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HR INNOVATION IN MEDIATING ENTREPRENEURIAL MOTIVATION IN IMPROVING THE COMPETITIVE ABILITY OF PALU FRIED ONIONS MSMES

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Abstract. *Purpose* – This study aims to describe the competitive ability of MSMEs Palu Fried Onions (BGP) from the point of view of human resources, namely innovation and the influence of motivation.

Research methodology – This research was conducted on 141 active BGP MSMEs in Palu and tested using quantitative methods using SEM-PLS analysis testing.

Findings – The study results show that Human Resource Innovation is proven to affect the ability of the Palu Fried Onions MSMEs.

Research limitations – A limitation of this study is that it focuses solely on the competitive abilities of BGP MSMEs from the perspective of human resources, specifically innovation and motivation, and does not explore other potential factors that might influence their competitiveness.

Practical implications – The results of this study have the benefit of being practical considerations for driving BGP MSMEs to increase their competitiveness; besides that, the results of this study also expand the variation of the Diamond Model or the Diamond Model of production factors to be competitive.

Originality/Value – Rather than focusing solely on traditional factors, this research delves into the innovative realm of human resource innovation and motivation as key drivers of competitiveness.

Keywords: competitive ability, human resource management, innovation, motivation, MSMEs.

JEL Classification: L26, O31.

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1. Introduction

The MSME plays a significant role in reviving the economic crisis; if a nation's MSME sector significantly contributes to regional economic growth and expands job possibilities, it can be considered competitive (Ilyas & Hartono, 2023; Gál, 2010). In Central Sulawesi Province, the fried onion industry, often known as Fried Onion Palu (abbreviated as BGP), is the most promising MSME sector. In Central Sulawesi Province, BGP is among the most popular products (KPJU) (Bank Indonesia, 2017). BGP MSMEs can boost Central Sulawesi Province's GDP and generate many job opportunities for BGP MSME firms. The local BGP products are the focus of this study. The total number of MSME BGP units is 141, distributed among four regions in Central Sulawesi Province: Palu City, Sigi Regency, Donggala Regency, and Parigi Moutong

Regency (Ibrahim et al., 2023), of these, 53 are micro business units, 67 are small, and 21 are medium business units (Department of Industry and Trade of Central Sulawesi Province, 2021). The BGP company has been operational for over 40 years, starting in 1980 (Sulistiowati, 2014). The fact that BGP's business is still running routinely, serving only to satisfy market demands and that business management is still in place shows how little of an awareness there is of the need to focus more on BGP MSME HR innovation. To boost BGP's competitiveness, MSMEs in domestic and global markets require more significant innovation (and attention to innovation). The innovation in question is the limitations of BGP business management related to entrepreneurship and innovation from the perspective of entrepreneurial motivation and innovation-oriented human resources, causing the low, competitive potential of BGP MSMEs (Toska et al., 2022). In general, motivation is a process that encourages or influences someone to get or achieve what they want, either positively or negatively. Motivation will change a person's feelings, souls, and emotions to encourage action due to these needs, desires, and goals (Chen et al., 2020). A strong understanding of the need for innovation to increase the competitiveness of BGP MSMEs can encourage an entrepreneurial spirit and motivate and encourage BGP MSME human resources to be more innovation-oriented. The existence of innovation and strong motivation will have a positive impact on the competitiveness of an MSME (Yan, 2021; Setyawati et al., 2023). In the inherently complex and fast-changing conditions of modern society, organizational behavior research indicates the value of retaining the ability to manage change, learn and improve performance, and enhance competitiveness. It as a solution to the issues in this research, this justifies that this research delivers uniqueness. According to earlier studies by Machmud and Sidharta (2016) and Chedli (2016), there is a clear correlation between entrepreneurial motivation (EM) and firm performance as a measure of MSME competitiveness. On the other hand, Hove et al. (2014) reveal that the relationship between entrepreneurial motivation and MSMEs business performance is not significant, in contrast to the unfavorable value research findings, as Subowo and Setiawan (2015) stated that HR is the driving force and determinant of all organizational activities as well as the ongoing production process. Through innovation, a business can become competitive by enhancing the technical aspects of manufacturing or the caliber of its products. The theory of inventive work behavior advanced by earlier academics (West & Farr, 1989; Scott & Bruce, 1994; Janssen, 2000) served as the foundation for innovation-oriented HR. Hopefully, this study's findings will positively influence the Theory of Competitive Advantage, particularly in the development of human resource production factor behavior, by broadening the Study of the Diamond Model or Diamond Model of factors of production to be competitive.

Additionally, it will help to shape the role of innovation-focused HR as a mediator between entrepreneurial motivation and the competitiveness of MSMEs. The findings may be helpful so MSMEs become more competitive by giving the government scientific data. The following goals in this study: 1. To examine how entrepreneurial motivation affects BGP MSMEs' ability to compete; 2. To examine how entrepreneurial motivation affects innovation-oriented HR; 3. To examine how innovation-oriented HR affects BGP MSMEs' ability to compete; and 4. To examine how innovation-oriented HR mediates the impact of entrepreneurial motivation on BGP MSMEs' ability to compete.

2. Literature review

2.1. Theoritical background of competitive advantage theory

According to Porter's (1990) theory of the competitive advantage of nations, a nation has a competitive advantage (CA) if its businesses and industries are competitive. Furthermore, an industry's capacity for innovation and improvement affects how competitive a nation is. Porter (1990) shows that stresses and challenges give businesses a competitive edge. Only the industry or business that initially successfully overcame fierce home competition may develop worldwide competitiveness. Porter (1990) also used his Diamond Model to explain competition. Porter's Diamond Model's concept of competitiveness may be applied to nations, regions, industries, and specific businesses, providing goods and services (Shafaei, 2009). The Porter Diamond Model is a framework for evaluating how competitive local businesses are globally, determining how valuable a nation is (Smit, 2010). The competitive advantage that has been achieved should be maintained because with the existence of an advantage, more and more competitors are paying attention to the middle point of a business, therefore MSMEs must continue to be consistent in maintaining their excellence (Setyawati et al., 2023). MSMEs have an important role for economic growth in Indonesia competitive advantage for MSMEs is largely determined by the ability of these MSMEs to anticipate globalization (Hamad et al., 2018; Husti & Mahyarni, 2019; Udriyah et al., 2019). To create a competitive advantage, it is necessary to have the ability to utilize the ability to deal with certain problems as the ability grows from time to time, to utilize and create new resources.

2.2. Entrepreneurial motivation and ability to compete in MSMEs'

Individuals with high levels of motivation to plan their resources and actions tend to have more interest in learning new paradigms of entrepreneurship (Saoula et al., 2023). In addition to work experience and ability, employee performance is also influenced by work motivation (Sinambela & Ernawati, 2021). Organizational success depends significantly on motivation (Yateno, 2020). Human behavior is caused, distributed, and supported by motivation, which makes people want to work arduously and enthusiastically to get the best results. In making decisions and achieving company success, an entrepreneur's motive influences his perspective, managerial style, and production style (Buttner & Moore, 1997; Robichaud et al., 2001; Hasibuan, 2012; Suryana & Baya, 2017). According to research, intrinsic motivation strongly corresponds with the success of new businesses (Selden & Brewer, 2000; Chedli, 2016). According to Nurani et al. (2013) and other research conducted in Indonesia, there is a strong correlation between entrepreneurial motivation, MSME performance, and business success. The study conducted in 2013 on MSMEs in Cimahi City, According to Gemina's et al. (2016) study of snack shop owners in Java Province Barat, in his 2017 study on tiny brick enterprises in North Aceh, Machmud (2017) conducted a study on MSMEs in Bandung's business districts. Setiawan and Laily (2018) researched MSMEs in Surabaya's Dolly district. This study suggests the following two hypotheses in light of the information provided here, as well as the theoretical and empirical research presented in the preceding chapter:

H1. The higher the entrepreneurial motivation will increase the ability to compete.

2.2.1. Entrepreneurial motivation and innovation-oriented HR

According to Carvalho and Mamede (2018), motivation is the power that propels someone to take action. Human motivation affects entrepreneurial decisions, and variations in entrepreneurial motivation among individuals will affect who pursues entrepreneurial opportunities, who pool resources, and how people go about the entrepreneurial process (Shane et al., 2003; Poltak et al., 2021). According to Griffin and Moorhead (2014), motivation is a group of factors that cause people to act in particular ways. Motivation is a state that affects evoking, controlling, and upholding behavior related to the workplace (Mangkunegara & Prabu, 2016). Research examining the relationships between employee work motivation and innovation in work settings is inconclusive (Chen et al., 2020). Motivation along with expertise (task-related knowledge) and creativity skills are essential for promoting creativity and innovation at the workplace (Gupta, 2020). Results from earlier studies, such as those by Kundu et al. (2019) and Bogilović et al. (2021), and Ferguson and Reio (2010), demonstrate how entrepreneurial desire affects innovative work behavior. Similarly, Machmud (2017), which examines the impact of entrepreneurial motivation on the innovation process and entrepreneurial performance, finds that the combination of achievement motivation, risk propensity, and self-efficacy has a significant impact on both the innovation process and business performance in two business centers in Bandung. This study suggests the following five hypotheses based on the preceding description, the theoretical studies, and the empirical studies in the preceding chapter:

H2. The higher the entrepreneurial motivation, the more innovation-oriented HR will increase.

2.2.2. Innovation-oriented HR and the ability to compete

A business organization's human resources determine its capacity for innovation, especially MSMEs; this company's ability to innovate is a requirement for its continued existence in the face of intense international competition (Kusdiyanti et al., 2021; Nasution & Kartajaya, 2018). The stronger the management ability, the more attention is paid to improving the output of innovation and enterprise performance out of the consideration of reputation (Yan, 2021). The foundation and driving force of individual innovation behavior, the ability will directly affect innovation behavior (Mingzhu, 2023). According to Jiménez-Jiménez and Valle (2011), McDermott and Prajogo (2012), and Huhtala et al. (2014), the level of innovation affects company performance and aids in the survival of businesses. HR that is innovation-oriented always acts and thinks from the results of creativity or ideas that have been developed and implemented with new methods or strategies that are more innovative in creating value for the goods or services produced so that it has more added value than before or is more competitive than before compared to competitors' products on the market. Previous studies, such as those by Stoffers and van der Heijden (2009), Raposo et al. (2014), Omri (2015), and Knezović and Drkić (2020), have demonstrated a favorable association between innovative work behavior and performance as an indicator of MSME competitiveness. Similarly, Setiawan and Laily (2018) discovered that her innovative behavior positively and significantly impacted Dolly's MSME firm in Surabaya. This investigation

puts up the following three hypotheses in light of the description provided, as well as the theoretical and empirical findings in the preceding chapter:

H3. The higher the innovation-oriented HR will increase the ability to compete.

2.2.3. Innovation-oriented HR, entrepreneurial motivation and competitive ability

Individual expectations that specific actions would lead to a level of performance, which in turn will lead to the desired reward or result, determine motivation (Carvalho & Mamede, 2018). Entrepreneurship is widely acknowledged as key to wealth and job creation, and several empirical studies have demonstrated its importance in promoting innovation, employment and economic growth (Saoula et al., 2023). Innovation is a way for an entrepreneur to create a new something new, in its development an entrepreneur must be able to innovate (Purwani et al., 2018). Moreover, there is a strong link between innovation and competitiveness: innovation can positively impact a country's competitiveness and economic growth (Sanchez-Roige et al., 2018). It is crucial as both fixed capital and intangible resources, such as knowledge, play a major role in economic growth and competitiveness, so many small countries can benefit from that opportunity (Hakhverdyan & Shahinyan, 2022). Innovation, especially in the face of great competitive pressure, is considered a strategic factor for the survival and growth of firms (Morais et al., 2021). The impact of innovation for it goes beyond the issues of prices, costs and exchange rates, in the case of international competitiveness (La Falce et al., 2020). Shahzad et al. (2019) investigated the mediational roles of innovation, motivation, and behavior in the relationship between motivation and possibilities for high performance. The success of the Dolly Surabaya MSME business is positively impacted by achievement motivation and inventive behavior, according to Setiawan and Laily (2018). Additionally, Machmud (2017) demonstrates how self-efficacy, risk-taking propensity, and achievement motivation can spur innovation and boost corporate performance. This research puts out the following seven hypotheses in light of the preceding description, theoretical studies, and empirical studies in the preceding chapter:

H4. Innovation-oriented HR mediates the effect of entrepreneurial motivation on competitive ability.

3. Method

This study applies positivist methodology. A quantitative approach is positivism. This study's analysis focused on BGP MSMEs as its unit of analysis, held from June to September 2022 in Central Sulawesi Province (Central Sulawesi). In this study, all BGP MSMEs located throughout Central Sulawesi Province – 141 BGP MSME units – were sampled from the overall population using the census method. Researchers altogether collected all the questionnaires distributed to respondents. After the sample is taken using the census method, the questionnaire results are tabulated to be processed statistically. Partial Least Square (PLS) is the data analysis technique employed in this study. Partial least squares structural equation modeling (PLS-SEM) has become a standard approach for analyzing complex inter-relationships between observed and latent variables. Data were calculated with the use of the SmartPLS 8.0 software. The inner and outer models of the PLS analysis define the relationship between the variables and their indicators.

4. Results and discussion

Through SEM PLS analysis, this study examined the relationship between the variables. The steps in the PLS-SEM analysis are: (1) Creating a path diagram following the framework of the research model; (2) Running outer model tests to evaluate the accuracy and validity of indicators used to measure the variables (constructs); (3) Evaluating the goodness of fit of the model to guarantee that the processed data is compatible with the estimated model so that the sample used can give a general picture of the population's actual condition; and (4) Conducting the analysis. (4) Executing internal model testing, which, according to Hair et al. (2017), is the stage of evaluating the impact of covariates as a method for evaluating research hypotheses. The convergent validity test examines the loading factor value of each indicator against the construct. The loading factor limit for confirmatory research is 0.7, the loading factor limit for exploratory research is 0.6, and the loading factor limit for development research is 0.5. The loading factor limit is 0.7 because this study is a confirmatory one. Based on the estimation outcomes of the PLS model using algorithm methodologies, the loading factor values for each indicator in this study model are as follows in Table 1.

Table 1. Loading factor value on convergent validity test
(source: Ibrahim et al., 2023)

Variable	Indicator	Loading Factor	CuT value	Validity
Entrepreneurial Motivation (X)	X1.1.1	0.874	0.7	Valid
	X1.1.2	0.879	0.7	Valid
	X1.2.1	0.843	0.7	Valid
	X1.3.1	0.935	0.7	Valid
	X1.4.1	0.885	0.7	Valid
Innovation Oriented HR (Z)	Z1.1.1	0.964	0.7	Valid
	Z1.1.2	0.878	0.7	Valid
	Z1.2.1	0.944	0.7	Valid
	Z1.3.1	0.933	0.7	Valid
	Z1.4.1	0.944	0.7	Valid
MSME Competitive Ability (Y)	Y1.1	0.898	0.7	Valid
	Y1.2	0.954	0.7	Valid
	Y2.1	0.916	0.7	Valid
	Y2.2	0.892	0.7	Valid
	Y2.3	0.948	0.7	Valid
	Y2.4	0.920	0.7	Valid
	Y3.1	0.946	0.7	Valid
	Y3.2	0.908	0.7	Valid
	Y3.3	0.887	0.7	Valid
	Y3.4	0.952	0.7	Valid
	Y3.5	0.908	0.7	Valid
	Y3.6	0.887	0.7	Valid
	Y3.7	0.950	0.7	Valid
	Y3.8	0.908	0.7	Valid

Apart from looking at the loading factor value of each indicator, convergent validity must also be assessed from the Average Variance Extracted (AVE) value of each construct; all constructs in the PLS model are declared to have met convergent validity if the AVE value of each construct is >0.5, details can be seen in Table 2.

Table 2. Average VARIANCE Extracted (AVE) value of the construct (source: Ibrahim et al., 2023)

Construct	*Average Variance Extracted* (AVE)
X	0.781
Z	0.871
Y	0.846

According to the PLS analysis results in Table 2, all indicators are valid for measuring the construct when evaluated from the Average Variance Extracted (AVE) value, and all constructs also have an AVE value that exceeds 0.5, indicating that all indicators in each construct have satisfied the necessary convergent validity requirements. Therefore, continue to the discriminant validity testing stage from the convergent validity test examination. Discriminant validity ensures that each concept of each latent variable is unique from other variables. The model has excellent discriminant validity if the AVE squared value of each exogenous construct exceeds the correlation between that construct and other constructs. The findings of the discriminant validity test are shown in Table 3.

Table 3. Discriminant validity according to fornell larcker test (source: Ibrahim et al., 2023)

Construct	X1	Y	Z
X	0.911		
Y	0.625	0.920	
Z	0.323	0.421	0.933

Based on the discriminant validity test results in Table 3, which show that all constructs have AVE square root values more significant than their correlation coefficients with other constructs, all of the PLS model's constructs have the necessary discriminant validity. The cross-loading value of each indicator to its construct, as shown in Table 4, can also be used to determine discriminant validity in addition to the Fornell Larcker method. An indicator is said to meet the discriminant validity criteria if its cross-loading value to its construct is higher than its cross-loading value to the other constructs.

Cronbach's Alpha and the Composite dependability value of each construct to evaluate the dependability of that construct. However, because the loading factor limit used in development research is low (0.5), low composite reliability and Cronbach's alpha values can still be accepted if the validity requirements converge and the discriminant has been met. The recommended composite reliability and Cronbach alpha values are more than 0.7. Table 5 shows the composite reliability of each construct.

Table 4. Discriminant validity according to cross loading value (source: Ibrahim et al., 2023)

Indicator	X	Y	Z
X1.1.1	0.912	0.623	0.376
X.1.2.1	0.948	0.558	0.297
X1.2.2	0.909	0.596	0.278
X1.3.1	0.922	0.521	0.199
X1.3.2	0.901	0.546	0.281
X1.4.1	0.889	0.606	0.342
X1.4.2	0.919	0.547	0.328
X1.5.1	0.887	0.594	0.298
X1.5.2	0.913	0.505	0.207
Y1.1	0.482	0.898	0.370
Y1.2	0.632	0.954	0.364
Y2.1	0.598	0.916	0.429
Y2.2	0.469	0.892	0.359
Y2.3	0.620	0.948	0.361
Y2.4	0.599	0.920	0.436
Y3.1	0.628	0.946	0.349
Y3.2	0.595	0.908	0.435
Y3.3	0.486	0.887	0.351
Y3.4	0.624	0.952	0.355
Y3.5	0.581	0.908	0.427
Y3.6	0.466	0.887	0.356
Y3.7	0.630	0.950	0.356
Y3.8	0.583	0.908	0.463
Z1.1.1	0.327	0.363	0.964
Z1.1.2	0.269	0.414	0.878
Z1.2.1	0.317	0.404	0.944
Z1.3.1	0.289	0.426	0.933
Z1.4.1	0.305	0.353	0.944

Table 5. Composite reliability (source: Ibrahim et al., 2023)

Construct	Cronbach's Alpha	rho_A	Composite Reliability
X	0.974	0.977	0.978
Z	0.963	0.963	0.971
Y	0.986	0.988	0.987

The goodness of fit model test is an analysis that determines whether the constructed PLS model fits the data and can explain the population's actual situation. The R Square and Q Square values of the model can be used to determine how well the PLS model fits the data

(Chin, 1998). The PLS model is essential in predicting endogenous if the R Square value is >0.67, moderate if the R Square value is between 0.33 and 0.67, and weak if the R Square value is between 0.19 and 0.33. The Q Square value, meanwhile, reveals the predictive relevance of the model; a Q Square value between 0.02 and 0.15 denotes little predictive relevance, while 0.15 and 0.35 denote substantial predictive relevance. A Q square >0.35 indicates a large predictive relevance model (Chin, 1998). In addition to looking at the R Square and Q Square values, the SRMR model is another way to assess how well the model fits the data. A value of SRMR 0.08 suggests a model that fits perfectly, while a number between 0.08 and 0.10 indicates a decent match. Table 6 shows the estimated goodness of fit test results for the SEM model.

Table 6. R Square and Q Square model values
(source: Ibrahim et al., 2023)

Value	Endogenous Variables	Value	Criteria
R *Square*	Competitive Ability	0,493	*Moderate*
	Innovation Oriented HR	0,521	*Moderate*
Q *Square*	Competitive ability	0,331	Medium
	Innovation Oriented HR	0,873	Large
SRMR		0,098	Model *Fit*

While the results of hypothesis testing are in Table 7.

Table 7. Results of hypothesis testing
(source: Ibrahim et al., 2023)

Path	Original Sample	Sample Mean	Standard Deviation	t-Statistics	P Values	Decision
H1. X → Y	0.305	0.302	0.084	3.633	0.000	Accepted
H2. X → Z	0.345	0.346	0.065	5.275	0.000	Accepted
Z → Y	0.131	0.133	0.073	1.779	0.038	Accepted
X → Z → Y	0.278	0.037	0.011	1.701	0.036	Accepted

With a path coefficient value of 0.305, the study's findings show that entrepreneurial motivation has a favorable and significant impact on the competitiveness of MSMEs. It implies that MSMEs will become more competitive as entrepreneurial motivation rises. Therefore, MSMEs with high entrepreneurial motivation may also have high levels of competitive ability. A specific behavior is given birth by motivation, which is the impetus behind it. According to Solymossy (1998), entrepreneurial motivation is a trait of individual entrepreneurs that can have a two-fold more significant impact on success than the traits of the organization. In addition, Raposo et al. (2008) stated that several characteristics influence an entrepreneur's drive to start a business, including the bravery to take risks, the desire for success, self-confidence, money, creativity, and other external factors.

The majority of BGP MSMEs' leaders and managers are female. On the other hand, the constraints of a businesswoman are that she is also a housewife, which limits her space as

an entrepreneur or businesswoman. As a result, they need more drive or ambition to grow their company (Amrita et al., 2022). It significantly impacts the BGP MSME executives' entrepreneurial motivation for operating the BGP firm. The findings of this study show that passion is an indicator of entrepreneurial motivation, which has the lowest mean. It means that entrepreneurial motivation with passion has to increase. In other words, despite being predominately female, leaders of BGP MSMEs still need to increase their ambition or enthusiasm in managing MSME BGP in order to boost their competitive ability.

This study's findings show that BGP MSMEs' competitive potential has yet to fully realize because entrepreneurial motivation is still classified as moderate, indicating the need to increase motivation. If BGP MSMEs strongly desire to engage in BGP business activities, they can have high entrepreneurial motivation. BGP MSMEs need to be more motivated to grow and develop their BGP businesses and more confident to pursue better outcomes and enter worldwide markets.

Those BGP MSMEs leaders who need success (each) or have a high need for success will have a high desire to do things related to work performance, like trying to establish good cooperation with other parties that can increase BGP sales so they can surpass previous sales and exceed the results that had been targeted (Thamrin et al., 2022). Similarly, BGP MSME leaders who are highly enthusiastic (passionate) will overcome even more obstacles to compete in the market and grow their companies to the point where they can advance and become large-scale enterprises. BGP MSME HR can also accomplish it with self-efficacy or high self-confidence to increase BGP MSME competitiveness and achieve BGP company success. Furthermore, BGP MSMEs set a high level of competitiveness as their aim in order to survive and compete in the market. Therefore, setting goals will serve as a motivator and a roadmap for BGP MSMEs to achieve high BGP MSME competitiveness.

Self-efficacy or self-confidence is the most effective metric for fostering high competitiveness in BGP MSMEs. Strong self-confidence that may inspire MSME BGP HR to become more competent and continue to desire to learn, expand their businesses, carry out solid production processes, and implement a sound marketing strategy is necessary to attain the high competitiveness of BGP MSMEs. The findings of this study are consistent with those of Chedli's (2016) investigation into the impact of entrepreneurial motivation on firm performance. This study is comparable because it also looks at entrepreneurial performance and motivation. However, this study is different because the research design is a literature review, and the study focuses on firm performance. According to this study, the results demonstrate a link between entrepreneurial motivation and business performance.

The findings of this study are also consistent with those of a study conducted in Rwanda in 2015 by Eijdenberg et al. (2015) which looked at the relationship between entrepreneurial motivation and small business growth. The similarities between this research and it include the utilization of primary data collected through questionnaires, quantitative analysis, SME owners as respondents, and an examination of entrepreneurial motivation in the SME analysis unit. The unique aspect of this study is that it uses a hierarchical regression model analysis tool and focuses on the development of small enterprises in Rwanda, Africa. This study shows that small business growth and entrepreneurial motivation are positively correlated. However, the area of business performance that could be more effective is future planning. The study's

findings indicate that the variables of entrepreneurial motivation and business performance have no discernible link. However, the aspect of entrepreneurial motivation most closely associated with business performance and planning for the future is egoistic desire.

With a path coefficient value of 0.345, the study's findings show that entrepreneurial motivation has a favorable and significant impact on innovation-oriented HR. Therefore, HR will become more innovation-focused as entrepreneurial motivation rises. As a result, high entrepreneurial motivation can be a powerful motivator for HR to focus on high innovation. According to McClelland (1965), a person's needs define their motivation, which is motivated by their need for accomplishment, desire, or commitment to meet and exceed performance standards. These standards can be achievement or improvement, focusing on results, competition, challenge, and creativity to act more effectively. Therefore, it will motivate people to achieve big goals, master skills, exercise control, and adhere to high standards.

The findings of this study are consistent with those of a study by Gundolf et al. (2017) that looked at the impact of entrepreneurial motivation on innovative behavior. The similarities between this research include quantitative analysis, an examination of entrepreneurial motivation and innovative work behavior, and respondents who are business owners. However, this study differs because it was conducted at the Startup analytic unit utilizing secondary data from the National Economic Studies and French Institute of Statistics and multiple regression analysis in SPSS. According to this research, the results demonstrate that startup entrepreneurs' entrepreneurial motivation pushes their inventive behavior to create a variety of innovations.

Additionally, research by Sari et al. (2022), which looked at the impact of creative self-efficacy and intelligence on innovative work behavior, is consistent with the findings of this study. This research is similar because both use primary data collected through questionnaires and quantitative analysis to investigate self-efficacy and innovative work behavior. Using Partial Least Square – Structural Equation Modeling (PLS-SEM) data analysis, the respondents are MSME proprietors. This study differs from others because the analysis unit is on MSMEs in Bengkulu City. According to this research, the results demonstrate a favorable and significant relationship between creative self-efficacy and innovative work behavior. However, findings about creative self-efficacy media on intelligence toward innovative work behavior differ from these studies.

With a path coefficient value of 0.131, the findings of this study show that innovation-oriented HR has a favorable and significant impact on the competitiveness of MSMEs. It implies that MSMEs will become more competitive with the higher level of innovation-oriented HR. Therefore, highly innovative human resources can boost MSMEs' competitiveness. In essence, human resources are what make a business successful. If a corporation wants to compete in a highly competitive market, it needs to have human resources with the ability to innovate. According to Kheng et al. (2013), creative behavior is an individual activity that results in the creation and execution of new ideas to improve organizational development or to obtain a position or high level of work. Therefore, human resources who can manage a firm and focus on innovation in how they conduct their business to be innovation-oriented, which helps MSMEs be highly competitive.

The findings of this study show that BGP MSME human resources focused on innovation should be utilized to their full potential, negatively impacting BGP MSMEs' competitiveness.

HR innovation-oriented variables show that, despite falling into the moderate group, it has the lowest mean of the other variables. When all indications of innovation-oriented HR are considered, goal setting has a significant frequency of respondents' replies that disagree. (TS) It indicates that for MSME BGP human resources to be more competitive and capable of competing, they still need to strengthen their orientation to innovation through meticulous planning to create new ideas or innovations. It also implies that the high level of competitiveness of BGP MSMEs is influenced mainly by their human resource's capacity for innovation. Therefore, in order to thrive and compete in a cutthroat market, BGP MSMEs must innovate. The high competitive ability of BGP MSMEs can be developed by concept exploration or by the human resources of BGP MSMEs being able to uncover possibilities for innovation by coming up with original ideas and new working methods that result in more innovative BGP products and services, then developing them. Idea generating with an effort is linked to realizing the innovative ideas that have been produced (idea championing) and their implementation or cautious planning to increase BGP MSME's competitiveness.

In order to improve the BGP production process, which has so far used simple technology such as onion slicers, fried onion dryers (spinner), and pressing machines, which need more sophisticated equipment and technological innovations, these innovations can make the production process more efficient and produce more innovative BGP products and services. For example, by adding more BGP product flavor variants to suit consumer tastes (such as spicy, Baldo, cheese, matcha, and others according to the tastes that are currently in demand by consumers), MSME BGP HR can create more enticing and high-quality packaging. In addition, BGP MSME HR can conduct market surveys to find out and study consumer desires regarding BGP product development. By implementing a more adaptable and effective marketing strategy (such as non-cash payment systems and online sales by leveraging social media facilities, delivery services, et cetera.), BGP MSME HR may respond quickly to consumer needs for requests for BGP products. Some consumers enjoy BGP as a snack; this presents an opportunity for innovation-focused MSME BGP HR to enhance BGP's brand image. Previously only a supplementary product for cooking spices, BGP can now transform into a snack product that will always be in demand by consumers, giving BGP MSMEs an advantage to become competitive.

This study creates and combines innovative work behavior with HR focused on innovation. The findings of several studies on innovative work behavior are consistent with those of Omri (2015), who investigated the relationship between innovative behavior and corporate performance and environmental dynamism (moderation). The similarities with this research include the examination of innovative behavior and performance, the use of MSMEs as the unit of analysis, the respondents being managers and supervisors, the use of primary data through questionnaires, quantitative analysis, and the use of Partial Least Square (PLS) as the analytical tool. The distinction with this research is that it was carried out in Tunisia and is focused on company success and environmental dynamism moderating. According to this study's conclusions, innovative conduct enhances the performance of businesses. However, an uncertain environment has a detrimental effect on innovation strategy, contrary to the findings of this study. The findings of this study are also consistent with those of Rahman et al. (2015) investigation into the relationship between creative behavior and creativity and company performance (mediation). The study is comparable since it looks at innovative behavior,

the analytical unit used in MSMEs. SME owners who responded to the questionnaires using statistically assessed primary data. The study of business success and the mediation of business motivation in this study was conducted in Gintangan Village, Banyuwangi Regency, using analytic data methods utilizing route analysis.

With a path coefficient value of 0.278, the study's findings show that innovation-oriented HR mediates the impact of entrepreneurial motivation on the ability of BGP MSMEs to compete. Therefore, it implies that entrepreneurial motivation will boost MSMEs' competitiveness through human resources focused on innovation. However, the mediated route coefficient value is lower after mediation (0.278) than before (0.305). In order to create high BGP MSME competitive abilities, entrepreneurial motivation can therefore be a powerful driver of innovation-oriented HR; however, the path coefficient value shows that the mediating role's contribution to increasing MSME competitiveness is still less significant than the direct role of entrepreneurial motivation in boosting the competitiveness of MSMEs (Poltak et al., 2021). As a result, organizations will be better able to respond to problems, endure, and grow through innovation (Atwater & Carmeli, 2009).

According to the findings of this study, self-efficacy or self-confidence has the highest mean as a measure of entrepreneurial motivation (Rajan & Panicker, 2020). It demonstrates that the most effective motivational factor in MSME BGP HR is self-efficacy/self-confidence to develop competitive capabilities for MSME BGP by examining all innovative skills and thought processes or innovative behavior they have. Wilson et al. (2007) state that a person's talent determines self-confidence. Therefore, the entrepreneurial drive can give BGP MSME HR the self-assurance they need to be innovation-focused to increase MSME competitiveness. According to Baron and Kenny (1986), self-efficacy in entrepreneurship is the confidence a person has in their ability to create new products, read market opportunities, create an innovative workplace, start and maintain relationships with investors, establish the company's primary objectives, overcome unforeseen challenges, and build human resources to support the success of the business they are leading.

Several empirical studies have demonstrated the correlation between entrepreneurial motivation, Innovative Work Behavior (IWB), and business performance. Then, this research develops a study model that connects the impact of entrepreneurial motivation and innovation-oriented HR on BGP MSMEs' competitive capability. According to the study's findings, innovation-focused HR can effectively moderate entrepreneurial motivation's impact on BGP MSMEs' ability to compete. The ability of entrepreneurial desire to develop BGP MSME competitive capacities through innovation-focused HR can account for this.

The findings of this study are consistent with those of Karadeniz et al. (2021) investigation into the relationship between creative self-efficacy and the mediating effects of intrinsic motivation on innovative work behavior. This research is similar because it utilizes primary data from questionnaires and quantitative analysis and investigates motivation and inventive work behavior. The uniqueness of this study lies in its focus on intrinsic motivation and creative self-efficacy as mediators; respondents are company employees; the study's unit of analysis is businesses with operations in Istanbul; and it was conducted in Turkey using the statistical analysis software SPSS 25 and AMOS 22. According to this study's findings, self-efficacy in the creative arts is essential for controlling innovative work behavior. The necessity for a

significant association between intrinsic motivation and innovative work behavior is one of the findings that diverge from this study's findings. Intrinsic motivation, however, only slightly improves inventive work behavior when mediating influence by creative self-efficacy.

The findings of this study are also consistent with those of Setiawan and Laily's (2018) investigation into the relationship between entrepreneurial success and motivation for achievement. The research is comparable to this because it uses primary data collected through questionnaires, employs quantitative analysis, investigates accomplishment motivation and inventive behavior, and includes MSME owners and MSME analysis units as respondents. However, this study's unique feature is that it focuses on company success, was conducted at MSMEs Dolly in Surabaya, and used various linear analysis tools with SPSS18. According to this study's findings, entrepreneurial behavior and achievement motivation positively and substantially affect business performance. Additionally, the Dolly Surabaya MSME firm has a favorable and significant impact on both outcomes.

5. Conclusions

It is possible to draw the following conclusions from the research and discussion surrounding this research problem: 1) High BGP MSME entrepreneurial motivation can promote the development of high BGP MSME competitive abilities. 2) The high entrepreneurial motivation of the BGP MSMEs might act as a powerful incentive for the human resources of the MSME BGP to be highly innovation oriented. 3) Human resources in BGP MSMEs focused on high innovation can help these businesses achieve high competitiveness. 4) BGP MSME HR, which focuses on high innovation, can produce the high entrepreneurial motivation and competitive ability of BGP MSMEs.

The results demonstrate that BGP MSME HR's entrepreneurial motivation is still in the medium category regarding passion, need for achievement (nAc), and goal setting. As a result, having passion and incredible ambition (passion) must be improved to pursue the market position and BGP business growth in the face of fiercely increasing competition, for instance, by working with local and international resellers to become permanent. Furthermore, although self-efficacy earned the highest response, it was still classified as medium. BGP MSME leaders must still boost their self-confidence to succeed in the BGP business environment. Studies relating mindfulness to innovation and innovation-oriented HR must be developed for further research, particularly in the Study of HR management as a scientific contribution to HR development in enterprises, particularly for MSME HR development.

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Author contributions

AII were responsible for the conceptualization and writing – original draft; MS, N, and MR were responsible for writing and supervising the draft.

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