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ROLE OF FEMALE AFFIRMATIVE ACTION ENTREPRENEURSHIP IN INCREASING INNOVATION AND PERFORMANCE OF CREATIVE INDUSTRIES IN INDONESIA

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ABSTRACT

This study is focused on studying the role of female affirmative action entrepreneurship in increasing innovation and performance in creative industries in Indonesia. The purpose of the study is to analyze female affirmative action entrepreneurship in increasing innovation and

performance of creative industries, especially fashion products, batik crafts, and embroidery crafts in Indonesia to be able to compete in national and international markets.

The population of this study is female creative industry owners in Indonesia, especially fashion products, batik crafts and embroidery crafts, the sample used in this study is simple random sampling with a sample of 350 respondents.

The method used is correlation analysis and regression to determine the relationship between variables and path analysis to determine the direct effect of female affirmative action entrepreneurship on innovation and performance of creative industries in Indonesia by using SEM (Structural Equation Modelling) analysis. The results of the full structural equation model analysis show that the overall acceptable model meets the requirements based on a goodness of fit index. The causality hypothesis developed and tested using the critical ratio test in the AMOS program obtained significant results in that all hypotheses were tested / accepted (Critical Ratio (CR) >1.96) . The results of the validity test showed all indicators of a correlation score above 0.60 which means good and significant at the level of 1% and the reliability test results showed all dimensions have Cronbach's Alpha above 0.80 which means reliable and significant at the level of 1%.

The results of the study concluded that the female affirmative action of entrepreneurship has a positive direct effect on innovation and the performance of the creative industry in Indonesia and innovation mediates the positive indirect effect of female affirmative action entrepreneurship on the performance of the creative industry in Indonesia.

Keywords: Female affirmative action entrepreneurship, innovation, the performance of the creative industry

INTRODUCTION

The digital era provides opportunities for creative industries and finds bright things. Indonesian society pays great attention to the creative industry because something unique, different and interesting, especially the creative industry only refers to the local wisdom of Indonesia culture namely fashion, batik handicraft, and embroidery handicrafts into separate segments. The creative industry actors are dominated by women. Female affirmative action entrepreneurship able to help in improving the economy of Indonesian society.

The creative industry in Indonesia is currently being excellent because it contributes significantly to the Indonesian economy, the creative economy contribution to a gross domestic product in 2017 was 7.29% (Bekraf, 2017).

The creative industry is a type that focuses on creativity, skills, talent and innovation to produce product or works of economic value to increase welfare and increase employment (Howkins (2001); Institute for Development Economy and Finance (2005): Simatupang (2007): Ministry of Trade of the Republic of Indonesia (2008): UNCTAD (2010).

Indonesian creative industry especially fashion, batik craft and embroidery craft are one of the local expertise and works of art and culture typical of Indonesia, of course, it needs to be preserved and developed both in production and marketing to survive, and is unique and difficult to be imitated by others both patterns, designs, materials, and production processes. To improve the performance of the creative industry both in business development and maintaining the loyalty of creative industry customers in Indonesia, naturally, it requires a comprehensive and integrated strategy. In the global market competition, the Indonesian creative industry is demanded to continue to develop innovations, by taking into account the structure of the industry by examining from an internal perspective, carefully combining existing resources by combining

to gain competitive advantage (Armstrong, 2006). A company that can provide positive, timely, fast and responsive responses with flexible product innovations and integrated management capabilities with effective coordination and appropriately locates internal and external competencies is the winner (Strønen, Hoholm, Kværner, & Støme, 2017). The implementation of entrepreneurship in affirmative action female is very much needed and how to improve creative industry performance through innovation as mediation.

MATERIALS AND METHODS

Materials

This research is based on theory as a material for research instrument as follows:

Female Affirmative Action Entrepreneurship

Entrepreneurship in female affirmative action is an effort to create value through the introduction of business opportunities, appropriate risk-taking management and through management communication skills to mobilize the human, financial and raw materials or other resources needed to produce projects so that they are carried out well, in words another entrepreneurial orientation is the effort to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition (Lin et al., 2008), indicators used as follows:

a. Autonomy is an action that is not affected by a team or individual to give birth to a vision or idea, autonomy is consistent with the view of entrepreneurial independence needed to bring new ideas to completion, not restricted by the bureaucracy of corporate bureaucracy.
b. Proactive is the first pioneer company to enter new markets, activity is a search for opportunities, forward-looking perspectives are marked by the introduction of new products

or new services that are first in the competition and act in anticipation of future demand, anticipating and acting for future changes in the market with new methods and products.

c. Aggressive to competitive is the tendency of companies to intensely and directly challenge competitors to outperform rivals in the market. Aggressive competitive also refers to the level of enthusiasm of the company to be one step further than competitors. Excessive aggression can be risky if the company tries to deal with established competitors.

d. Taking risks is the tendency to engage in high-risk projects and managerial preferences for decisive action to achieve goals. Risk-taking involves taking decisive action by exploring the unknown, borrowing large amounts, or allocating significant resources to businesses in an uncertain environment.

Innovation

Innovation is the idea of openness to new ideas as aspects of corporate culture (Hurley and Hult 1998: 44). Rogers (1983; 425) defines innovation is an idea, practice, or object that is recognized and accepted as a new thing by any person or group to be adopted. This means that innovation is an idea, ideas, practices, or objects that are realized and accepted as something new by a person or group to be adopted. (Robbins, 2005) defines innovation as a new idea applied to initiate or improve a product or process and services. This means that innovation as a new idea is applied to initiate or improve a product or process and service.

Research by Lee and Tsai (2005); (Muhammad et al., 2011); and (Suliyanto & Rahab, 2012) suggested that innovation influences company performance. Innovation can be measured by how often companies introduce innovations in processes, products, marketing and management (Serna, 2012), indicator of innovation are :

a. Product innovation: the introduction of products or services that are newly introduced to consumers as a renewal of existing products or have gone through significant improvements related to the characteristics or intended use of the product.

b. Process innovation: the application of production or delivery methods that are completely new or have gone through significant improvements.

c. Marketing innovation: the application of new marketing methods or a significant increase in the product packaging or design, product placement, product promotion and prices to increase sales, meeting consumer needs, opening new markets, placing company products in the market.

d. Management/organization innovation: the application of new organizational methods to business practices, workplace organization, company external relations. From the opinions above, it is synthesized that innovation is the process and result of developing the use/mobilization of knowledge, skills and experience to create or improve new products, processes and systems that can provide significant value.

Creative Industry Performance

The performance of the creative industry is the same as company performance because the creative industry is a type of business. The performance of the creative industry in Indonesia is seen from the aspects added value, business units, labor and productivity and export value. Added value is the performance of the Indonesian economy created by the creative industry this year when compared to the previous year. Business units and labor are total business units in Indonesia and labor is the total workforce available in business units or creative industry, productivity, or results of a business. Creative industry exports are the products of the creative industry exported abroad which have increased from year to year. From some of the opinions

above, it can be synthesized that the performance of the company/creative industry is a result made by the management/company continuously and is the result of the decision of many individuals to achieve the company's goals The indicators used are as follows:

a. Sales growth: indicated by an increase in product sales.
b. Profitability: the value of money or unit profit.
c. Market share: product contribution in controlling the product market compared to competitors.

METHODS

The population of this study is female creative industry owners in Indonesia, especially fashion products, batik crafts and embroidery crafts. The sampling method used is purposive sampling, which is taking samples based on criteria determined by the pitch of the researcher. The sample criteria used are respondents who have been operating at least 5 years of business in the creative industry as many as 350 respondents. In this study, an analysis tool used is structural equation modeling (SEM).

RESULTS

The results of the validity and reliability test of the research variables are as follows in table 1 and Table 2.

Table 1: The results of the validity of the research variable test

Variable	Coefficient Correlation	Significance	Cut of Value	Result
Female Affirmative Action Entrepreneurship	0.832	0.000	0.05	Valid
Innovation	0.807	0.000	0.05	Valid
Creative Industry Performance	0,821	0.000	0.05	Valid

Source: Primary data processed, 2020

Table 2 : Research Variable Test Reliability Results

Variable	Reliability	Result
Female Affirmative Action Entrepreneurship	0,817	Reliable
Innovation	0,832	Reliable
Creative Industry Performance	0,821	Reliable

Source: Primary data processed, 2020

Analysis SEM

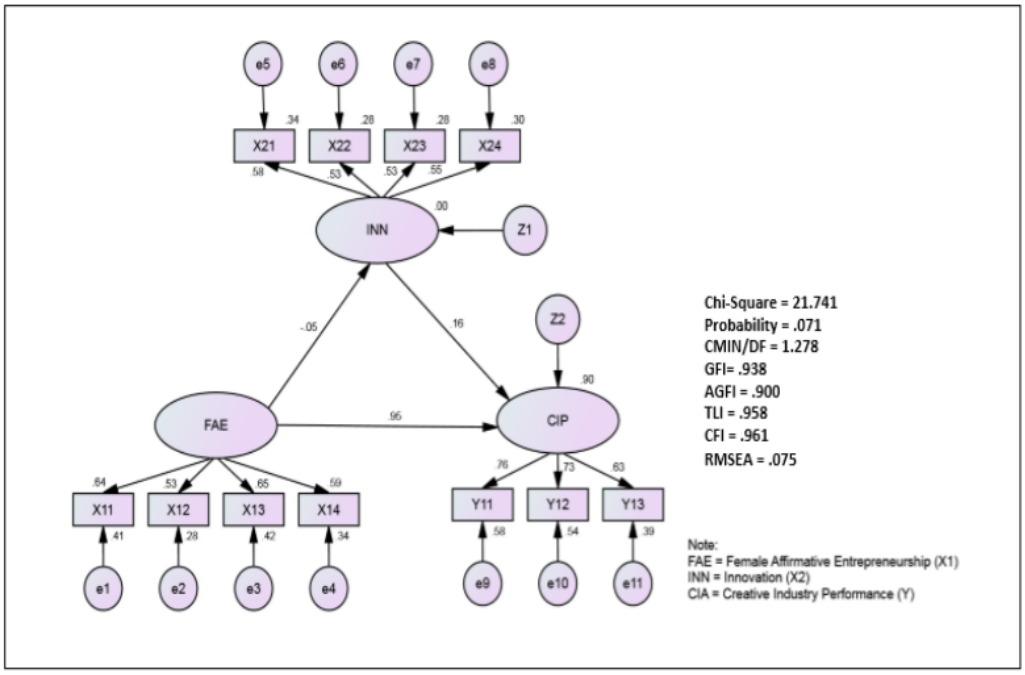

Figure 1. Result Analysis SEM

Based on the results of the analysis it is known that the analyzed model is a recursive model with a sample size of 350. Chi-Square value = 21,741 with df = 41 and probability 0,071. The Chi-Square results show that the null hypothesis which states the model is the same as empirical data is accepted which means the model is fit.

Table 3: Analysis SEM

Goodness of Fit Index	Cut off Value	Result Model	Conclusion
Chi-Square (DF = 41)	< 56,942	21,741	Good
Probability	≥ 0,05	0,071	Good
CMIN/DF	≤ 2,00	1,278	Good
AGFI	≥ 0,90	0,900	Good
GFI	≥ 0,90	0,938	Good
TLI	≥ 0,95	0,958	Good
CFI	≥ 0,95	0,961	Good
RMSEA	≤ 0,08	0,075	Good

Source: Primary data processed, 2020

Hypothesis Testing

The testing of the four hypotheses proposed in this study was carried out by analyzing the value of the Critical Ratio (CR) and the probability of a causal relationship.

Table 4. Hypothesis Testing

Variable			Estimate	SE	CR	P
INN	<---	FAE	.658	.086	4.612	***
CIP	<---	INN	.405	.103	2.544	***
CIP	<---	FAE	.299	.075	8.812	***

Source: Primary data processed, 2020

Based on Table 4, presented, hypothesis testing can be explained as follows:

H1: The effect of female affirmative action entrepreneurship has a positive and significant effect on creative industry performance.

The estimated parameter for testing the effect of female affirmative action entrepreneurship on the performance of the creative industry shows a CR value of 8.812 with a probability of 0.000. Because of the probability value < 0.05, it can be concluded that the female affirmative action entrepreneurship variable is proven to be positively and significantly influential on the performance of the creative industry.

H2: The effect of female affirmative action entrepreneurship has a positive and significant effect on innovation.

The estimated parameter for testing the effect of female affirmative action entrepreneurship on innovation shows a CR value of 4.612 with a probability of 0.000. Because the probability value < 0.05, it can be concluded that the female affirmative action entrepreneurship variable is proven to be positively and significantly influence creative industry performance.

H3: The effect of innovation has a positive and significant effect on creative industry performance.

The estimated parameter for testing the effect of innovation on creative industry performance show a CR value of 2.544 with a probability of 0.000. Because of the probability value < 0.05, it can be concluded that the innovation variable is proven to have a positive and significant effect on creative industry performance.

H4: The effect of female affirmative action entrepreneurship has a positive and significant effect on creative industry performance through innovation.

The estimated parameter for testing the effect of female affirmative action entrepreneurship on the performance of the creative industry mediated by innovation shows a CR value of 8.812, and 2.544 with a probability of 0.000. Therefore the probability value < 0.05, it can be concluded that the proven innovation variable mediates between female affirmative action entrepreneurship variables on creative industry performance.

From the statistical analysis results, correlation with the hypotheses, we can see the results are in Table 4.

Female affirmative action entrepreneurship the main variables has a major influence on building the innovation and help to increase the creative industry performance in, especially fashion products, batik crafts, and embroidery crafts industries in Indonesia. This in line with the study Rehman khaliq & Zafar (2015); Hult, G. T. M., Hurley, R. F., & Knight, G. A. (2004) : Ma,atoofi &Tafeddini (2013); Folteam & Feder (2014); Serna et al (2013).

CONCLUSION

Innovation factors also influence improved creative industry performance, with female affirmative action entrepreneurship. The main contribution of this research to the theory:

a. Provide evidence that the having of the female affirmative action entrepreneurship and innovation are necessary for achieving superior creative industry performance.
b. The direct correlation of the female affirmative action entrepreneurship has a greater influence comparing the other variables but indirect correlation innovation has a greater impact on the creative industry performance.

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