

INNOVATION CAPABILITY IMPROVEMENT BASED ON ORGANIZATIONAL
LEARNING, CREATIVITY, LEADERSHIP, GOVERNMENT SUPPORT AND
COLLABORATION USING PARTIAL LEAST SQUARE METHOD
IN THE SMALL AND MEDIUM ENTERPRISES OF CENTRAL CIBADUYUT SHOES

Abstract

The decline in the performance of SMEs was mainly due to the decline in the number of business units and production, among others due to the low innovation capabilities. The factors that play a role in building innovation capabilities in small-scale companies include the suitability of employees' abilities and expertise with their assignments, training programs and human resource development, and the use of machines with new technology. This research was conducted to determine the factors that influence business performance by improving performance based on organizational learning, creativity, leadership, government support, collaboration and innovation capabilities as a mediator. By knowing the right factors, recommendations for improvement can be designed to improve the performance of SMEs. From the results of data processing of 76 leaders of the Cibaduyut Shoe Center UKM using Partial Least Square, it can be concluded that the factors that influence innovation capability are creativity, leadership, and collaboration. Meanwhile, Organizational Learning and Government Support has no significant effect on the Innovation Capability.

Keywords: Innovation Capability, Organizational Learning, Creativity, Leadership, Government Support, Collaboration, Partial Least Square