0,521		Valid		
	OP3	0,7		Valid		
Innovation	KI1	0,67	0,521942	Valid	0,890851	Reliable
	KI2	0,642		Valid		
	KI3	0,686		Valid		
	KI4	0,697		Valid		
	KI5	0,667		Valid		
Business Creativity	KB 1	0,939	0,655268	Valid	0,937595	Reliable
	KB 2	0,89		Valid		
	KB 3	0,868		Valid		
	KB 4	0,74		Valid		
	KB 5	0,673		Valid		
Marketing Orientation	KP1	0,805	0,790054	Valid	0,918261	Reliable
	KP2	0,956		Valid		
	KP3	0,899		Valid		

Note :

- a. Average variance extracted (AVE) = (summation of the square of the factor loadings) / ([summation of the square of the factor loadings] + [summation of the square of the error variances]).
- b. Composite Reliability (CR) = (square of the summation of the factor loadings) / ([square of the summation of the factor loadings] + [square of the summation of the error variances]).

Based on the results of calculations using the Hair formula (Table 2), it is obtained the reliability values as follows: business creativity = 0.8908, Innovation = 0.937 and business performance = 0.918. Based on the criteria, the reliability value must be ≥ 0.70 . It can be concluded that the items used to measure the variables are reliable.

4.4 Assessment of Structural Model and Hypothesis Test

Next, based on the results of testing the goodness of fit model, it is shown that the model in this study is in accordance with the expected or fit (match) to the data to be used. This is in line with the existing cut-off values. More details are presented in the following Table 3.

Table 3. Results of Goodness of Fit Index

<i>Goodness of Fit Index</i>	<i>Cut-off Value</i>	Result	Note
CMINDF	≤ 2	1,908	Good
GFI	≥ 0.90	0,947	Good
AGFI	≥ 0.90	0,914	Good
TLI	≥ 0.90	0,975	Good
CFI	≥ 0.90	0,965	Good
IFI	≥ 0.90	0,975	Good
RMSEA	≤ 0.08	0,055	Good
HOELTER	≥ 200	233	Good

Next, after the model is fit, then the hypothesis testing is proposed in this study. The test is done through regression weight analysis, which is presented in Table 4 as follows.

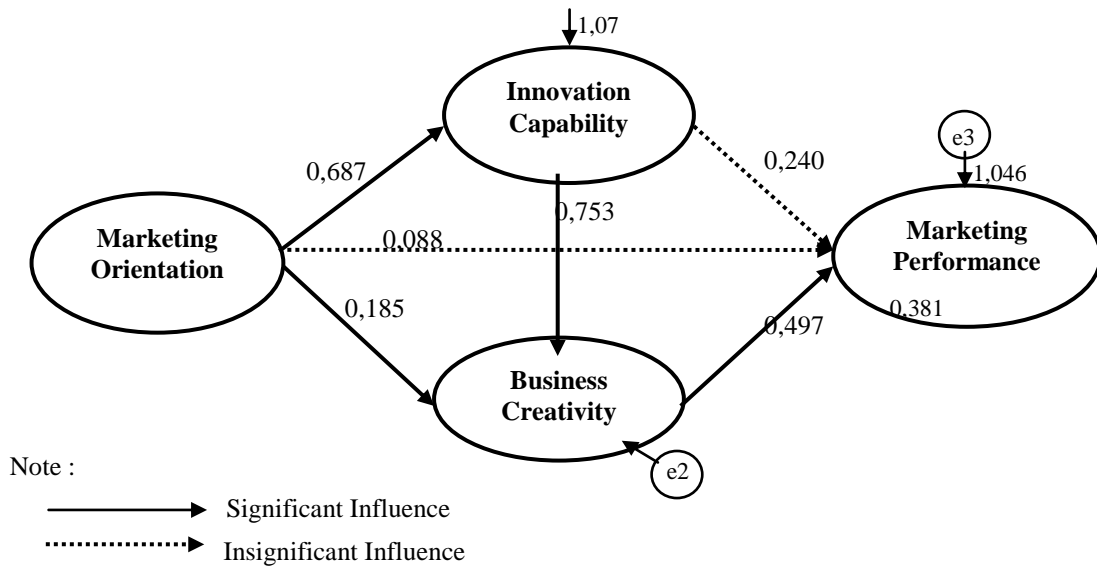
Table 4. Regression Weights

Hypothesis	Causality Directions	Estimate λ	P-Value	Note
Hypothesis 1	Effect of marketing orientation toward business performance	0,088	,355	Rejected
Hypothesis 2	Effect of marketing orientation toward innovation capability	0,687	***	Accepted
Hypothesis 3	Effect of marketing orientation toward business creativity	0,185	,026	Accepted
Hypothesis 4	Effect of innovation capability toward business performance	0,240	,234	Rejected
Hypothesis 5	Effect of innovation capability toward business creativity	0,753	***	Accepted
Hypothesis 6	Effect of business creativity toward business performance	0,497	,037	Accepted

The results of SEM (Structural Equation Modeling) analysis in table 2, 3, and 4 show that the SEM model in this study is in a good condition and can be done for a good prediction analysis. The description of the path diagram can be seen in Figure 2 of the following analysis model:

Figure 2. Results of the Research





The findings of the hypothesis test indicate that marketing orientation does not directly influence business performance but through mediation of the business creativity and innovation capability. For this reason, it is necessary to calculate the coefficients on the path analysis of the influence of marketing orientation on business performance through the innovation capability and business creativity in the following table.

Table 5. Path Analysis of the Influence of Market Orientation toward Business performance through the Innovation Capability and Business Creativity

Variable	Path Coefficient
Marketing Orientation → Business performance	0,088
Innovation Capability → Business performance	0,24
Business creativity → Business performance	0,497
Marketing Orientation → Innovation Capability → Business performance	0,252
Marketing Orientation → Business creativity → Business performance	0,179
Marketing Orientation → Innovation Capability → Business creativity → Business performance	0,345
Innovation Capability → Business creativity → Business performance	0,614

Based on Table 5, the value of the direct influence of marketing orientation on business performance is 0.088. However, if it is mediated with innovation capability, the total coefficient value is 0.252, while if it is mediated by the business creativity it will be 0.179. Whereas, if the marketing orientation is mediated by the innovation capability and business creativity, the coefficient will increase to 0.345, while the highest path coefficient is from innovation capability, mediated by business creativity towards business performance, which is equal to 0.614.

4.5 Discussions

The results of this research indicate that marketing orientation does not have a significant influence on business performance, so the higher increase in customer orientation, competitor orientation, and coordination among functions owned by

craftsmen or embroidery small business owners, it have not had a direct impact on the growth of the number of company profits, consumer growth and customers, as well as the sales growth of embroidery products. The results contradict the findings of the studies (Mavondo et al., 2005; Laforet, 2008; Jhonson et al, 2009; Aziz & Yasin, 2010). Although contrary to previous research, there are others that support namely from the research Darroch (2005) and Jaiyeoba (2011). This means that in the case of the embroidery business, marketing orientation requires mediation to influence the business performance, and based on the empirical model built in this study, marketing orientation is mediated by the innovation capability and business creativity. Thus, it is in line with the resourced based view theory (Porter, 1990) which shows that marketing orientation is one of the determinants of business performance. Many variables are possible to fill the contradiction, and it can be expected that the relationships of marketing orientation in the SMEs context need to be mediated by either innovation capability or business creativity.

Meanwhile, the results of subsequent research also show that marketing orientation has a significant effect on innovation capability, so that the high level of customer orientation, competitor orientation, and coordination among functions owned by the craftsmen or SMEs embroidery owners can enhance product quality innovation capability, product material innovation capability, the capabilities of craftsman innovation capability, the innovation capability in embroidery machines that are owned by craftsmen or owners of SMEs embroidery. The results of this research are in line with (Erdil, et. al, 2013; Wang, 2015; Wang and Miao, 2015; Tutar, et.al, 2011). The findings of this research and the results of previous studies reinforce the theory of resource based view (RBV) which is an influential framework for analyzing the types of resources and capabilities that companies have to obtain a sustainable competitive advantage. Barney (1991) claims that a company's resources and capabilities must be valuable, scarce, inimitable, and cannot be replaced. However, Hunt and Morgan (1996) emphasized that marketing orientation is an intangible entity that can be a resource although marketing orientation itself is not a skill, nor is it more real than skill. Although the role of market orientation as a source of sustainable competitive advantage has been recognized in existing literature, market orientation as a theoretical concept is effectively as a resource of innovation capability so that it can develop new products that have competitive advantages (Morgan, 2011).

The next finding in this research is that marketing orientation has a significant effect on business creativity, so that the higher the customer orientation, competitor orientation, and coordination among functions owned by craftsmen or owners of embroidery SMEs owned by the crafters or owners can increase business creativity, both creativity in developing new products, responding to changing market tastes, creativity in the use of new technologies, creativity in seeking market opportunities, and creativity in promoting new products of craftsmen or owners of embroidery firms. This research corroborates the findings of several previous studies (Calantone, et. al., 2002; Liao and Wu, 2010).

Furthermore, this research also shows that innovation does not affect business performance. It means that the improvement of the novation capability of product quality, the capability of product innovation, innovation capability of the craftsmen skills, and the innovation capability in embroidery machines that may not necessarily directly affect the growth in the number of company profits, consumer and buyers growth, and sales growth of embroidery products. This finding contrasts with some studies (Atalay, etal. 2013; Azubuike, 2013; Saunila, et al., 2014; Reichert and Zawislak, 2014; Bukhamsin, 2015; Saunila, 2013) which state that capability innovation affects business performance. The results of this research contradict with previous ones, or the theory of Resource Based View which states that all forms of company resources, including innovation, strongly encourage the

business performance of the embroidery entrepreneurs, because one of the indicators of innovation capability, namely the capability of product quality innovation has a score with a high category, while the other indicator index scores are medium. In this case, the quality of good embroidery products is not linear, and it can run straight with business performance. Therefore in this research finding, the innovation capability needs to be mediated to improve the business performance.

The next findings of the research also show that the innovation capability has a significant effect on business creativity, so that the higher innovation capability possessed by craftsmen and owners of embroidery firms can have an impact on improving the business creativity of craftsmen and owners of embroidery firms. These results indicate that innovation capability is able to enhance business creativity of embroidery owners or craftsmen. This shows that optimal innovation capability of the entrepreneurs or managers will enhance business creativity from superior crafters or owners of embroidery firms. Good innovation is shown in capability in product quality innovation, product material innovation capability, innovation capability of craftsmen skills, and innovation capability and embroidery machines. Even though the innovation is not yet optimal, it will be able to be achieved along with the improvement of the business creativity. These findings indicate that the innovation capability influences business creativity. This is in line with previous studies (Sousa et al, 2012; Hassan et al, 2013; Wang & Miao, 2015; Sulaiman et. al, 2015) which state that business creativity influences the innovation. This finding confirms and reinforces the previous ones that in order to improve innovation, optimal business creativity is strongly required. This is based on the explanation from Amaible (1997) related to the application of the dynamic capability theory (Teece et. al, 1997), that business ideas are elements of corporate resources that arise due to the innovative and creativity processes, so that the innovation created by HR (Human Resources) will certainly create business creativity that can be performed optimally which results in the improvement of the business performance. Meanwhile, the results of the study also show that business creativity influences business performance. This finding is in line with previous studies (Hassan, et. al, 2013; Mwesigwa & Rogers, 2014) which state that business creativity influences the business performance. This finding confirms and reinforces the findings of the previous studies that in improving business performance, optimal and sustainable business creativity is strongly needed.

5. Conclusion

The results of this study imply that marketing orientation and innovation capability cannot directly have a positive influence on improving the business performance. Thus, efforts to improve the marketing orientation and innovation capability must have an impact on the business creativity, because through business creativity, both marketing orientation and innovation capability can effectively improve business performance indirectly. In addition, the results of the study also fill the gap of the research on the contradictions of the findings of the influence of marketing orientation on business performance in previous studies, based on the theory of dynamic capability, which raises two mediating variables, innovation capability and business creativity. These two variables are effectively able to mediate marketing orientation in improving the business performance. The managerial implications of this study require that the craftsmen can improve the customers orientation, and innovations of product quality and embroidery machines, so that it has a positive impact on improving the creativity in developing new products, creativity in responding to changing market tastes, and creativity in the use of new technologies to face in 4.0 competition. Some of these aspects greatly support the increase in sales growth and the growth of consumers or buyers.

Meanwhile, for the government, trainings and workshops are needed by focusing on the improvement of embroidery products and embroidery marketing.

This study focuses on the embroidery industry, especially those at micro and small scale, with the unit of analysis that is limited only to the owners of the embroidery industry or embroidery artisan business. This is because in small or micro industries, managerial activities are very rarely carried out or properly implemented, compared to entrepreneurial activities. Based on this issue, for the next studies, it is suggested they should be able to assess entrepreneurial capabilities, because some indicators of business creativity with the highest index numbers are closely related to the entrepreneurial activities.

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