BUKTI KORESPONDENSI ARTIKEL PADA JURNAL INTERNASIONAL BEREPUTASI DAN BERDAMPAK FAKTOR

NAMA PENGUSUL

Dr. Moh. Solehatul Mustofa, M.A / NIDN 0002086304

FAKULTAS ILMU SOSIAL DAN POLITIK
UNIVERSITAS NEGERI SEMARANG

Yth. Tim Penilai Usulan PAK

Bersama ini, saya menyertakan bukti korespondensi proses artikel kami yang terpublikasi pada Jurnal Internasional Bereputasi dan Berfaktor Dampak dengan judul "*DRIVERS OF SMALL FIRM PERFORMANCE: THE URGENCY OF INNOVATION CAPABILITIES, ENTREPRENEURIAL ORIENTATION, AND CREATIVITY*". Artikel tersebut telah terbit pada jurnal Hong Kong Journal of Social Sciences, Volume 62, issue autumn/winter, Tahun 2024, Halaman 459-470.

Kronologi bukti korespondensi tampak pada tabel berikut ini.

No.	Tanggal	Proses Korespondensi
1.	17 September 2023	Submission Artikel ke Manuscript Submission di http://hkjoss.com/index.php/journal/pages/view/papersubmission
2.	26 Oktober 2023	Submission received
3.	17 November 2023	First round corrections
4.	29 November 2023	Pengiriman manuskrip first round correction
5.	29 November 2023	Second round corrections
6.	6 Desember 2023	Pengiriman manuskrip second round correction dan Pembayaran manuscript
7.	8 Desember 2023	Acceptance Decesion for the Manuscript
8.	4 Januari 2024	Paper has been published

Demikian surat ini saya sampaikan. Atas perhatiannya diucapkan terima kasih.

Semarang, 4 Juni 2024
Hormat saya,

Dr. Moh. Solehatul Mustofa, M.A.

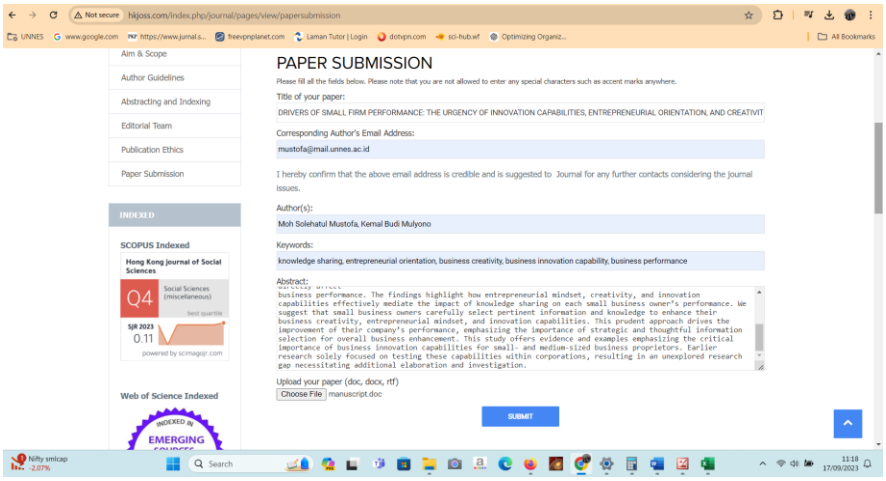
KRONOLOGI KORESPONDENSI PUBLIKASI ARTIKEL PADA JURNAL INTERNASIONAL BEREPUTASI DAN BERFAKTOR DAMPAK

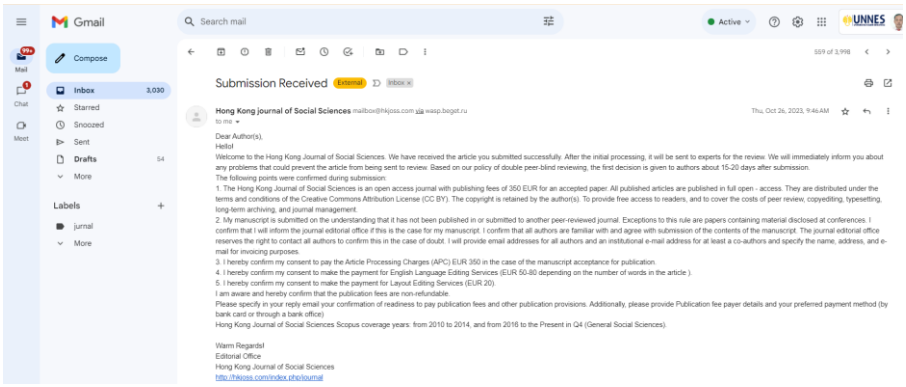
Judul	: Drivers of Small Firm Performance: The Urgency of Innovation Capabilities, Entrepreneurial Orientation, and Creativity
Jurnal	: Hong Kong Journal of Social Sciences
Volume	: Volume 62
Issue	: autumn/winter
Halaman	: 459-470
Tanggal publikasi	: 29 Desember 2023
ISSN (p)	: --
ISSN (e)	: 1021-3619
Penerbit	: City University of Hong Kong Press
SJR jurnal	: **0.103 (2024)**
Quartile	: Q4 (Scopus)
SNIP	: 0.211
Penulis	: Moh Solehatul Mustofa, Kemal Budi Mulyono

Bukti indexing jurnal:

RINCIAN KRONOLOGI KORESPONDENSI
PUBLIKASI ARTIKEL PADA JURNAL INTERNASIONAL
BEREPUTASI DAN BERFAKTOR DAMPAK

1. SUBMISSION ARTIKEL, 17 September 2023





MANUSKRIP YANG DISUBMIT.

香港社會科學學報

HONG KONG JOURNAL OF SOCIAL SCIENCES

ISSN: 1021-3619

Article ID：1021-3619(200*)0*-000*-0*

DRIVERS OF SMALL FIRM PERFORMANCE: THE URGENCY OF INNOVATION CAPABILITIES, ENTREPENEURIAL ORIENTATION, AND CREATIVITY.

Moh Solehatul Mustofa*, Kemal Budi Mulyono

(Universitas Negeri Semarang, Semarang, Indonesia)

Received 2020; accepted 2020; published 2020

Abstract:

This study aims to determine the essential development of a theoretical model of business innovation capabilities to encourage the performance of small businesses in Indonesia. This research collected data through a questionnaire survey from 250 active small business owners across Indonesia, distributed across five major islands: Sumatra, Kalimantan, Java, Sulawesi, and Papua. The sample size was determined using the inverse root square method, employing multistage random sampling for the sampling technique. The study utilized Warp PLS-based Structural Equation Modeling to analyze the determinants' path of small firm performance. The research indicates that business creativity, entrepreneurial orientation, and business innovation capabilities significantly mediate the impact of knowledge sharing on small company performance. However, knowledge sharing does not have a direct significant effect on business performance. We suggest small business owners must be must be cautious and selective in choosing relevant information and knowledge to drive the optimization of business creativity, entrepreneurial orientation, and business innovation capabilities, ultimately leading to an improvement in their company's performance. The result indicates that entrepreneurial orientation, business creativity, and business innovation capabilities are effective in mediating the knowledge-sharing activities towards the business performance of each small business owner. It is important because intensive and high-quality knowledge-sharing activities have been proven to enhance entrepreneurial resources, particularly in boosting creativity, innovation, and entrepreneurial orientation.

Keywords : knowledge sharing, entrepreneurial orientation, business creativity, business innovation capability, business performance.

Cite: Mustofa, M. S. & Mulyono, K.B. (2023). Drivers of small firm performance: the urgency of innovation capabilities, entrepeneurial orientation, and creativity. *Hong Kong Journal of Social Sciences*, volume, pp. 135-165. Article ID

小型企业绩效的驱动因素：创新能力、创业导向和创造力的紧迫性

Moh Solehatul Mustofa*, Kemal Budi Mulyono

(Universitas Negeri Semarang, Semarang, Indonesia)

摘要：这项研究旨在确定一个商业创新能力的理论模型的重要发展，以鼓励印度尼西亚小型企业的绩效。本研究通过对印度尼西亚五个主要岛屿（苏门答腊、加里曼丹、爪哇、苏拉威西和巴布亚）的 250 名活跃小企业业主进行问卷调查来收集数据。样本大小是通过使用逆根平方法确定的，采用多阶段随机抽样的抽样技术。研究采用基于 Warp PLS 的结构方程模型来分析小企业绩效决定因素的路径。研究表明，商业创造力、创业导向和商业创新能力显著中介知识共享对小公司绩效的影响。然而，知识共享对商业绩效没有直接显著影响。我们建议小企业业主在选择相关信息和知识以推动商业创造力、创业导向和商业创新能力的优化时必须谨慎和有选择性，最终提高他们公司的绩效。研究结果表明，创业导向、商业创造力和商业创新能力在中介每位小企业业主的知识共享活动对商业绩效的影响方面是有效的。这很重要，因为密集和高质量的知识共享活动已被证明可以增强创业资源，特别是在促进创造力、创新和创业导向方面。

关键词：知识共享, 创业导向, 商业创造, 商业创新能力, 商业绩效.

1. Introduction

Various literature shows that small businesses are crucial for economic growth and job creation, especially in developing countries like Indonesia (Risnawati, 2018). Unfortunately, many small businesses, particularly in Indonesia, face serious challenges, including limited skilled labor, technological expertise, access to information and market opportunities, as well as resource constraints to seek, develop, and expand their markets (Osei-Bonsu, 2020). In the current Industrial Revolution 4.0, the business landscape is rapidly changing, forcing small entrepreneurs to adapt quickly to the business environment. As a result, they are facing difficult situations and must understand current business patterns to survive such circumstances. In this regard, knowledge related to market structure and its complex features must be well understood by business owners to adapt to situations that require them to act swiftly.

Business steps and strategies have been clearly explained in the Resource-Based Theory. According to the theory, intense business competition demands business managers to create exceptional products that can only be achieved through creativity and innovation (Amabile, 1997; Woodman et al., 1993; Laforet, 2011). However, in the case of small businesses, their creativity and innovation are often minimal (Caniëls & Rietzschel, 2015). Therefore, they need encouragement to foster creativity and innovation. One common approach that small entrepreneurs often take is knowledge sharing.

Access to information and knowledge related to markets and technology often occurs through knowledge-sharing activities. Both formally and informally, sharing information or knowledge through business associations plays a critical and strategic role as a core competence and driving force for company performance (Lin, 2007; Wang and Noe, 2010). However, previous research by Saragih & Harisno (2015) and Nguyen et al. (2019) indicates that knowledge-sharing activities can be misleading in business decision-making, thus affecting their business performance. Reckless understanding of market and business information can have implications for business sustainability, making this contradiction an almost endless discussion today.

However, Osei-Bonsu (2020) provides a forward-thinking perspective on this contradiction. He states that a company can create innovation with entrepreneurial orientation, especially in the context of small businesses. Due to resource constraints in small businesses, they always need people within the business who can be relied upon in their entrepreneurial orientation and are consistently creative in developing new business ideas relevant to consumer behavior and current market trends. Research by Nguyen and Le (2019) shows that entrepreneurs who can survive in business are always proactive in innovating, willing to take risks, and have the autonomy and aggressiveness to compete and win the market. Therefore, they will be creative in creating new business patterns, developing new products or production methods, and using more effective and adaptive marketing methods according to changes in consumer behavior and the market.

Entrepreneurial orientation and business creativity are two main sources to enhance small business owners' ability to be more innovative in running their businesses. Research by Kuckertz and Marcus (2010) and Osei-Bonsu (2020) prove that entrepreneurs with a superior entrepreneurial orientation consistently innovate in all aspects of their businesses and are proactive in overcoming competitors while anticipating potential risks. Entrepreneurs with a superior entrepreneurial orientation are always prompt and quick to adapt to rapid business fluctuations in this digital era of globalization. Nasution et al. (2011) state that the drive to innovate becomes vital when entrepreneurs understand the characteristics of entrepreneurship, leading them to be continuously active in innovation and improving company business performance.

Therefore, this research proposes an understanding of the importance of building business innovation capabilities through knowledge-sharing activities that foster entrepreneurial orientation and good business creativity as internal resources to influence innovation capabilities and business performance, and to maintain competitiveness in the small business market.

2. Theoretical Foundations and Development of Hypotheses

2.1. Resource-Based View (RBV) Theory

This theory identifies a company as a collection of resources and capabilities. Differences in a company's resources and capabilities compared to its competitors provide a competitive advantage (Barney, 1991; Peteraf, 1993; Wernerfelt, 1995). The RBV framework emphasizes (1) how competitive advantage in a company is achieved and sustained over time, and (2) how the company understands the importance of strengths and weaknesses of its internal resources. They must develop strategic plans that are difficult for their competitors to imitate for sustainable competitive advantage (Barney, 1991). Companies need the ability to win in competition. Capability refers to a company's ability to use physical and non-physical resources to produce expected products (goods and services) (Kodama, 2018). The concept of

innovation is defined differently by experts. Innovation focuses on "novelty" or "newness" (Janssen et al., 2015).

2.2. Relationship Between KS, BIC, and BP

The achievement of company goals is visualized through business performance. Business performance (BP) is a part of organizational performance, which consists of business, financial, and human resource performance. The company's strategies are always directed towards achieving business performance, such as sales volume, market share, and sales growth, as well as measuring performance levels, including sales turnover, the number of customers, profits, and sales growth (Voss & Voss, 2000). Business performance is a measure of the outcomes achieved by the company from its marketing activities or operations (Clark et al., 2006; Parasuraman & Zinkhan, 2002), in the form of market measurements and customer perceptions of value and benefits obtained from the marketing activities carried out. Egan (2001) also explains that business performance can be reflected by market share acquisition, market share growth, sales growth, profit growth, and end customers.

Knowledge Sharing (KS) is an essential organizational resource that provides sustainable competitive advantages in a competitive and dynamic economic environment (Wanjiru, 2022). Therefore, every business entity needs to share knowledge to create knowledge among individuals or groups through direct or indirect interaction to improve the innovation capabilities (Raghuvanshi & Garg, 2018; Mayastinasari & Suseno, 2023). Through meaningful KS processes, entrepreneurs desire to share experiences, expertise, and information (Lin, 2007). KS has two main dimensions: explicit knowledge and tacit knowledge, divided into indicators of sharing information or knowledge to assist others and collaborating with others to solve problems, sharing information or knowledge to develop new ideas or implement policies or procedures (Cummings, 2004). Improved performance through KS is evidenced by Wu et al. (2012). According to Yeh et al. (2012), knowledge sharing can accelerate innovation by facilitating synergy and combining ideas while considering all available inputs. Meanwhile, according to Tan and Thai (2014), one of the key successes in winning global business competition is through knowledge-sharing activities to enhance innovation capability, which can ultimately produce company performance. Based on those explanation hypothesis can be formulated as follows:

H1a: There is a positive influence of business innovation capability on business performance.

H1b: *There* is a positive influence of knowledge sharing on business performance.

H1c: *There* is a positive influence of knowledge sharing on business innovation capability.

H1d: Business innovation capability mediates the impact of *knowledge* sharing on business performance

2.3. Relationship Between BC, BIC, and BP

In the context of business, creativity encompasses five main dimensions, namely (1) creativity in product development; (2) creativity in responding to changes in market tastes; (3) creativity in usage; (4) creativity in distributing new products; and (5) creativity in promoting or marketing (Lamb et al., 2001). Through creativity, entrepreneurs can generate the best new products or may simplify procedures to reduce waste, which impacts the optimization of company resources (Kabanda, 2022). Therefore, entrepreneurs can

create value through business creativity, creating valuable products, services, ideas, procedures, or new processes performed by individuals working together in a complex system (Woodman et al., 1993), supported by creative behavior used to develop innovative work relationships that are suitable for business situations (Shalley, 1991). On the other hand, business creativity (BC) refers to how entrepreneurs can create value, products, services, ideas, procedures, or new processes that are beneficial, performed by individuals working together in a complex system. The creative behavior of individuals must support them to develop solutions that are determined as updates and suitability to business situations (Baghel et al., 2023).

Amabile (1997) reveals that business creativity can be measured through specific skills (expertise), creative thinking, and natural motivation to perform tasks. Creativity is the main foundation of innovation, which is crucial for organizations in determining their success (Nusair, 2012; Nguyen and Le, 2019). Therefore, an entrepreneur must be capable of innovating (Larsen, 2007). This ability should also be supported by self-awareness, imagination, practical knowledge, search skills, and commitment (Kabanda, 2022). Innovation capability is essential for competing and surviving in this increasingly competitive economic era. Entrepreneurs can also create market segment developments, establish a strong company position, and enhance company growth through innovation (Keh et al., 2007). Based on those explanation hypothesis can be formulated as follows:

H3a: There is a positive influence of business creativity on business performance.

H3b: There is a positive influence of business creativity on business innovation capability.

H3c: Business innovation capability mediates the impact of business creativity on mediated business performance.

2.4. Relationship Between KS, BC, and EO

Effective EO is considered the most critical key to creating organizations with better performance in an uncertain business environment (Gavrilova et al, 2015). Therefore, KS plays a vital role in creating EO and encouraging good business creativity. Quick information transfer will enable entrepreneurs to adapt to market changes, thus promoting problem-solving and enhancing organizational efficiency (Kodama, 2017). Alavi and Leidner (2001) have emphasized that continuous knowledge updating drives entrepreneurs to enhance their EO to win market competition. KS is a technique that enables individuals within an organization, institution, or company to openly exchange knowledge, techniques, experiences, and information with one another. This practice plays a vital role in fostering creativity within the business context, as supported by research (Kthiar & Al-Hindawy, 2023).KS can only be achieved if each individual has ample opportunities to express opinions, ideas, criticisms, and comments to others (Wang and Noe, 2010; Caniëls & Rietzschel, 2015). Here, sharing knowledge among entrepreneurs is crucial to enhancing logical thinking capabilities, which are expected to result in creativity in generating new ideas and developing new business opportunities (Lin, 2007; Yeh et al., 2012). Based on those explanation hypothesis can be formulated as follows:

H4a: There is a positive influence of knowledge sharing on entrepreneurial orientation.

H4b: There is a positive influence of knowledge sharing on business creativity.

3. Methodology

This study is based on primary data collected through the distribution of research questionnaires to micro-entrepreneurs in districts and cities in Central Java Province. The sample size of the study follows the recommendation by Kock and Hadaya (2018), which uses the inverse square root method, stating that the minimum sample adequacy in PLS-SEM analysis with a power level of 80% is 160. The research was conducted before the Covid-19 pandemic that occurred from August 2019 to February 2020 in Indonesia, allowing us to directly distribute questionnaires to entrepreneurs. A total of 250 questionnaires were randomly distributed to avoid insufficient data for analysis. Based on the filled questionnaires, only 70% of the questionnaires were returned, and 175 respondents' data were analyzed.

The measurement scale in this research uses a Likert scale based on semantic differential 1-7 with extreme endpoints of agree/disagree. According to the expert proxy scale measurement, knowledge sharing is measured using two dimensions: explicit knowledge and tacit knowledge, adapted from Wang and Wang (2012). Entrepreneurial orientation is measured through five main dimensions adapted from Foltean (2007): proactiveness, innovativeness, risk-taking behavior, autonomy, and competitive aggressiveness to win market share. Business creativity is measured using dimensions of creativity in product development, creativity in responding to market preferences, creativity in technology utilization, creativity in distribution, and creativity in promotion or marketing processes adapted from Lamb et al. (2001). Business innovation capability is measured using four dimensions: innovation capability in products, innovation capability in marketing, innovation capability in processes, and innovation capability in business systems, adapted from the research of Laforet (2011) and Janssen et al. (2015). Additionally, business performance is measured with achievement level responses using indicators (1) perception of profit growth, (2) perception of consumer and customer growth, and (3) perception of sales growth, adapted from Covin et al. (2006).

In this data analysis, there are several stages to obtain the correct scale construction or measurement model. The first is the pilot test, the second is the revision, and the third is the continuation of the field test. After data is collected from the field test, it is followed by inferential statistical analysis using WARP PLS-SEM with several steps, as follows: (1) conceptualizing the model; (2) evaluating and estimating the outer model; (3) evaluating and estimating the inner model (model fit and quality index) using reflective and resampling modes, to determine the t-statistic values, and (4) hypothesis testing and mediation analysis (Kock, 2010).

4. Finding

Before analyzing the inner model, the measurement model is analyzed first. This testing aims to determine whether each instrument item used to measure the manifest/latent variable constructs (knowledge sharing, entrepreneurial orientation, business creativity, business innovation capabilities, and business performance) has met the criteria for validity, where the convergent validity test is 0.5 (for the loading factor value and Average Variance Extracted (AVE) and The P-value, while the cut value is the composite reliability of 0.7.

Table 1. Loading Factor, AVE, Composite Reliability

Item	Loading Factor	AVE	AVE After the item is eliminated	Composite Reliability	Composite Reliability After the item is eliminated
KS (7 Item)	0.712 - 0.801	0.576 (all valid)	0.576	0.895	0.916
EO (6 item)	0.510 - 0.812	0.487 (1 item was removed)	0.546	0.784	0.856
BC (10 item)	0.417 - 0.792	0.487 (4 item was removed)	0.523	0.816	0.866
BIC (8 item)	0.513-0.773	0.692 (all valid)	0.692	0.888	0.918
BP (5 Item)	0.727-0.892	0.692 (all valid)	0.692	0.888	0.918

The results show that the overall loading factor and AVE values for KS and BP are higher than the cut value of 0.5. The composite reliability value is higher than 0.7, so it can be concluded that all items in both variables are valid and reliable. Meanwhile, EO, BC, and BIC have an AVE value lower than the cut value. Even though the composite's Reliability was above 0.7, it is necessary to delete 6 items because the AVE value was not valid yet. After elimination, the AVE value increases above the cut-value and the Composite Reliability, so the measurement model is valid and reliable.

Table 2. Correlations AVE Square root among latent variables and errors

	KS	EO	BC	BIC	BP
KS	**0.759**	0.621	0.512	0.595	0.249
EO	0.621	**0.739**	0.669	0.684	0.398
BC	0.512	0.669	**0.773**	0.248	0.576
BIC	0.595	0.684	0.248	**0.778**	0.551
BP	0.249	0.398	0.576	0.551	**0832**

Table 2 shows the discriminant validity test, which compares the Square Rooted of AVEs and the correlation between latent variables. The value must be diagonally higher than other variables, so it can be confirmed that all study indicators meet the discriminant validity criteria.

Table 3. Full collinearity VIFs

KS	EO	BC	BIC	BP	KS
1,721	2,161	2,903	1,938	2,331	**1,721**

Table 3 also tested this discriminant validity by employing a common bias test with Full collinearity VIFs. All variables meet the criteria for discriminant validity because the full collinearity VIFs limit is 5.5. Then an inner model analysis can be performed (fit and quality indices model). The results of testing the fit quality index model can be seen in Table 4 below.

Table 4. Model fit and quality indices

Note	Cut Value	Value	Criteria
Average path coefficient	P <0.05	P <0.001	Accepted
Average R-squared	P <0.05	P <0.001	Accepted
Average adjusted R-squared	P <0.05	P <0.001	Accepted
Average block VIF	acceptable if <= 5, ideally <= 3.3	2015	Accepted
Average full collinearity VIF	acceptable if <= 5, ideally <= 3.3	2,218	Accepted
Tenenhaus GoF	small> = 0.1, medium> = 0.25, large> = 0.36	0.467	large
Sympson's paradox ratio	acceptable if> = 0.7, ideally = 1	0.789	Accepted
R-squared contribution ratio	acceptable if> = 0.9, ideally = 1	0.799	Accepted
Statistical suppression ratio	acceptable if> = 0.7, ideally = 1	0.932	Accepted
Nonlinear bivariate causality direction ratio	acceptable if> = 0.7	1,000	Accepted

Table 4 shows the fit and quality index model, from the average path coefficient to the nonlinear bivariate causality direction ratio. They all met the acceptance criteria, which shows that the model can be done for hypothesis testing with Warp PLS-SEM.

Table 5. Results of Structural Model

	Direction	Coefficient	P-Value	Standard Error	Remark
H1:	BIC→ BP	0.327	<0.001	0.054	Accepted
H2	KS→ BP	0.031	**0.273**	0.057	Rejected
H3	KS→ BIC	0.196	<0.001	0.055	Accepted
H5	EO→ BP	0.139	0.024	0.057	Accepted
H6	EO→ BIC	0.251	<0.001	0.055	Accepted
H8	BC→ BP	0.394	<0.001	0.054	Accepted
H9	BC→ BIC	0.491	<0.001	0.053	Accepted
H11	KS→ EO	0.521	<0.001	0.052	Accepted
H12	KS→ BC	0.529	<0.001	0.053	Accepted

	Direction	Coefficient	P-Value	Standard Error	Remark
	Mediation Analysis	**Coefficient**	**P-Value**	**Standard Error**	**Note**
H4	KS→ BIC → BP	0.348	0.019	0.055	Accepted
H7	EO→ BIC → BP	0.421	0.021	0.059	Accepted
H10	BC→ BIC → BP	0.411	0.011	0.052	Accepted

Note N = 180, cut value = 0.05 with 95% confident interval, red bold p-value means not significant

Tabel 5 shows the path coefficient and p-value under the direct effect, where if the p-value is below the cut of value 0.05, the hypothesis is statistically supported. The explanation is as follows: (1) the relationship between BIC and BP has a coefficient value of 0.327 with a p-value <0.001, so hypothesis one which states that there is an effect of BIC on BP is accepted; (2) while the relationship between KS and BP has a coefficient value of 0.031 with a p-value of 0.273, so that hypothesis 2 is not supported statistically; (3) On the relationship between KS and BIC, the coefficient value is 0.196 with a p-value <0.001, so that hypothesis 3 is supported statistically; (4) the EO coefficient value towards BP is 0.139 with a p-value of 0.024, so that hypothesis 5 is supported statistically; (5) then the relationship EO to BIC has a coefficient value of 0.25, with a p value <0.001 so that hypothesis 6 is supported statistically; (6) the coefficient value on the relationship between BC and BP is 0.394, with a p-value <0.001 so that hypothesis 9 is statistically accepted; (7) the relationship between KS and EO has a coefficient value of 0.521, with a p-value <0.001, of which hypothesis 11 is accepted; (8) the relationship between KS and BC has a coefficient value of 0.529, with a p-value <0.001 so that hypothesis 12 is accepted.

The hypothesis explanation must meet the criteria and indirectly affect the testing or significance of the mediating variable. If the p-value is below 0.05, the hypothesis is statistically supported. The explanation is as follows; (1) the coefficient value associated with KS → BIC → BP has a coefficient value of 0.348, with a p-value of 0.019. The result shows that hypothesis 4 is statistically acceptable. (2) The relationship of EO → BIC → BP has a coefficient value of 0.421, with a p-value of 0.021, so hypothesis 7 is also statistically accepted. (3), The relationship of BC → BIC → BP has a coefficient value of 0.411, with a p-value of 0.011, so hypothesis 10 is also accepted statistically.

5. Discussion

The research findings indicate that knowledge-sharing activities alone do not significantly impact improving company performance. However, knowledge-sharing does influence business creativity, business innovation capability, and entrepreneurial orientation. It can be concluded that entrepreneurs affiliated with the paguyuban (association) are not fully optimized in knowledge-sharing, as revealed by the items investigated. They may not have equal opportunities to express their opinions, ideas, and comments, leading them to withhold and not provide appropriate business knowledge. Therefore, this finding supports the development of an empirical model to resolve the contradiction regarding knowledge-sharing and business performance. Knowledge-sharing has driven engagement and significant creativity or innovation in company business.

Similar results were found in previous research (Grawe et al., 2009; Kodama, 2018). Knowledge-sharing is a value creation process that can stimulate creativity, orientation, and innovation to meet future customer needs. Thus, the failure of this hypothesis indicates that knowledge-sharing activities may not be as effective, which may explain the lack of improvement in company performance. However, some studies (Theriou et al., 2011; Wang and Wang, 2012) have stated that small and medium-sized enterprises, high-tech companies, or the health industry show that explicit or tacit knowledge-sharing does not directly impact company performance without innovation development. Consistent with Kuruppuge et al (2018), knowledge-sharing stimulates creativity to enhance each job target. Meanwhile (Abeyrathna & Wijesinghe, 2020) stated that through entrepreneurial orientation formed by knowledge-sharing activities, fast and easy information transfer

is created to align the organization with market changes, facilitating business decision-making.

This study confirms that superior entrepreneurial orientation can enhance business innovation capability and optimal business performance. Ma'atoofi and Tajeddini (2010) stated that an entrepreneur can enhance the adaptability to consumer behavior and anticipate new products and market needs through superior entrepreneurial orientation. Therefore, enhancing entrepreneurial orientation opens the minds of small companies to share their vision and innovation, encouraging innovation capability, risk anticipation capability, proactivity in competing with competitors, and competitive aggressiveness to win the market, ultimately improving business performance (Covin et al., 2006; Tang et al., 2010). All findings in this research conclude that business innovation capability empirically mediates the influence of knowledge-sharing on business performance, the influence of entrepreneurial orientation on business performance, and the influence of business creativity on business performance. In line with the diffusion of innovation theory through knowledge-sharing, entrepreneurs undergo further learning adaptations to win business competition through adoption, assimilation, and exploitation to enhance their business innovation capability. This leads to the creation or expansion of markets for new goods and services, the development of new production methods, or the formation of new management systems (Janssen et al., 2015). Business innovation capability is also achieved through inventive creativity and entrepreneurial orientation. Managers continuously seek new ways to manage new ideas, processes, products, or procedures in business units within the industry through product, market, or technology market innovations, or a combination of the three. Therefore, entrepreneurs must possess unique competencies to develop their strategic advantages. In creating superior values, companies must be committed to learning and understanding dynamic market developments to win competition, which impacts their business performance (Slater and Narver, 1994)

6. Conclusion, Limitations and Further Study

Knowledge-sharing does not have a significant direct positive impact on improving business performance. This finding is attributed to the suboptimal knowledge-sharing process among entrepreneurs, either due to the quality of information shared or the individuals involved in the sharing activities. In this case, the quality of information and the credibility of the sources of information in the knowledge-sharing process become significant issues. Therefore, effective knowledge-sharing should foster entrepreneurial orientation, business creativity, and, most importantly, business innovation capability.

This study has critical implications for the Resource-Based Theory framework. The findings confirm that effective entrepreneurship processes among small entrepreneurs can build business capabilities through knowledge-sharing, entrepreneurial orientation, and business creativity to determine business performance. The evolving theory can be applied in the context of small businesses in developing countries like Indonesia. While the majority of past literature applied the theory to large corporations, we discovered something new when applying it to small businesses. Due to their limited internal resources, they strive to expand their entrepreneurial orientation based on experiences from every encountered failure. Resilience is the foundation of this orientation, as they persistently endeavour to achieve and build innovation capabilities.

The study provides crucial managerial implications for small business owners. Based on the findings, small business operators need to be selective in choosing information and knowledge for the sustainability of their business, especially concerning core business operations. As core business-related information is highly valuable, it becomes a secret recipe that cannot be shared with other business operators. Hence, not all information will be willingly shared among business owners, as they keep their unique business formula to themselves, limiting information even when conducting asymmetric information to safeguard their business continuity. This research is limited to small businesses, with the study focused on small entrepreneurs in the Central Java Province. Future research can expand the scope of investigation to other provinces or at the national level.

Acknowledgments

We would like to thank the Universitas Negeri Semarang for supporting this study.

Authors' Contributions

Moh. Solehatul Mustofa contribute in generating idea, reviewing literature, and funding

Kemal Budi Mulyono contribute in analyzing data, and making discussion and conclusion

References

[1] Abeyrathna, M. A., & Wijesinghe, D. M. (2020). The importance of spatial factors for entrepreneurial orientation of rural entrepreneurs: A critical review. *International Journal of Innovation and Economic Development, 6*(3), 20-28. https://doi.org/10.18775/ijied.1849-7551-7020.2015.63.2002

[2] Alavi, M., & Leidner, D. E. (2001). Review: Knowledge management and knowledge management systems: Conceptual foundations and research issues. *MIS Quarterly, 25*(1), 107. https://doi.org/10.2307/3250961

[3] Amabile, T. M. (1997). Motivating creativity in organizations: On doing what you love and loving what you do. *California Management Review, 40*(1), 39-58. https://doi.org/10.2307/41165921

[4] Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99-120. https://doi.org/10.1177/014920639101700108

[5] Baghel, D., Pawar, P. G., Ingale, P., Ajotikar, M. V., & Sahoo, A. (2023). Effects of creativity and innovation on the entrepreneurial performance of the family business with special reference to banking sector. *International Journal of Professional Business Review, 8*(4), e0996. https://doi.org/10.26668/businessreview/2023.v8i4.996

[6] Bhatti, A., Rehman, S. U., & Rumman, J. B. (2020). Organizational capabilities mediates between organizational culture, entrepreneurial orientation, and organizational performance of SMEs in Pakistan. *Entrepreneurial Business and Economics Review, 8*(4), 85-103. https://doi.org/10.15678/eber.2020.080405

[7] Caniëls, M. C., & Rietzschel, E. F. (2015). Organizing creativity: Creativity and innovation under constraints. *Creativity and Innovation Management, 24*(2), 184-196. https://doi.org/10.1111/caim.12123

[8] Clark, B. H., Abela, A. V., & Ambler, T. (2006). An information processing model of marketing performance measurement. *Journal of Marketing Theory and Practice, 14*(3), 191-208. https://doi.org/10.2753/mtp1069-6679140302

[9] Covin, J. G., Green, K. M., & Slevin, D. P. (2006). Strategic process effects on the entrepreneurial orientation–sales growth rate relationship. Entrepreneurship *Theory and Practice, 30*(1), 57-81. https://doi.org/10.1111/j.1540-6520.2006.00110.x

[10] Cummings, J. N. (2004). Work groups, structural diversity, and knowledge sharing in a global organization. *Management Science, 50*(3), 352-364. https://doi.org/10.1287/mnsc.1030.0134

[11] Egan, J. (2001). Relationship Marketing: Exploring Relational Strategies in Marketing. Financial Times/Prentice Hall, London.

[12] Foltean, F. (2007). The Entrepreneurial Approach in Marketing, *Management & Marketing, 2*(1), 71-78

[13] Gavrilova, T., Kudryavtsev, D., & Menshikova, A. (2015). Innovations in organisational knowledge management - Typology, methodology and recommendations. *Proceedings of the 7th International Joint Conference on Knowledge Discovery, Knowledge Engineering and Knowledge Management*. https://doi.org/10.5220/0005643604470452

[14] Grawe, S. J., Chen, H., & Daugherty, P. J. (2009). The relationship between strategic orientation, ser-vice innovation, and performance. *International Journal of Physical Distribution & Logistics Management, 39*(4), 282-300. https://doi.org/10.1108/09600030910962249

[15] Janssen, M., Stoopendaal, A., & Putters, K. (2015). Situated novelty: Introducing a process perspective on the study of innovation. *Research Policy, 44*(10), 1974-1984. https://doi.org/10.1016/j.respol.2015.06.008

[16] Kabanda, G. (2022). How to succeed as an entrepreneur in Africa. *Journal of Media Management and Entrepreneurship, 4*(1), 1-13. https://doi.org/10.4018/jmme.310935

[17] Keh, H. T., Nguyen, T. T., & Ng, H. P. (2007). The effects of entrepreneurial orientation and marketing information on the performance of SMEs. *Journal of Business Venturing, 22*(4), 592-611. https://doi.org/10.1016/j.jbusvent.2006.05.003

[18] Kock, N., & Hadaya, P. (2018). Minimum sample size estimation in PLS-SEM: The inverse square root and gamma-exponential methods. *Information Systems Journal, 28*(1), 227-261. https://doi.org/10.1111/isj.12131

[19] Kock, N. (2010). Using WarpPLS in e-collaboration studies: An overview of five main analysis steps, *International Journal of e-Collaboration, 6*(4), 1-11. https://doi.org/10.4018/jec.2010100101

[20] Kodama, M. (2017). Developing strategic innovation in large corporations-the dynamic capability view of the firm. *Knowledge and Process Management, 24*(4), 221-246. https://doi.org/10.1002/kpm.1554

[21] Kodama, M. (2018). Collaborative dynamic capabilities: The dynamic capabilities view. Collaborative Dynamic Capabilities for Service Innovation, 1-45. https://doi.org/10.1007/978-3-319-77240-0_1

[22] Kthiar, F. G., & Al-Hindawy, Z. A. (2022). The role of organizational creativity in achieving strategic superiority through knowledge sharing an exploratory study of the opinions of a sample of managers in the Kufa cement factory. *International Journal of Professional Business Review, 7*(5), e0869. https://doi.org/10.26668/businessreview/2022.v7i5.e869

[23] Kuckertz, A., & Wagner, M. (2010). The influence of sustainability orientation on entrepreneurial intentions — Investigating the role of business experience. *Journal of Business Venturing, 25*(5), 524-539. https://doi.org/10.1016/j.jbusvent.2009.09.001

[24] Kuruppuge, R. H., Gregar, A., Kudláček, L., & Jayawardena, C. (2018). Employees' extrinsic motives and knowledge sharing: Intervening role of an intrinsic motive. *CBU International Conference Proceedings, 6*, 282-287. https://doi.org/10.12955/cbup.v6.117

[25] Laforet, S. (2013). Organizational innovation outcomes in SMEs: Effects of age, size, and sector. *Journal of World Business, 48*(4), 490-502. https://doi.org/10.1016/j.jwb.2012.09.005

[26] Lin, H. (2007). Knowledge sharing and firm innovation capability: An empirical study. *International Journal of Manpower, 28*(3/4), 315-332. https://doi.org/10.1108/01437720710755272

[27] Lamb, C. W., Hair, J. F., & Mcdaniel, C. (2001). Pemasaran, Salemba Empat, Jakarta,

[28] Larsen, P., & Lewis, A. (2007). How award-winning SMEs manage the barriers to innovation. *Creativity and Innovation Management, 16*(2), 142-151. https://doi.org/10.1111/j.1467-8691.2007.00428.x

[29] Ma'atoofi, A. R., & Tajeddini, K. (2010). The effect of entrepreneurship orientation on learning orientation and innovation: A study of small-sized business firms in Iran. *International Journal of Trade, Economics and Finance, 1*. pp. 254-260. https://doi.org/10.7763/ijtef.2010.v1.46

[30] Mayastinasari, V., & Suseno, B. (2023). The role of transformational leadership, and knowledge sharing on innovative work behavior of public organization in the Digital Era. *International Journal of Professional Business Review, 8*(7), e02977. https://doi.org/10.26668/businessreview/2023.v8i7.2977

[31] Nasution, H. N., Mavondo, F. T., Matanda, M. J., & Ndubisi, N. O. (2011). Entrepreneurship: Its relationship with market orientation and learning orientation and as antecedents to innovation and customer value, *Industrial Marketing Management, 40* (3), 336-345. https://doi.org/10.1016/j.indmarman.2010.08.002

[32] Nguyen, T.P.L., Doan, X.H., Tran, MD, Le, TT, & Nguyen, QT (2019). Knowledge sharing and individual performance: The case of Vietnam. *Uncertain Supply Chain Management, 7*(3), 483–494. https://doi.org/10.5267/j.uscm.2018.11.007

[33] Nguyen, T. H., & Le, A. N. (2019). Promoting creativity and innovation: Expected and unexpected consequences. *Asia Pacific Journal of Innovation and Entrepreneurship, 13* (3), 296-310. https://doi.org/10.1108/apjie-03-2019-0008

[34] Nusair, N., Ababneh, R., & Kyung Bae, Y. (2012). The impact of transformational leadership style on innovation as perceived by public employees in Jordan. *International Journal of Commerce and Management, 22*(3), 182-201. https://doi.org/10.1108/10569211211260283

[35] Osei-Bonsu, N. (2020). Entrepreneurial orientation and internationalization of SMEs – empirical evidence from developing markets. *Journal of Management Research, 12*(2), 1-13. https://doi.org/10.5296/jmr.v12i2.16080

[36] Parasuraman, A., & Zinkhan, G. M. (2002). Marketing to and serving customers through the internet: An overview and research agenda. *Journal of the Academy of Marketing Science, 30*(4), 286-295. https://doi.org/10.1177/009207002236906

[37] Peteraf, M. A. (1993). The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal, 14*(3), 179-191. https://doi.org/10.1002/smj.4250140303

[38] Raghuvanshi, J., & Garg, C. P. (2018). Time to get into the action. *Asia Pacific Journal of Innovation and Entrepreneurship, 12*(3), 279-299. https://doi.org/10.1108/apjie-06-2018-0041

[39] Risnawati, N. (2018). Profiles of MSMEs, Problems, and Empowerment Efforts in Sumedang Regency. *Coopetition of the IKOPIN Management Scientific journal, 9*(1), 13-29. https://doi.org/10.32670/coopetition.v9i2.55

[40] Saragih, S.P.T.I., Harisno, H. (2015). Influence Of Knowledge Sharing and Information Technology Innovation on Employees Performance at Batamindo Industrial Park, *CommIT (Communication and Information Technology) Journal, 9*(2), 45-49. https://doi.org/10.21512/commit.v9i2.1657

[41] Shalley, C. E. (1991). Effects of productivity goals, creativity goals, and personal discretion on individual creativity. *Journal of Applied*

Psychology, *76*(2), 179-185. https://doi.org/10.1037/0021-9010.76.2.179

[42] Slater, S. F., & Narver, J. C. (1994). Does competitive environment moderate the market orientation-performance relationship? *Journal of Marketing*, *58*(1), 46-55. https://doi.org/10.1177/002224299405800104

[43] Tan, B. S., & Thai, V. V. (2014). Knowledge sharing within strategic alliance networks and its influence on firm performance: The liner shipping industry. *International Journal of Shipping and Transport Logistics*, *6*(4), 387-411. https://doi.org/10.1504/ijstl.2014.062902

[44] Tang, Z., Tang, J., Marino, L. D., Zhang, Y., & Li, Q. (2010). An investigation of entrepreneurial orientation and organisational strategies in Chinese SMEs. *World Review of Entrepreneurship, Management and Sustainable Development*, *6*(3), 206-223. https://doi.org/10.1504/wremsd.2010.036675

[45] Theriou, N., Maditinos, D., and Theriou, G. (2011). Knowledge Management Enabler Factors And Firm Performance: An Empirical Research Of The Greek Medium And Large Firms. *European Research Studies*, *XIV*(2), 97 - 134. https://doi.org/10.35808/ersj/321

[46] Wang, S., & Noe, R. A. (2010). Knowledge sharing: A review and directions for future research. *Human Resource Management Review*, *20*(2), 115-131. https://doi.org/10.1016/j.hrmr.2009.10.001

[47] Wang, Z., & Wang, N. (2012). Knowledge sharing, innovation, and firm performance, *Expert Systems with Applications*, *39*(10), 8899–8908. https://doi.org/10.1016/j.eswa.2012.02.017

[48] Wernerfelt, B. (1995). The resource-based view of the firm: Ten years after. *Strategic Management Journal*, *16*(3), 171-174. https://doi.org/10.1002/smj.4250160303

[49] Woodman, R. W., Sawyer, J. E., & Griffin, R. W. (1993). Toward a theory of organizational creativity. *The Academy of Management Review*, *18*(2), 293-321. https://doi.org/10.2307/258761

[50] Wu, W., Yeh, R., & Hung, H. (2012). Knowledge sharing and work performance: A network perspective. *Social Behavior and Personality: an international journal*, *40*(7), 1113-1120. https://doi.org/10.2224/sbp.2012.40.7.1113

[51] Wanjiru, A. (2022). Effect of knowledge management on firm performance and competitiveness. *European Journal of Information and Knowledge Management*, *1*(1), 1-10. https://doi.org/10.47941/ejikm.850

[52] Voss, G.B., Voss Z.G. (2000). Strategic Orientation and Firm Performance In an Artistic Enviroment. *Journal of Marketing*, *64*. 67-83. https://doi.org/10.1509/jmkg.64.1.67.17993

[53] Yeh, Y., Yeh, Y., and Chen, YY-H. (2012). From knowledge sharing to knowledge creation: A blended knowledge-management model for improving university students' creativity. *Thinking Skills and Creativity*, *7*(3), 245–257. https://doi.org/10.1016/j.tsc.2012.05.004

香港社會科學學報

HONG KONG JOURNAL OF SOCIAL SCIENCES

ISSN: 1021-3619

Even Page

2. Corrections request, 17 November 2023

Dear Authors,
Thank you very much for submitting your manuscript to the Hong Kong Journal of Social Sciences.
Your paper has been reviewed by 2 independent experts. Having considered the reviews, we have reached a decision regarding your submission.
Our decision is to: Revision Required.

We are pleased to inform you that the paper has been provisionally accepted for publication subject to minor revisions being made in response to the reviewers' comments given below.

If you want to publish in Hong Kong Journal of Social Sciences, No. 62 Autumn/Winter 2023, you need to send the following to the editorial office by e-mail at the following address: mailbox@hkjoss.com :
1. The article strictly formatted according to the template recommendations for authors and correct the article on the reviewers' recommendations, see http://hkjoss.com/docs/template.doc . All revisions should be highlighted in the article.
2. Payment proof.
Please highlight the corrections in this article in Green. We hope you'll do great.

Reviewers' Comments:
1 - Authors should better explain the criteria for selecting the object of study as well as indicate the applications of the findings.
2 - Please add the Flowchart of the research methodology (The main steps of research process are summarized in Figure .....).
3 - Authors should explain the academic contribution of the work developed (50-150 words in conclusion). Highlighting what is innovative/original about the existing literature.

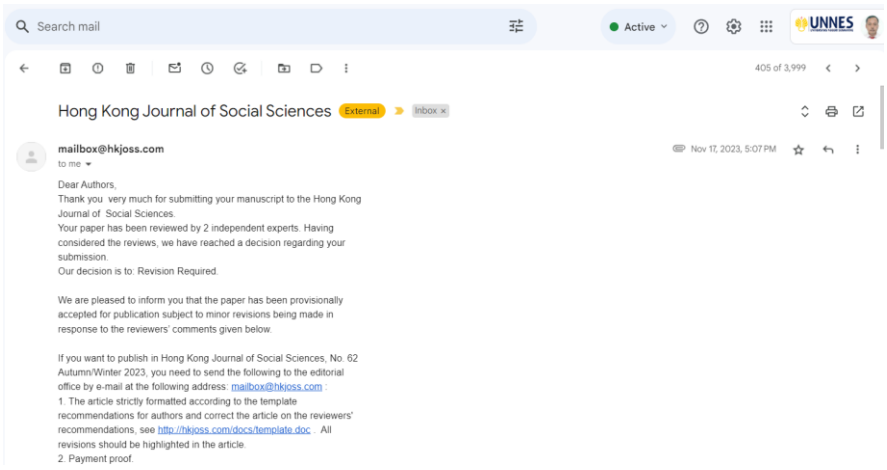
Deadline for providing revised article and payment: November 24, 2023. The article will be published until December 25, 2023.

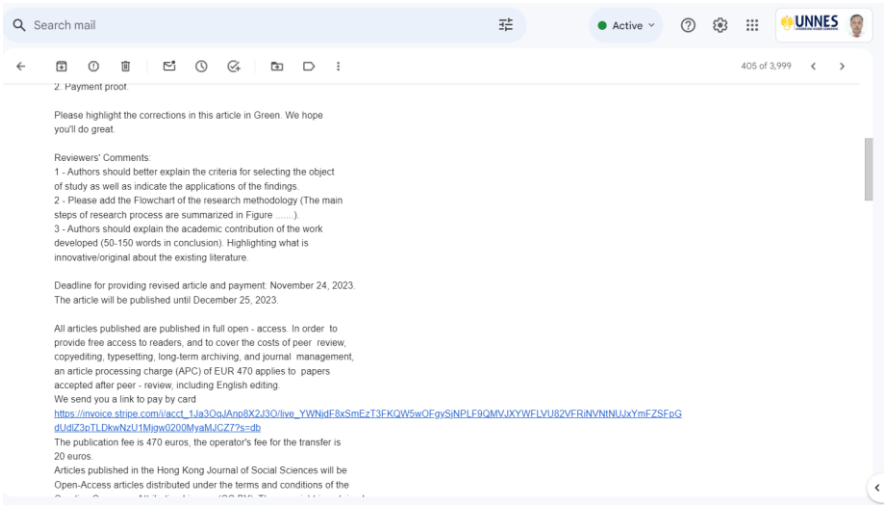
All articles published are published in full open - access. In order to provide free access to readers, and to cover the costs of peer review, copyediting, typesetting, long-term archiving, and journal management, an article processing charge (APC) of EUR 470 applies to papers accepted after peer - review, including English editing.
We send you a link to pay by card
https://invoice.stripe.com/i/acct_1Ja3OqJAnp8X2J3O/live_YWNjdF8xSmEzT3FKQW5wOFgySjNPLF9QMVJXYWFLVU82VFRiNVNtNUJxYmFZSFpGdUdlZ3pTLDkwNzU1Mjgw0200MyaMJCZ7?s=db
The publication fee is 470 euros, the operator's fee for the transfer is 20 euros.

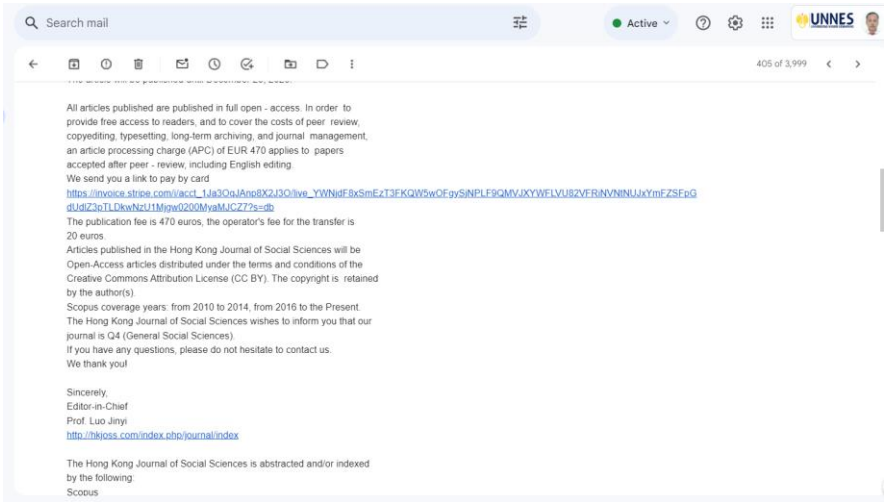
Corresponding Author : Moh. Solehatul Mustofa, Faculty of Social and Political Science, Universitas Negeri Semarang, Indonesia; email: mustofa@mail.unnes.ac.id

Articles published in the Hong Kong Journal of Social Sciences will be Open-Access articles distributed under the terms and conditions of the Creative Commons Attribution License (CC BY). The copyright is retained by the author(s).
Scopus coverage years: from 2010 to 2014, from 2016 to the Present.
The Hong Kong Journal of Social Sciences wishes to inform you that our journal is Q4 (General Social Sciences).
If you have any questions, please do not hesitate to contact us.
We thank you!

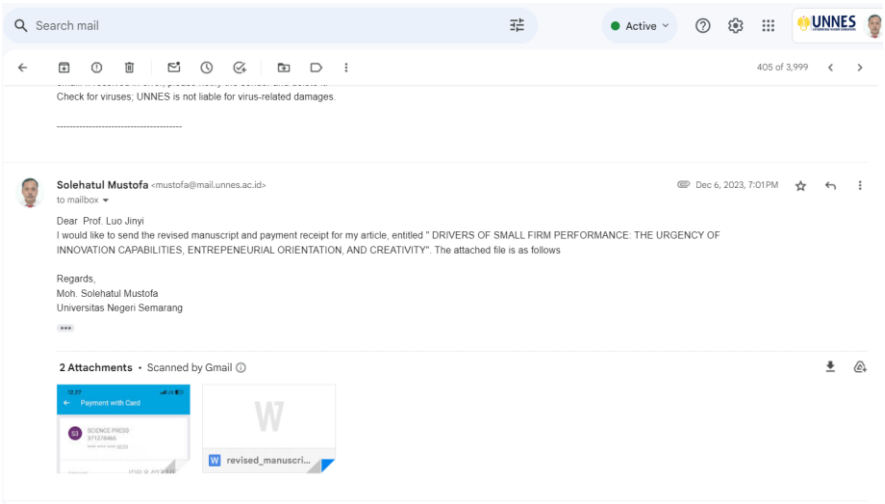
Sincerely,
Editor-in-Chief
Prof. Luo Jinyi
http://hkjoss.com/index.php/journal/index






Search mail
Active
UNNES
405 of 3,999
All articles published are published in full open - access. In order to provide free access to readers, and to cover the costs of peer review, copyediting, typesetting, long-term archiving, and journal management, an article processing charge (APC) of EUR 470 applies to papers accepted after peer - review, including English editing.
We send you a link to pay by card
https://invoice.stripe.com/i/acct_1Ja3OqJAnp8X2J3O/live_YWNjdF8xSmEzT3FKQW5wOFgySiNPLF9QMVJXYWFLVU82VFRiNVNtNUJxYmFZSFpGdUdlZ3pTLDkwNzU1Mjgw0200MyaMJCZ7?s=db
The publication fee is 470 euros, the operator's fee for the transfer is 20 euros.
Articles published in the Hong Kong Journal of Social Sciences will be Open-Access articles distributed under the terms and conditions of the Creative Commons Attribution License (CC BY). The copyright is retained by the author(s).
Scopus coverage years: from 2010 to 2014, from 2016 to the Present
The Hong Kong Journal of Social Sciences wishes to inform you that our journal is Q4 (General Social Sciences).
If you have any questions, please do not hesitate to contact us.
We thank you!
Sincerely,
Editor-in-Chief
Prof. Luo Jinyi
http://hkjoss.com/index.php/journal/index
The Hong Kong Journal of Social Sciences is abstracted and/or indexed by the following:
Scopus

3. PENGIRIMAN MANUSKRIP YANG TELAH DIPERBAIKI, 6 Desember 2023



MANUSKRIP YANG TELAH DIPERBAIKI

香港社會科學學報

HONG KONG JOURNAL OF SOCIAL SCIENCES

ISSN: 1021-3619

DRIVERS OF SMALL FIRM PERFORMANCE: THE URGENCY OF INNOVATION CAPABILITIES, ENTREPENEURIAL ORIENTATION, AND CREATIVITY.

Moh Solehatul Mustofa*, Kemal Budi Mulyono

(Universitas Negeri Semarang, Semarang, Indonesia)

Received 2020; accepted 2020; published 2020

Abstract:

Purpose of the Study: This research focuses on creating a theoretical framework for enhancing business innovation capabilities, aiming to boost the performance of small enterprises in Indonesia. The primary goal is to identify and establish the fundamental elements necessary for fostering innovation within these businesses, thereby improving their overall effectiveness.

Methodology: This research collected data through a questionnaire survey from 250 active small business owners across Indonesia, distributed across five major islands: Sumatra, Kalimantan, Java, Sulawesi, and Papua. The sample size was determined using the inverse root square method, employing multistage random sampling for the sampling technique. The study utilized Warp PLS-SEM to analyze the determinants' path of small firm performance

Main Findings: The study show that business creativity, entrepreneurial mindset, and business innovation skills act as significant mediators between knowledge sharing and the performance of small companies. Yet, knowledge sharing itself doesn't directly affect business performance. The findings highlight how entrepreneurial mindset, creativity, and innovation capabilities effectively mediate knowledge-sharing's impact on each small business owner's performance.

Applications: We suggest that small business owners to carefully select pertinent information and knowledge to enhance business creativity, entrepreneurial mindset, and innovation capabilities. This prudent approach drives the improvement of their company's performance, emphasizing the importance of strategic and thoughtful information selection for overall business enhancement.

Novelty/Originality: The study offers evidence and examples emphasizing the critical importance of business innovation capabilities for small and medium-sized business proprietors. Earlier research solely focused on testing these capabilities within corporations, resulting in an unexplored research gap necessitating additional elaboration and investigation.

.

Keywords : knowledge sharing, entrepreneurial orientation, business creativity, business innovation capability, business performance.

Cite: Mustofa, M. S. & Mulyono, K.B. (2023). Drivers of small firm performance: the urgency of innovation capabilities, entrepeneurial orientation, and creativity. *Hong Kong Journal of Social Sciences*, volume, pp. 135-165. Article ID

小型企业绩效的驱动因素：创新能力、创业导向和创造力的紧迫性

Moh Solehatul Mustofa*, Kemal Budi Mulyono

(Universitas Negeri Semarang, Semarang, Indonesia)

方法论：本研究通过对印度尼西亚五个主要岛屿（苏门答腊、加里曼丹、爪哇、苏拉威西和巴布亚）分布的 250 名活跃小企业业主进行问卷调查，收集数据。样本量采用倒数平方根法确定，采用多阶段随机抽样作为抽样技术。该研究利用 Warp PLS-SEM 分析了小型企业业绩决定因素的路径。

主要发现：研究表明，商业创造力、企业家思维和业务创新技能在知识分享和小公司业绩之间起着重要的中介作用。然而，知识分享本身并不直接影响业务绩效。研究结果突显了企业家思维、创造力和创新能力如何有效地中介了知识分享对每个小企业业主绩效的影响。

应用：我们建议小企业业主精心选择相关信息和知识，以增强业务创造力、企业家思维和创新能力。这种谨慎的方法推动了公司绩效的提升，强调了对整体业务增强的战略性和深

思熟虑的信息选择的重要性。

新颖性/独创性：本研究提供了证据和例证，强调了业务创新能力对小型和中型企业业主的重要性。早期研究仅关注在企业内部对这些能力进行测试，导致了未被探索的研究空白，需要进一步阐述和调查。

关键词：知识共享, 创业导向, 商业创造, 商业创新能力, 商业绩效.

7. Introduction

Various literature shows that small businesses are crucial for economic growth and job creation, especially in developing countries like Indonesia (Risnawati, 2018). Unfortunately, many small businesses, particularly in Indonesia, face serious challenges, including limited skilled labor, technological expertise, access to information and market opportunities, as well as resource constraints to seek, develop, and expand their markets (Osei-Bonsu, 2020). In the current Industrial Revolution 4.0, the business landscape is rapidly changing, forcing small entrepreneurs to adapt quickly to the business environment. As a result, they are facing difficult situations and must understand current business patterns to survive such circumstances. In this regard, knowledge related to market structure and its complex features must be well understood by business owners to adapt to situations that require them to act swiftly.

Business steps and strategies have been clearly explained in the Resource-Based Theory. According to the theory, intense business competition demands business managers to create exceptional products that can only be achieved through creativity and innovation (Amabile, 1997; Woodman et al., 1993; Laforet, 2011). However, in the case of small businesses, their creativity and innovation are often minimal (Caniëls & Rietzschel, 2015). Therefore, they need encouragement to foster creativity and innovation. One common approach that small entrepreneurs often take is knowledge sharing.

Access to information and knowledge related to markets and technology often occurs through knowledge-sharing activities. Both formally and informally, sharing information or knowledge through business associations plays a critical and strategic role as a core competence and driving force for company performance (Lin, 2007; Wang and Noe, 2010). However, previous research by Saragih & Harisno (2015) and Nguyen et al. (2019) indicates that knowledge-sharing activities can be misleading in business decision-making, thus affecting their business performance. Reckless understanding of market and business information can have implications for business sustainability, making this contradiction an almost endless discussion today.

However, Osei-Bonsu (2020) provides a forward-thinking perspective on this contradiction. He states that a company can create innovation with entrepreneurial orientation, especially in the context of small businesses. Due to resource constraints in small businesses, they always need people within the business who can be relied upon in their entrepreneurial orientation and are consistently creative in developing new business ideas relevant to consumer behavior and current market trends. Research by Nguyen and Le (2019) shows that entrepreneurs who can survive in business are always proactive in innovating, willing to take risks, and have the autonomy and aggressiveness to compete and win the market. Therefore, they will be creative in creating new business patterns, developing new products or production methods, and using more effective and adaptive marketing methods according to changes in consumer behavior and the market.

Entrepreneurial orientation and business creativity are two main sources to enhance small business owners' ability to be more innovative in running their businesses. Research by Kuckertz and Marcus (2010) and Osei-Bonsu (2020) prove that entrepreneurs with a superior entrepreneurial orientation consistently innovate in all aspects of their businesses and are proactive in overcoming competitors while anticipating potential risks. Entrepreneurs with a superior entrepreneurial orientation are always prompt and quick to adapt to rapid business fluctuations in this digital era of globalization. Nasution et al. (2011) state that the drive to innovate becomes vital when entrepreneurs understand the characteristics of entrepreneurship, leading them to be continuously active in innovation and improving company business performance.

Therefore, this research proposes an understanding of the importance of building business innovation capabilities through knowledge-sharing activities that foster entrepreneurial orientation and good business creativity as internal resources to influence innovation capabilities and business performance, and to maintain competitiveness in the small business market.

8. Theoretical Foundations and Development of Hypotheses

2.5. Resource-Based View (RBV) Theory

This theory identifies a company as a collection of resources and capabilities. Differences in a company's resources and capabilities compared to its competitors provide a competitive advantage (Barney, 1991; Peteraf, 1993; Wernerfelt, 1995). The RBV framework emphasizes (1) how competitive advantage in a company is achieved and sustained over time, and (2) how the company understands the importance of strengths and weaknesses of its internal resources. For sustainable competitive advantage, they must develop strategic plans that are difficult for their competitors to imitate (Barney, 1991). Companies need the ability to win in competition. Capability refers to a company's ability to use physical and non-physical resources to produce expected products (goods and services) (Kodama, 2018). The concept of innovation is defined differently by experts. Innovation focuses on "novelty" or "newness" (Janssen et al., 2015).

2.6. Relationship Between KS, BIC, and BP

The achievement of company goals is visualized through business performance. Business performance (BP) is a part of organizational performance, which consists of business, financial, and human resource performance. The company's strategies are always directed towards achieving business performance, such as sales volume, market share, and sales growth, as well as measuring performance levels, including sales turnover, the number of customers, profits, and sales growth (Voss & Voss, 2000). Business performance is a measure of the outcomes achieved by the company from its marketing activities or operations (Clark et al., 2006; Parasuraman & Zinkhan, 2002), in the form of market measurements and customer perceptions of value and benefits obtained from the marketing activities carried out. Egan (2001) also explains that business performance can be reflected by market share acquisition, market share growth, sales growth, profit growth, and end customers.

Knowledge Sharing (KS) is an essential organizational resource that provides sustainable competitive advantages in a competitive and dynamic economic environment (Wanjiru, 2022). Therefore, every business entity needs to share knowledge to create knowledge among individuals

or groups through direct or indirect interaction to improve the innovation capabilities (Raghuvanshi & Garg, 2018; Mayastinasari & Suseno, 2023). Through meaningful KS processes, entrepreneurs desire to share experiences, expertise, and information (Lin, 2007). KS has two main dimensions: explicit knowledge and tacit knowledge, divided into indicators of sharing information or knowledge to assist others and collaborating with others to solve problems, sharing information or knowledge to develop new ideas or implement policies or procedures (Cummings, 2004). Improved performance through KS is evidenced by Wu et al. (2012). According to Yeh et al. (2012), knowledge sharing can accelerate innovation by facilitating synergy and combining ideas while considering all available inputs. Meanwhile, according to Tan and Thai (2014), one of the key successes in winning global business competition is through knowledge-sharing activities to enhance innovation capability, which can ultimately produce company performance. Based on those explanation hypothesis can be formulated as follows:

H1a: There is a positive influence of business innovation capability on business performance.

H1b: *There* is a positive influence of knowledge sharing on business performance.

H1c: *There* is a positive influence of knowledge sharing on business innovation capability.

H1d: Business innovation capability mediates the impact of *knowledge* sharing on business performance

2.7. Relationship Between BC, BIC, and BP

In the context of business, creativity encompasses five main dimensions, namely (1) creativity in product development; (2) creativity in responding to changes in market tastes; (3) creativity in usage; (4) creativity in distributing new products; and (5) creativity in promoting or marketing (Lamb et al., 2001). Through creativity, entrepreneurs can generate the best new products or may simplify procedures to reduce waste, which impacts the optimization of company resources (Kabanda, 2022). Therefore, entrepreneurs can create value through business creativity, creating valuable products, services, ideas, procedures, or new processes performed by individuals working together in a complex system (Woodman et al., 1993), supported by creative behavior used to develop innovative work relationships that are suitable for business situations (Shalley, 1991). On the other hand, business creativity (BC) refers to how entrepreneurs can create value, products, services, ideas, procedures, or new processes that are beneficial, performed by individuals working together in a complex system. The creative behavior of individuals must support them in developing solutions that are determined as updates and suitability to business situations (Baghel et al., 2023).

Amabile (1997) reveals that business creativity can be measured through specific skills (expertise), creative thinking, and natural motivation to perform tasks. Creativity is the main foundation of innovation, which is crucial for organizations in determining their success (Nusair, 2012; Nguyen and Le, 2019). Therefore, an entrepreneur must be capable of innovating (Larsen, 2007). This ability should also be supported by self-awareness, imagination, practical knowledge, search skills, and commitment (Kabanda, 2022). Innovation capability is essential for competing and surviving in this increasingly competitive economic era. Entrepreneurs can also create market segment

developments, establish a strong company position, and enhance company growth through innovation (Keh et al., 2007). Based on those explanation hypothesis can be formulated as follows:

H3a: There is a positive influence of business creativity on business performance.

H3b: There is a positive influence of business creativity on business innovation capability.

H3c: Business innovation capability mediates the impact of business creativity on mediated business performance.

2.8. Relationship Between KS, BC, and EO

Effective EO is considered the most critical key to creating organizations with better performance in an uncertain business environment (Gavrilova et al, 2015). Therefore, KS plays a vital role in creating EO and encouraging good business creativity. Quick information transfer will enable entrepreneurs to adapt to market changes, thus promoting problem-solving and enhancing organizational efficiency (Kodama, 2017). Alavi and Leidner (2001) have emphasized that continuous knowledge updating drives entrepreneurs to enhance their EO to win market competition. KS is a technique that enables individuals within an organization, institution, or company to openly exchange knowledge, techniques, experiences, and information with one another. This practice plays a vital role in fostering creativity within the business context, as supported by research (Kthiar & Al-Hindawy, 2023).KS can only be achieved if each individual has ample opportunities to express opinions, ideas, criticisms, and comments to others (Wang and Noe, 2010; Caniëls & Rietzschel, 2015). Here, sharing knowledge among entrepreneurs is crucial to enhancing logical thinking capabilities, which are expected to result in creativity in generating new ideas and developing new business opportunities (Lin, 2007; Yeh et al., 2012). Based on those explanation hypothesis can be formulated as follows:

H4a: There is a positive influence of knowledge sharing on entrepreneurial orientation.

H4b: There is a positive influence of knowledge sharing on business creativity.

9. Methodology

This study is based on primary data collected through the distribution of research questionnaires to micro-entrepreneurs in districts and cities in the Central Java Province. The rationale behind this is that this province's micro, small, and medium-sized entrepreneurs significantly dominate in Indonesia.

The sample size of the study follows the recommendation by Kock and Hadaya (2018), which uses the inverse square root method, stating that the minimum sample adequacy in PLS-SEM analysis with a power level of 80% is 160. The research was conducted before the Covid-19 pandemic that occurred from August 2019 to February 2020 in Indonesia, allowing us to directly distribute questionnaires to entrepreneurs. A total of 250 questionnaires were randomly distributed to avoid insufficient data for analysis. Based on the filled questionnaires, only 70% of the questionnaires were returned, and 175 respondents' data were analyzed.

The measurement scale in this research uses a Likert scale based on semantic differential 1-7 with extreme endpoints of agree/disagree. According to the expert proxy scale measurement, knowledge sharing is measured using two dimensions: explicit knowledge and tacit knowledge, adapted from Wang and Wang (2012). Entrepreneurial orientation is measured through

Commented [A1]: Reviewers' Comments:
1 - Authors should better explain the criteria for selecting the object of study as well as indicate the applications of the findings.

Commented [A2R1]: I have made the additions as suggested by reviewer

five main dimensions adapted from Foltean (2007): proactiveness, innovativeness, risk-taking behavior, autonomy, and competitive aggressiveness to win market share. Business creativity is measured using dimensions of creativity in product development, creativity in responding to market preferences, creativity in technology utilization, creativity in distribution, and creativity in promotion or marketing processes adapted from Lamb et al. (2001). Business innovation capability is measured using four dimensions: innovation capability in products, innovation capability in marketing, innovation capability in processes, and innovation capability in business systems, adapted from the research of Laforet (2011) and Janssen et al. (2015). Additionally, business performance is measured with achievement level responses using indicators (1) perception of profit growth, (2) perception of consumer and customer growth, and (3) perception of sales growth, adapted from Covin et al. (2006).

In this data analysis, there are several stages to obtain the correct scale construction or measurement model. The first is the pilot test, the second is the revision, and the third is the continuation of the field test. After data is collected from the field test, it is followed by inferential statistical analysis using WARP PLS-SEM with several steps, as follows: (1) conceptualizing the model; (2) evaluating and estimating the outer model; (3) evaluating and estimating the inner model (model fit and quality index) using reflective and resampling modes, to determine the t-statistic values, and (4) hypothesis testing and mediation analysis (Kock, 2010). To illustrate the stages in this research, the flowchart of this research method is as follows.

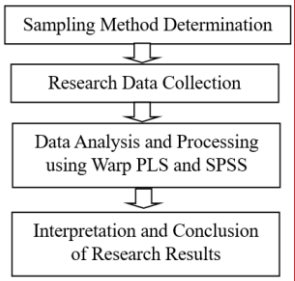


Figure 1. Schematic representation of the study

Commented [A3]: Please add the Flowchart of the research methodology (The main steps of research process are summarized in Figure .....).

Commented [A4R3]: I have made the additions as suggested by reviewer

10. Finding

Before analyzing the inner model, the measurement model is analyzed first. This testing aims to determine whether each instrument item used to measure the manifest/latent variable constructs (knowledge sharing, entrepreneurial orientation, business creativity, business innovation capabilities, and business performance) has met the criteria for validity, where the convergent validity test is 0.5 (for the loading factor value and Average Variance Extracted (AVE) and The P-value, while the cut value is the composite reliability of 0.7.

Table 1. Loading Factor, AVE, Composite Reliability

Item	Loading Factor	AVE	AVE After the item is eliminated	Composite Reliability	Composite Reliability After the item is eliminated
KS	0.712 - 0.801	0.576	0.576	0.895	0.916

Item	Loading Factor	AVE	AVE After the item is eliminated	Composite Reliability	Composite Reliability After the item is eliminated
(7 Item)		(all valid)			
EO (6 item)	0.510 - 0.812	0.487 (1 item was removed)	0.546	0.784	0.856
BC (10 item)	0.417 - 0.792	0.487 (4 item was removed)	0.523	0.816	0.866
BIC (8 item)	0.513-0.773	0.692 (all valid)	0.692	0.888	0.918
BP (5 Item)	0.727-0.892	0.692 (all valid)	0.692	0.888	0.918

The results show that the overall loading factor and AVE values for KS and BP are higher than the cut value of 0.5. The composite reliability value is higher than 0.7, so it can be concluded that all items in both variables are valid and reliable. Meanwhile, EO, BC, and BIC have an AVE value lower than the cut value. Even though the composite's Reliability was above 0.7, it is necessary to delete 6 items because the AVE value was not valid yet. After elimination, the AVE value increases above the cut-value and the Composite Reliability, so the measurement model is valid and reliable.

Table 2. Correlations AVE Square root among latent variables and errors

	KS	EO	BC	BIC	BP
KS	**0.759**	0.621	0.512	0.595	0.249
EO	0.621	**0.739**	0.669	0.684	0.398
BC	0.512	0.669	**0.773**	0.248	0.576
BIC	0.595	0.684	0.248	**0.778**	0.551
BP	0.249	0.398	0.576	0.551	**0832**

Table 2 shows the discriminant validity test, which compares the Square Rooted of AVEs and the correlation between latent variables. The value must be diagonally higher than other variables, so it can be confirmed that all study indicators meet the discriminant validity criteria.

Table 3. Full collinearity VIFs

KS	EO	BC	BIC	BP	KS
1,721	2,161	2,903	1,938	2,331	**1,721**

Table 3 also tested this discriminant validity by employing a common bias test with Full collinearity VIFs. All variables meet the criteria for discriminant validity because the full collinearity VIFs limit is 5.5. Then an inner model analysis can be performed (fit and quality indices model). The results of testing the fit quality index model can be seen in Table 4 below.

Table 4. Model fit and quality indices

Note	Cut Value	Value	Criteria
Average path coefficient	P <0.05	P <0.001	Accepted
Average R-squared	P <0.05	P <0.001	Accepted
Average adjusted R-squared	P <0.05	P <0.001	Accepted
Average block VIF	acceptable if <= 5, ideally <= 3.3	2015	Accepted
Average full collinearity VIF	acceptable if <= 5, ideally <= 3.3	2,218	Accepted
Tenenhaus GoF	small> = 0.1, medium> = 0.25, large> = 0.36	0.467	large
Sympson's paradox ratio	acceptable if> = 0.7, ideally = 1	0.789	Accepted
R-squared contribution ratio	acceptable if> = 0.9, ideally = 1	0.799	Accepted
Statistical suppression ratio	acceptable if> = 0.7, ideally = 1	0.932	Accepted
Nonlinear bivariate causality direction ratio	acceptable if> = 0.7	1,000	Accepted

Table 4 shows the fit and quality index model, from the average path coefficient to the nonlinear bivariate causality direction ratio. They all met the acceptance criteria, which shows that the model can be done for hypothesis testing with Warp PLS-SEM.

Table 5. Results of Structural Model

	Direction	Coefficient	P-Value	Standard Error	Remark
H1:	BIC→ BP	0.327	<0.001	0.054	Accepted
H2	KS→ BP	0.031	**0.273**	0.057	Rejected
H3	KS→ BIC	0.196	<0.001	0.055	Accepted
H5	EO→ BP	0.139	0.024	0.057	Accepted
H6	EO→ BIC	0.251	<0.001	0.055	Accepted
H8	BC→ BP	0.394	<0.001	0.054	Accepted
H9	BC→ BIC	0.491	<0.001	0.053	Accepted
H11	KS→ EO	0.521	<0.001	0.052	Accepted

	Direction	Coefficient	P-Value	Standard Error	Remark
H12	KS→ BC	0.529	<0.001	0.053	Accepted
	Mediation Analysis	**Coefficient**	**P-Value**	**Standard Error**	**Note**
H4	KS→ BIC → BP	0.348	0.019	0.055	Accepted
H7	EO→ BIC → BP	0.421	0.021	0.059	Accepted
H10	BC→ BIC → BP	0.411	0.011	0.052	Accepted

Note N = 180, cut value = 0.05 with 95% confident interval, red bold p-value means not significant

Tabel 5 shows the path coefficient and p-value under the direct effect, where if the p-value is below the cut of value 0.05, the hypothesis is statistically supported. The explanation is as follows: (1) the relationship between BIC and BP has a coefficient value of 0.327 with a p-value <0.001, so hypothesis one which states that there is an effect of BIC on BP is accepted; (2) while the relationship between KS and BP has a coefficient value of 0.031 with a p-value of 0.273, so that hypothesis 2 is not supported statistically; (3) On the relationship between KS and BIC, the coefficient value is 0.196 with a p-value <0.001, so that hypothesis 3 is supported statistically; (4) the EO coefficient value towards BP is 0.139 with a p-value of 0.024, so that hypothesis 5 is supported statistically; (5) then the relationship EO to BIC has a coefficient value of 0.25, with a p value <0.001 so that hypothesis 6 is supported statistically; (6) the coefficient value on the relationship between BC and BP is 0.394, with a p-value <0.001 so that hypothesis 9 is statistically accepted; (7) the relationship between KS and EO has a coefficient value of 0.521, with a p-value <0.001, of which hypothesis 11 is accepted; (8) the relationship between KS and BC has a coefficient value of 0.529, with a p-value <0.001 so that hypothesis 12 is accepted.

The hypothesis explanation must meet the criteria and indirectly affect the testing or significance of the mediating variable. If the p-value is below 0.05, the hypothesis is statistically supported. The explanation is as follows; (1) the coefficient value associated with KS → BIC → BP has a coefficient value of 0.348, with a p-value of 0.019. The result shows that hypothesis 4 is statistically acceptable. (2) The relationship of EO → BIC → BP has a coefficient value of 0.421, with a p-value of 0.021, so hypothesis 7 is also statistically accepted. (3), The relationship of BC → BIC → BP has a coefficient value of 0.411, with a p-value of 0.011, so hypothesis 10 is also accepted statistically.

11. Discussion

The research findings indicate that knowledge-sharing activities alone do not significantly impact improving company performance. However, knowledge-sharing does influence business creativity, business innovation capability, and entrepreneurial orientation. It can be concluded that entrepreneurs affiliated with the paguyuban (association) are not fully optimized in knowledge-sharing, as revealed by the items investigated. They may not have equal opportunities to express their opinions, ideas, and comments, leading them to withhold and not provide appropriate business knowledge. Therefore, this finding supports the development of an empirical model to resolve the contradiction regarding knowledge-sharing and business performance. Knowledge-sharing has driven engagement and significant creativity or innovation in company business.

Similar results were found in previous research (Grawe et al., 2009; Kodama, 2018). Knowledge-sharing is a value creation process that can stimulate creativity, orientation, and innovation to meet future customer needs. Thus, the failure of this hypothesis indicates that knowledge-sharing activities may not be as effective, which may explain the lack of improvement in company performance. However, some studies (Theriou et al., 2011; Wang and Wang, 2012) have stated that small and medium-sized enterprises, high-tech companies, or the health industry show that explicit or tacit knowledge-sharing does not directly impact company performance without innovation development. Consistent with Kuruppuge et al

(2018), knowledge-sharing stimulates creativity to enhance each job target. Meanwhile (Abeyrathna & Wijesinghe, 2020) stated that through entrepreneurial orientation formed by knowledge-sharing activities, fast and easy information transfer is created to align the organization with market changes, facilitating business decision-making.

This study confirms that superior entrepreneurial orientation can enhance business innovation capability and optimal business performance. Ma'atoofi and Tajeddini (2010) stated that an entrepreneur can enhance the adaptability to consumer behavior and anticipate new products and market needs through superior entrepreneurial orientation. Therefore, enhancing entrepreneurial orientation opens the minds of small companies to share their vision and innovation, encouraging innovation capability, risk anticipation capability, proactivity in competing with competitors, and competitive aggressiveness to win the market, ultimately improving business performance (Covin et al., 2006; Tang et al., 2010). All findings in this research conclude that business innovation capability empirically mediates the influence of knowledge-sharing on business performance, the influence of entrepreneurial orientation on business performance, and the influence of business creativity on business performance. In line with the diffusion of innovation theory through knowledge-sharing, entrepreneurs undergo further learning adaptations to win business competition through adoption, assimilation, and exploitation to enhance their business innovation capability. This leads to the creation or expansion of markets for new goods and services, the development of new production methods, or the formation of new management systems (Janssen et al., 2015). Business innovation capability is also achieved through inventive creativity and entrepreneurial orientation. Managers continuously seek new ways to manage new ideas, processes, products, or procedures in business units within the industry through product, market, or technology market innovations, or a combination of the three. Therefore, entrepreneurs must possess unique competencies to develop their strategic advantages. In creating superior values, companies must be committed to learning and understanding dynamic market developments to win competition, which impacts their business performance (Slater and Narver, 1994)

12. Conclusion, Limitations and Further Study

Knowledge-sharing does not have a significant direct positive impact on improving business performance. This finding is attributed to the suboptimal knowledge-sharing process among entrepreneurs, either due to the quality of information shared or the individuals involved in the sharing activities. In this case, the quality of information and the credibility of the sources of information in the knowledge-sharing process become significant issues. Therefore, effective knowledge-sharing should foster entrepreneurial orientation, business creativity, and, most importantly, business innovation capability.

This study has critical implications for the Resource-Based Theory framework. The findings confirm that effective entrepreneurship processes among small entrepreneurs can build business capabilities through knowledge-sharing, entrepreneurial orientation, and business creativity to determine business performance.

This research highlights the evolution of the Resource-Based Theory (RBT) that can be applied in the context of small businesses in developing countries like Indonesia. While most previous RBT literature tested the theory in large corporations, we found something new when applying it to small businesses. One original finding was the presence of limited internal resources in these small entrepreneurs, prompting them to continuously expand their entrepreneurial orientation based on experiences from each encountered failure. Resilience forms the foundation of this orientation as they persistently strive to achieve and build innovative capabilities.

The study provides crucial managerial implications for small business owners. Based on the findings, small business operators need to be selective in choosing information and knowledge for the sustainability of their business, especially concerning core business operations. As core business-related information is highly valuable, it becomes a secret recipe that cannot be shared with other business operators. Hence, not all information will be willingly shared among business owners, as

Commented [A5]: Authors should explain the academic contribution of the work developed (50-150 words in conclusion). Highlighting what is innovative/original about the existing literature.

Commented [A6R5]: I have made the additions as suggested by reviewer

they keep their unique business formula to themselves, limiting information even when conducting asymmetric information to safeguard their business continuity. This research is limited to small businesses, with the study focused on small entrepreneurs in the Central Java Province. Future research can expand the scope of investigation to other provinces or at the national level.

Acknowledgments

We would like to thank the Universitas Negeri Semarang for supporting this study.

Authors' Contributions

Moh. Solehatul Mustofa contribute in generating idea, reviewing literature, and funding

Kemal Budi Mulyono contribute in analyzing data, and making discussion and conclusion

References

[54] Abeyrathna, M. A., & Wijesinghe, D. M. (2020). The importance of spatial factors for entrepreneurial orientation of rural entrepreneurs: A critical review. *International Journal of Innovation and Economic Development, 6*(3), 20-28. https://doi.org/10.18775/ijied.1849-7551-7020.2015.63.2002

[55] Alavi, M., & Leidner, D. E. (2001). Review: Knowledge management and knowledge management systems: Conceptual foundations and research issues. *MIS Quarterly, 25*(1), 107. https://doi.org/10.2307/3250961

[56] Amabile, T. M. (1997). Motivating creativity in organizations: On doing what you love and loving what you do. *California Management Review, 40*(1), 39-58. https://doi.org/10.2307/41165921

[57] Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99-120. https://doi.org/10.1177/014920639101700108

[58] Baghel, D., Pawar, P. G., Ingale, P., Ajotikar, M. V., & Sahoo, A. (2023). Effects of creativity and innovation on the entrepreneurial performance of the family business with special reference to banking sector. *International Journal of Professional Business Review, 8*(4), e0996. https://doi.org/10.26668/businessreview/2023.v8i4.996

[59] Bhatti, A., Rehman, S. U., & Rumman, J. B. (2020). Organizational capabilities mediates between organizational culture, entrepreneurial orientation, and organizational performance of SMEs in Pakistan. *Entrepreneurial Business and Economics Review, 8*(4), 85-103. https://doi.org/10.15678/eber.2020.080405

[60] Caniëls, M. C., & Rietzschel, E. F. (2015). Organizing creativity: Creativity and innovation under constraints. *Creativity and Innovation Management, 24*(2), 184-196. https://doi.org/10.1111/caim.12123

[61] Clark, B. H., Abela, A. V., & Ambler, T. (2006). An information processing model of marketing performance measurement. *Journal of Marketing Theory and Practice, 14*(3), 191-208. https://doi.org/10.2753/mtp1069-6679140302

[62] Covin, J. G., Green, K. M., & Slevin, D. P. (2006). Strategic process effects on the entrepreneurial orientation–sales growth rate relationship. Entrepreneurship *Theory and Practice, 30*(1), 57-81. https://doi.org/10.1111/j.1540-6520.2006.00110.x

[63] Cummings, J. N. (2004). Work groups, structural diversity, and knowledge sharing in a global organization. *Management Science, 50*(3), 352-364. https://doi.org/10.1287/mnsc.1030.0134

[64] Egan, J. (2001). Relationship Marketing: Exploring Relational Strategies in Marketing. Financial Times/Prentice Hall, London.

[65] Foltean, F. (2007). The Entrepreneurial Approach in Marketing, *Management & Marketing, 2*(1), 71-78

[66] Gavrilova, T., Kudryavtsev, D., & Menshikova, A. (2015). Innovations in organisational knowledge management - Typology, methodology and recommendations. *Proceedings of the 7th International Joint Conference on Knowledge Discovery, Knowledge Engineering and Knowledge Management*. https://doi.org/10.5220/0005643604470452

[67] Grawe, S. J., Chen, H., & Daugherty, P. J. (2009). The relationship between strategic orientation, ser-vice innovation, and performance. *International Journal of Physical Distribution & Logistics Management, 39*(4), 282-300. https://doi.org/10.1108/09600030910962249

[68] Janssen, M., Stoopendaal, A., & Putters, K. (2015). Situated novelty: Introducing a process perspective on the study of innovation. *Research Policy, 44*(10), 1974-1984. https://doi.org/10.1016/j.respol.2015.06.008

[69] Kabanda, G. (2022). How to succeed as an entrepreneur in Africa. *Journal of Media Management and Entrepreneurship, 4*(1), 1-13. https://doi.org/10.4018/jmme.310935

[70] Keh, H. T., Nguyen, T. T., & Ng, H. P. (2007). The effects of entrepreneurial orientation and marketing information on the performance of

SMEs. *Journal of Business Venturing, 22*(4), 592-611. https://doi.org/10.1016/j.jbusvent.2006.05.003

[71] Kock, N., & Hadaya, P. (2018). Minimum sample size estimation in PLS-SEM: The inverse square root and gamma-exponential methods. *Information Systems Journal, 28*(1), 227-261. https://doi.org/10.1111/isj.12131

[72] Kock, N. (2010). Using WarpPLS in e-collaboration studies: An overview of five main analysis steps, *International Journal of e-Collaboration, 6*(4), 1-11. https://doi.org/10.4018/jec.2010100101

[73] Kodama, M. (2017). Developing strategic innovation in large corporations-the dynamic capability view of the firm. *Knowledge and Process Management, 24*(4), 221-246. https://doi.org/10.1002/kpm.1554

[74] Kodama, M. (2018). Collaborative dynamic capabilities: The dynamic capabilities view. Collaborative Dynamic Capabilities for Service Innovation, 1-45. https://doi.org/10.1007/978-3-319-77240-0_1

[75] Kthiar, F. G., & Al-Hindawy, Z. A. (2022). The role of organizational creativity in achieving strategic superiority through knowledge sharing an exploratory study of the opinions of a sample of managers in the Kufa cement factory. *International Journal of Professional Business Review, 7*(5), e0869. https://doi.org/10.26668/businessreview/2022.v7i5.e869

[76] Kuckertz, A., & Wagner, M. (2010). The influence of sustainability orientation on entrepreneurial intentions — Investigating the role of business experience. *Journal of Business Venturing, 25*(5), 524-539. https://doi.org/10.1016/j.jbusvent.2009.09.001

[77] Kuruppuge, R. H., Gregar, A., Kudláček, L., & Jayawardena, C. (2018). Employees' extrinsic motives and knowledge sharing: Intervening role of an intrinsic motive. *CBU International Conference Proceedings, 6*, 282-287. https://doi.org/10.12955/cbup.v6.117

[78] Laforet, S. (2013). Organizational innovation outcomes in SMEs: Effects of age, size, and sector. *Journal of World Business, 48*(4), 490-502. https://doi.org/10.1016/j.jwb.2012.09.005

[79] Lin, H. (2007). Knowledge sharing and firm innovation capability: An empirical study. *International Journal of Manpower, 28*(3/4), 315-332. https://doi.org/10.1108/01437720710755272

[80] Lamb, C. W., Hair, J. F., & Mcdaniel, C. (2001). Pemasaran, Salemba Empat, Jakarta,

[81] Larsen, P., & Lewis, A. (2007). How award-winning SMEs manage the barriers to innovation. *Creativity and Innovation Management, 16*(2), 142-151. https://doi.org/10.1111/j.1467-8691.2007.00428.x

[82] Ma'atoofi, A. R., & Tajeddini, K. (2010). The effect of entrepreneurship orientation on learning orientation and innovation: A study of small-sized business firms in Iran. *International Journal of Trade, Economics and Finance, 1*. pp. 254-260. https://doi.org/10.7763/ijtef.2010.v1.46

[83] Mayastinasari, V., & Suseno, B. (2023). The role of transformational leadership, and knowledge sharing on innovative work behavior of public organization in the Digital Era. *International Journal of Professional Business Review, 8*(7), e02977. https://doi.org/10.26668/businessreview/2023.v8i7.2977

[84] Nasution, H. N., Mavondo, F. T., Matanda, M. J., & Ndubisi, N. O. (2011). Entrepreneurship: Its relationship with market orientation and learning orientation and as antecedents to innovation and customer value, *Industrial Marketing Management, 40* (3), 336-345. https://doi.org/10.1016/j.indmarman.2010.08.002

[85] Nguyen, T.P.L., Doan, X.H., Tran, MD, Le, TT, & Nguyen, QT (2019). Knowledge sharing and individual performance: The case of Vietnam. *Uncertain Supply Chain Management, 7*(3), 483–494. https://doi.org/10.5267/j.uscm.2018.11.007

[86] Nguyen, T. H., & Le, A. N. (2019). Promoting creativity and innovation: Expected and unexpected consequences. *Asia Pacific Journal of Innovation and Entrepreneurship, 13* (3), 296-310. https://doi.org/10.1108/apjie-03-2019-0008

[87] Nusair, N., Ababneh, R., & Kyung Bae, Y. (2012). The impact of transformational leadership style on innovation as perceived by public employees in Jordan. *International Journal of Commerce and Management, 22*(3), 182-201. https://doi.org/10.1108/10569211211260283

[88] Osei-Bonsu, N. (2020). Entrepreneurial orientation and internationalization of SMEs – empirical evidence from developing markets. *Journal of Management Research, 12*(2), 1-13. https://doi.org/10.5296/jmr.v12i2.16080

[89] Parasuraman, A., & Zinkhan, G. M. (2002). Marketing to and serving customers through the internet: An overview and research agenda. *Journal of the Academy of Marketing Science, 30*(4), 286-295. https://doi.org/10.1177/009207002236906

[90] Peteraf, M. A. (1993). The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal, 14*(3), 179-191. https://doi.org/10.1002/smj.4250140303

[91] Raghuvanshi, J., & Garg, C. P. (2018). Time to get into the action. *Asia Pacific Journal of Innovation and Entrepreneurship, 12*(3), 279-299. https://doi.org/10.1108/apjie-06-2018-0041

[92] Risnawati, N. (2018). Profiles of MSMEs, Problems, and Empowerment Efforts in Sumedang Regency. *Coopetition of the IKOPIN Management Scientific journal, 9*(1), 13-29. https://doi.org/10.32670/coopetition.v9i2.55

[93] Saragih, S.P.T.I., Harisno, H. (2015). Influence Of Knowledge Sharing and Information Technology Innovation on Employees Performance at Batamindo Industrial Park, *CommIT (Communication and Information Technology) Journal, 9*(2), 45-49. https://doi.org/10.21512/commit.v9i2.1657

[94] Shalley, C. E. (1991). Effects of productivity goals, creativity goals, and personal discretion on individual creativity. *Journal of Applied Psychology, 76*(2), 179-185. https://doi.org/10.1037/0021-9010.76.2.179

[95] Slater, S. F., & Narver, J. C. (1994). Does competitive environment moderate the market orientation-performance relationship? *Journal of Marketing, 58*(1), 46-55. https://doi.org/10.1177/002224299405800104

[96] Tan, B. S., & Thai, V. V. (2014). Knowledge sharing within strategic alliance networks and its influence on firm performance: The liner shipping industry. *International Journal of Shipping and Transport Logistics, 6*(4), 387-411. https://doi.org/10.1504/ijstl.2014.062902

[97] Tang, Z., Tang, J., Marino, L. D., Zhang, Y., & Li, Q. (2010). An investigation of entrepreneurial orientation and organisational strategies in Chinese SMEs. *World Review of Entrepreneurship, Management and Sustainable Development, 6*(3), 206-223. https://doi.org/10.1504/wremsd.2010.036675

[98] Theriou, N., Maditinos, D., and Theriou, G. (2011). Knowledge Management Enabler Factors And Firm Performance: An Empirical Research Of The Greek Medium And Large Firms. *European Research Studies, XIV*(2), 97 - 134. https://doi.org/10.35808/ersj/321

[99] Wang, S., & Noe, R. A. (2010). Knowledge sharing: A review and directions for future research. *Human Resource Management Review, 20*(2), 115-131. https://doi.org/10.1016/j.hrmr.2009.10.001

[100] Wang, Z., & Wang, N. (2012). Knowledge sharing, innovation, and firm performance, *Expert Systems with Applications, 39*(10), 8899–8908. https://doi.org/10.1016/j.eswa.2012.02.017

[101] Wernerfelt, B. (1995). The resource-based view of the firm: Ten years after. *Strategic Management Journal, 16*(3), 171-174. https://doi.org/10.1002/smj.4250160303

[102] Woodman, R. W., Sawyer, J. E., & Griffin, R. W. (1993). Toward a theory of organizational creativity. *The Academy of Management Review, 18*(2), 293-321. https://doi.org/10.2307/258761

[103] Wu, W., Yeh, R., & Hung, H. (2012). Knowledge sharing and work performance: A network perspective. *Social Behavior and Personality: an international journal, 40*(7), 1113-1120. https://doi.org/10.2224/sbp.2012.40.7.1113

[104] Wanjiru, A. (2022). Effect of knowledge management on firm performance and competitiveness. *European Journal of Information and Knowledge Management, 1*(1), 1-10. https://doi.org/10.47941/ejikm.850

[105] Voss, G.B., Voss Z.G. (2000). Strategic Orientation and Firm Performance In an Artistic Enviroment. *Journal of Marketing, 64*. 67-83. https://doi.org/10.1509/jmkg.64.1.67.17993

[106] Yeh, Y., Yeh, Y., and Chen, YY-H. (2012). From knowledge sharing to knowledge creation: A blended knowledge-management model for improving university students' creativity. *Thinking Skills and Creativity, 7*(3), 245–257. https://doi.org/10.1016/j.tsc.2012.05.004

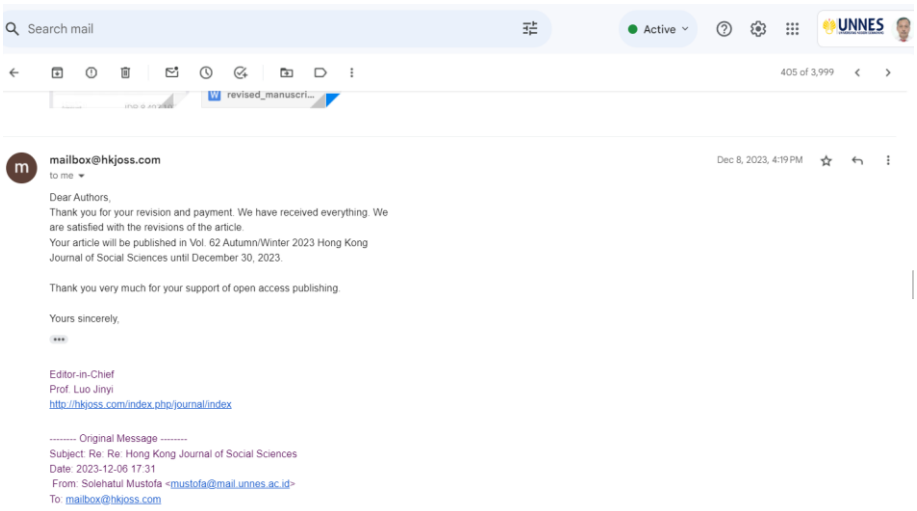
4. RECEIVED YOUR PAYMENT & ASKING THE COPYRIGHT TRANSFER AGREEMENT (ID#2101070447), 8 Desember 2023

Dear Authors,
Thank you for your revision and payment. We have received everything. We are satisfied with the revisions of the article.
Your article will be published in Vol. 62 Autumn/Winter 2023 Hong Kong Journal of Social Sciences until December 30, 2023.

Thank you very much for your support of open access publishing.

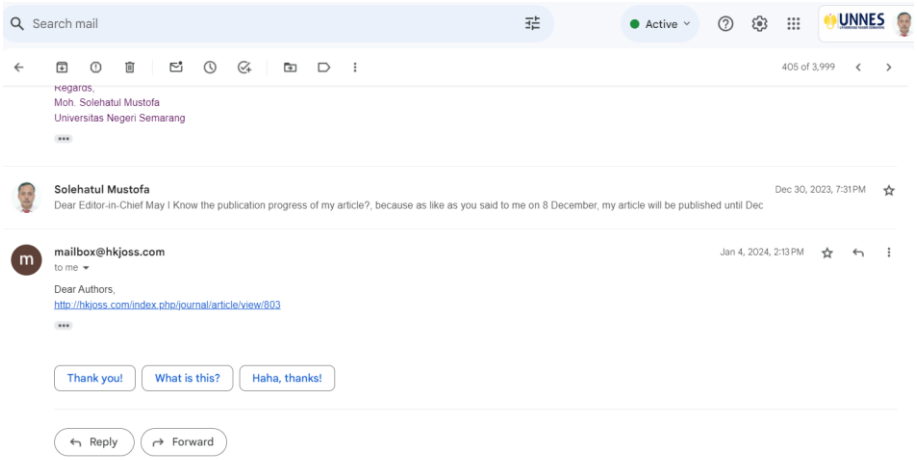
Yours sincerely,

Editor-in-Chief
Prof. Luo Jinyi
http://hkjoss.com/index.php/journal/index



CONGRATULATIONS! YOUR PAPER HAS BEEN PUBLISHED, 4 Januari 2024

Dear Authors,
http://hkjoss.com/index.php/journal/article/view/803



HONG KONG JOURNAL OF SOCIAL SCIENCES

香港社會科學學報

最新第 62 期 (2023 年秋/冬季) Vol. 62 Autumn/Winter 2023

Open Access Article https://doi.org/10.55463/hkjss.issn.1021-3619.62.45

Drivers of Small Firm Performance: The Urgency of Innovation Capabilities, Entrepreneurial Orientation, and Creativity

Moh Solehatul Mustofa, Kemal Budi Mulyono

Universitas Negeri Semarang, Semarang, Indonesia

Received: September 17, 2023 • Reviewed: October 8, 2023

• Accepted: November 12, 2023 • Published: December 29, 2023

Abstract:
This research focuses on creating a theoretical framework for enhancing business innovation capabilities, aiming to boost the performance of small enterprises in Indonesia. The primary goal of this study is to identify and establish the fundamental elements necessary for fostering innovation within these businesses, thereby improving their overall effectiveness. This research collected data through a questionnaire survey from 250 active small business owners across Indonesia, distributed across five major islands: Sumatra, Kalimantan, Java, Sulawesi, and Papua. The sample size was determined using the inverse root square method, employing multistage random sampling. The study used Warp PLS-SEM to analyze the determinants of small firm performance. The study shows that business creativity, entrepreneurial mindset, and business innovation skills act as significant mediators between knowledge sharing and the performance of small companies. However, knowledge sharing itself does not directly affect business performance. The findings highlight how entrepreneurial mindset, creativity, and innovation capabilities effectively mediate the impact of knowledge sharing on each small business owner's performance. We suggest that small business owners carefully select pertinent information and knowledge to enhance their business creativity, entrepreneurial mindset, and innovation capabilities. This prudent approach drives the improvement of their company's performance, emphasizing the importance of strategic and thoughtful information selection for overall business enhancement. This study offers evidence and examples emphasizing the critical importance of business innovation capabilities for small- and medium-sized business proprietors. Earlier research solely focused on testing these capabilities within corporations, resulting in an unexplored research gap necessitating additional elaboration and investigation.

Keywords: knowledge sharing, entrepreneurial orientation, business creativity, business innovation capability, business performance.

小企业绩效的驱动因素：创新能力、创业导向和创造力的紧迫性