



The Influence Of Business Competence, Creativity, And Innovation On The Success Of The Bead Craft Industry In Tutul Village, Balung District, Jember Regency

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Abstract: Business is one of the important sectors in driving economic growth in communities, especially in rural areas. In this context, business development is not only determined by external factors, but also by internal factors such as business competence, creativity, and innovation possessed by business actors. This study aims to determine and analyze the influence of business competence, creativity, and innovation on the success of the bead craft industry in Tutul Village, Balung District, Jember Regency. This type of research uses a quantitative method with a sample of 57 respondents. The sampling technique uses a saturated sampling method because the entire population is sampled. The main instrument in data collection is a questionnaire. Data analysis techniques used include validity tests, reliability tests, classical assumption tests, multiple linear regression, hypothesis tests (t-test and F-test), and the coefficient of determination (R^2). The results of the analysis indicate that business competence, creativity, and innovation have a significant influence on the success of the bead craft industry in Tutul Village. The results of the coefficient of determination (R^2) test indicate that these three variables contribute 76.8% to business success.

Keywords: Business Competence, Creativity, Innovation, Business Success

INTRODUCTION

The increasing number of MSMEs in a region can significantly support economic growth and create numerous job opportunities (Triadi, 2016). However, only a small number of MSMEs possess the necessary strengths to achieve success. Micro, small, and medium-sized entrepreneurs are required to demonstrate creativity and product innovation, significantly increasing the likelihood of their businesses succeeding (Sulaeman, 2022). An entrepreneur is

A person who possesses a certain spirit and ability to create and innovate. Creativity is defined as the ability to imagine and generate new ideas by combining, changing, or applying existing ideas in previously unimagined ways. Creative ideas that are then processed through several stages to produce a product, service, or business model are called innovation (Subambang, 2019).



Entrepreneurs need to possess business competencies as information, perspectives, and interrelated abilities that business visionaries must be prepared and created to have the option to provide the best presentation in managing their business to suit the objective market. According to Reniati (2013), business competency is the dynamic solidarity (information), ability, and capacity demonstrated by business actors/associations that originate from their way of behaving to consistently make progress in their business. Entrepreneurial competency is an ability and skill formed from a person's knowledge to create a strategic vision in developing a business. These abilities and skills will be applied by the company to have an advantage compared to others (Suharlin, 2022). The business success achieved by an entrepreneur is certainly influenced by several factors, including entrepreneurial competence, creativity, and the business environment (Aprilia et al., 2024).

In the business world, especially in the craft sector such as the bead industry in Tutul Village, creativity and innovation are two very important things. Tutul Village, Balung District, Jember Regency, is one of the centers of bead craftsmen with considerable potential for micro, small, and medium enterprises (MSMEs). Based on collected data, there are at least 57 entrepreneurs engaged in the bead craft sector in this area, with business addresses evenly distributed across almost all RT and RW of Tutul Village. Most of these entrepreneurs are local residents who run household-based businesses. They are spread across RT 001 to RT 004 and RW 002 to RW 017, which indicates that this business activity has spread widely within the village community and become an important part of the community's socio-economic life.

With such a large number of entrepreneurs, further research is needed to determine the factors that influence their success. Specifically, how business competency, creativity, and innovation can support their competitiveness and sustainability amidst economic challenges and market competition. This study aims to determine the influence of business competence, creativity, and innovation on the success of the bead craft industry in Tutul Village, Balung District, Jember Regency.



METHOD

The research method used is quantitative, which is often called the traditional, positivistic, scientific, and discovery method (Sugiyono; 2018). The dependent variable in this study is business success, while the independent variables are business competence, creativity, and innovation. Kurniawan & Yun (2018) describe the indicators of entrepreneurial competence, namely:

1. Opportunity competence
2. Organizing competence
3. Strategic competence
4. Social competence
5. Commitment competence
6. Conceptual competence

Creativity can be measured using several indicators as follows (Rahman, 2015):

1. Fluency of thought
2. Flexibility of thinking
3. Elaboration
4. Originality of thinking

Innovation is categorized into four indicators according to (Suryana, 2014):

1. Discovery
2. Development
3. Duplication
4. Sistensi

Business Success Indicators (Yasin, 2024)

1. Have a strong will
2. Have mental confidence
3. Have a trustworthy and accountable nature
4. Physically strong and mentally strong



The population in this study was 57 people, using a census sampling technique, where the entire population was used as the research sample. Data collection techniques included interviews and questionnaires. The data analysis techniques used in this study were:

1. Test data instruments

The data instrument tests used in the research are:

a. Validity test

Validity testing is a crucial step in research, ensuring that the collected data is accurate, ensuring that the research results are valid and relevant. In this study, the researcher used the SPSS (Standardized System of Statistics) measurement tool to process the data. Validity testing can be measured using the calculated r value and the table r value. If the calculated r value is greater than the table r value, the indicator question can be declared valid.

b. Reliability test

Reliability testing is an important step in ensuring that a measurement instrument used in research is reliable. This reliability test uses the Cronbach alpha formula > 0.60 . 2. Multiple linear regression analysis

Multiple linear regression is a regression analysis that explains the relationship between the response variable (dependent variable) and factors that influence more than one predictor (independent variable) (Sugiyono. 2009). Multiple linear regression analysis uses the following equation model:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

Y : Business Success

α : Constant

$b_{1,2,3,4}$: Regression coefficients for variables X_1, X_2, X_3

X_1 : Business Competence

X_2 : Creativity

X_3 : Innovation

e : Standard error

2. Classical assumption test

a. Normality test



This study uses the Kalgomorov-Smirnov method, which aims to determine whether the residual values resulting from the regression are normally distributed. If the significance value obtained is greater than 0.05, it can be concluded that the residual values are normally distributed, indicating that they are normal or valid.

b. Multicollinearity test

The multicollinearity test aims to detect a strong linear relationship between two or more independent variables in a regression model. In this study, the multicollinearity test was performed by calculating the Variance Inflation Factor (VIF). A VIF value greater than 10 indicates a multicollinearity problem that requires attention.

c. Heteroscedasticity test

According to Ghozali (2018), the heteroscedasticity test is conducted to determine whether there is variation in variance and residuals among observations in a regression model. An efficient model should exhibit homoscedasticity, which indicates that the residual variance among the data should remain uniform. The presence of heteroscedasticity can be assessed using the scatterplot method.

Hypothesis testing

The t-test is used to show the extent to which a single independent variable can explain the variation in the dependent variable (Ghozali, 2018). This study used SPSS version 20.0 for Windows for testing purposes. This test was conducted to evaluate the significance of each independent variable's constant on the dependent variable. The t-value was then compared with the table at a 5% significance level using a two-tailed test.

Coefficient of determination R²

The coefficient of determination (R² test) according to (Ghozali, 2018) aims to measure the extent to which the model, in this case the independent variables (business competence, creativity, and innovation), explains the dependent variable (business success). The R² value is in the range of zero to one ($0 < R^2 < 1$).



RESULT AND DISCUSSION

Research Results

The distribution of respondents based on gender in this study is shown in the following table:

Gender	Number	Percentage(%)
Male	37	64,9
Female	20	35,1
Total	57	100,0

Table 1. Respondent characteristics based on gender

Source: processed data 2025

The variables of Business Competence, Creativity, Innovation, and Business Success can be declared valid. This is because the calculated r value is greater than the specified r table, which is 0.264, indicating that each indicator in the questionnaire has a significant relationship.

Variables	Indicator	Indicator Count		Description
		r-count	r-table	
X1-Business Competence	X1.1	0,680	0,264	Valid
	X1.2	0,528	0,264	Valid
	X1.3	0,500	0,264	Valid
	X1.4	0,608	0,264	Valid
	X1.5	0,691	0,264	Valid
	X1.6	0,512	0,264	Valid
X2-Kreativitas	X2.1	0,733	0,264	Valid
	X2.2	0,689	0,264	Valid
	X2.3	0,778	0,264	Valid
	X2.4	0,607	0,264	Valid
X3-Inovasi	X3.1	0,641	0,264	Valid
	X3.2	0,595	0,264	Valid
	X3.3	0,584	0,264	Valid
	X3.4	0,484	0,264	Valid
Y-Keberhasilan Usaha	Y.1	0,772	0,264	Valid
	Y.2	0,776	0,264	Valid
	Y.3	0,745	0,264	Valid
	Y.4	0,727	0,264	Valid

Table 2. Validity Test Results

Source: SPSS 2025 Data Processing Results

The results of the reliability test in the study are shown in the following table:



Variables	Cronch Alpha	Alpha Standard	Information
Business Competence (X1)	0,825	0,60	Reliable
Entrepreneurship (X2)	0,636	0,60	Reliable
Innovation (X3)	0,810	0,60	Reliable
Business Success (Y)	0,744	0,60	Reliable

Table 3. Reliability test results

Source: SPSS 2025 Data Processing Results

The Kolmogorov-Smirnov test method is used to test normality. The results of the Kolmogorov-Smirnov test are shown in the following figure:

One-Sample Kolmogorov-Smirnov Test

		Unstandardiz ed Predicted Value
N		57
Normal Parameters ^{a,b}	Mean	17,1578947
	Std. Deviation	1,24878086
Most Extreme Differences	Absolute	,100
	Positive	,100
	Negative	-,084
Test Statistic		,100
Asymp. Sig. (2-tailed)		,200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Based on the table above, the results of the On-Sample Kalmogorov-Smirov Test obtained an asmpy.Sig (2-tailed) value of 0.200 > than 0.05, so overall these results indicate that the data tested behaves according to a normal distribution, so it can be used in various statistical analyses that rely on this assumption. The results of the multicollinearity test are shown in the following table:

Variable	Collinearity Statidtic Description		
	Tolerance	VIF	
Business Competence (X1)	,398	2,593	Free from Multicollinearity
Creativity (X2)	,437	2,290	Free from Multicollinearity
Innovation (X3)	,622	1,608	Free from Multicollinearity

Table 4. Multicollinearity Test Results

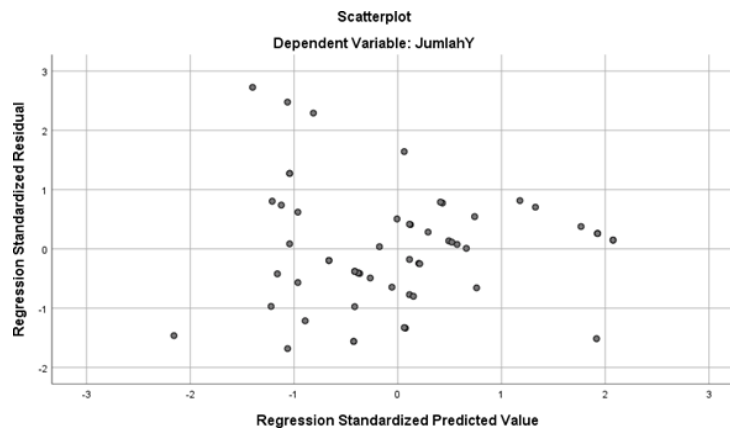
Source: processed data 2025



Based on the table above, it can be seen that the tolerance value of all variables is greater than 0.1 and the VIF is less than 10. This can be stated that there is no multicollinearity problem in this study. In this study, it can be concluded that each independent variable contributes significantly to the dependent variable.

The results of the heteroscedasticity test in this study are shown in the following figure:

Figure 4.2 Scatterplot graph



Based on Figure 4.1, the scatterplot shows that the residual points are randomly distributed around the zero horizontal line and do not form a specific pattern such as a curved line, spreading upwards, or narrowing at a single point. This random distribution indicates that there is no heteroscedasticity problem in the regression model. This means that the variance of the residuals (prediction error) is constant across all predicted values (homoscedasticity), thus the regression model meets one of the important assumptions in linear regression analysis.

The results of the multiple linear regression test in the study are shown in the following table:

Model	<i>T count</i>	<i>Sig</i>	<i>T table</i>	Description
Business Competence (X1)	10,896	,000	2,006	Significantly Influential
Creativity (X2)	10,558	,000	2,006	Significantly Influential
Innovation (X3)	9,736	,000	2,006	Significantly Influential

Table 5. Results of multiple linear regression
Source: processed data 2025



Table 4.5 shows that the variables of business competence, creativity, and innovation have a significant influence on business success, as the sig value is <0.05 . The coefficient of determination test was conducted to determine the influence of the independent variables on the dependent variable.

Model R	R Square	Adjust R Square	std. Error Of the Square Estimate
1	0,976 ^a	0,952	0,949 ,30305

Table 6. Results of the Determination Coefficient Test

Source: processed data, 2025

The table above shows that the Adjusted R Square value is 0.949 or 94.9%, meaning that the business competency (X1), creativity (X2), and innovation (X3) variables contribute 94.9% to business success (Y). Meanwhile, there are still around 5.1% of other factors that can influence business success but are not explained by this model.

Discussion

The Influence of Business Competence on Business Success

Business competency is a person's ability to understand and utilize knowledge, skills, and attitudes to optimally manage a business. By possessing strong competency, a person can manage their business in a planned and structured manner and better face business challenges. According to Kurniawan & Yun (2018), competency is a basic individual characteristic that enables them to deliver superior performance in a specific job, role, or situation. With business competency, an entrepreneur can significantly increase their chances of business success. A good understanding of entrepreneurial competency can also help them make informed decisions in managing resources, establishing strategies, and interacting with consumers effectively.

The phenomenon in Tutul Village demonstrates that bead artisans from diverse backgrounds possess a crucial understanding of business competency. Basic knowledge in identifying business opportunities, managing resources, and designing marketing strategies is crucial to their business success. Given the economic challenges and intense market competition, improving business competency can encourage MSMEs to become more adaptive and independent. The results of this study indicate that business competence has a significant influence on business success, which is



in accordance with previous research conducted by (Cinthia, 2022), (Aini, 2023), (Nurjanah et al., 2023).

The Influence of Creativity on Business Success

Creativity plays a crucial role in increasing business success because it enables individuals to create unique, attractive, and market-driven products. According to Elliyana & Sulistiyono (2021), creativity is the ability to create new things, be a pioneer and first mover, and connect isolated elements to create distinctive products.

Based on the research that has been conducted, it shows that creativity (X2) has a significant influence on business success (Y) for bead craft entrepreneurs in Tutul Village, Balung District, Jember Regency. This shows that creativity makes it easier for them in product development and marketing and can be an effective solution for MSMEs. In addition, creativity also encourages them to be more innovative in facing business competition and adapting products to developing trends, so they are able to retain customers and increase revenue. The results of this study are consistent with previous studies conducted by (Fatimah, 2022), (Sari et al., 2024), (Antonio, 2025), (Hariyanto, 2023), (Lai, 2023), (Wibowo, 2023), (Subambang, 2019), (Aisyah, 2024), (Yasin, 2024). The results of this study indicate that creativity influences business success.

The Influence of Innovation on Business Success

Innovation is how someone updates or creates something new, whether in terms of products, processes, or marketing strategies. Continuous innovation can enable someone to maintain their business's existence and win market competition. According to Zimmerer in Suryana (2006), innovation is the ability to apply creativity to solve problems and opportunities in business.

Based on the research that has been conducted, it shows that Innovation (X3) has a significant influence on business success (Y) for bead craft entrepreneurs in Tutul Village, Balung District, Jember Regency. This shows that innovation encourages entrepreneurs to continuously update their products to remain relevant to consumer needs, as well as adapt to developing trends. In addition, innovation in the use of social media, product packaging, and digital marketing also increases the competitiveness of their businesses. The results of this study are in accordance with previous research conducted by (Sari et al., 2024), (Subambang, 2019), (Fatimah, 2022), (Nurjanah et al., 2023), (Lai, 2023). The research results show that innovation influences business success.



CONCLUSION

Based on the results of research conducted on 57 bead craft industry business actors in Tutul Village, Balung District, Jember Regency, as well as from the results of data analysis using multiple linear regression, the following conclusions can be drawn:

1. Based on the results of the analysis conducted, business competence (X1) has a positive and significant effect on business success. This shows that the business competence possessed by business actors significantly contributes to increasing the success of bead craft businesses. This competence includes the ability to see and utilize opportunities, develop business strategies, manage resources, and establish social relationships that support the smooth running of the business.
2. The research results also show that creativity (X2) has a positive and significant influence on business success. These results indicate that business actors' creativity in creating designs, motifs, and developing beaded craft products is very important in attracting consumer interest and building a unique and distinctive product image.
3. Based on the analysis, innovation (X3) has a positive and significant impact on business success. These results indicate that innovation in the bead craft business includes the implementation of new production methods, the development of trend-aligned products, and the use of digital media in marketing. Innovation enables business actors to continuously develop and adapt to rapidly changing market dynamics.

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