

The Effect of Self Efficacy Leadership and Business Experience on Entrepreneurial Performance with Innovative Behaviour as an Intervening Variable in the Branch Management of the Indonesian Young Entrepreneurs Association in Medan City

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ABSTRACT

The purpose of this study was to analyze the effect of Self-efficacy, Leadership, and Business Experience on Entrepreneurial Performance with Innovative Behavior as an Intervening Variable in the Branch Management of the Indonesian Young Entrepreneurs Association of Medan City. This research uses descriptive quantitative research methods to study young entrepreneurs in the Indonesian Young Entrepreneurs Association of Medan City. This study used probability sampling and the Slovin formula to select 350 respondents. Data were collected through questionnaires and secondary sources such as literature and journals. The results showed that self-efficacy has a positive effect on entrepreneurial performance in BPC Hipmi Medan City, while leadership has a positive effect on entrepreneurial performance. Business experience also has a positive impact on entrepreneurial performance. However, self-efficacy hurts innovative behavior. This research shows that entrepreneurs in HIPMI Medan City need high self-efficacy, digital technology for innovation, and creative ideas. Leadership is essential to coordinate business goals, improve performance quality, and accept criticism to sustain the market and maintain market share.

INTRODUCTION

Economic growth is an important macroeconomic indicator because it is one of the measures of a country's progress (Wau et al., 2022). This is because economic growth can affect the standard of living of a country's people. To support economic growth, various efforts need to be made, such as increasing investment, encouraging regenerative farms, strengthening entrepreneurs, and providing economic data quickly through the nowcasting (Ringo & Monika, 2021). In addition, the government can also conduct appropriate fiscal and monetary policies, such as greater public spending or lower interest rates, to promote economic growth (Suwarno & Bramantyo, 2019). Thus, efforts to promote economic growth can also affect the reduction of unemployment in a country.

It was noted that the unemployment rate in Indonesia in August 2022 reached 8.42 million people. This figure has increased compared to Indonesia's unemployment rate in February 2022, which was 8.40 million people. In addition, it is known that the Open Unemployment Rate (TPT) in Indonesia in August 2022 reached 5.86%, which increased by around 0.03% from the TPT data in February 2022 of 5.83%. This is due to the Human Development Index (HDI), economic growth, minimum wage, and inflation that occurred in Indonesia (Diniyah & Fisabilillah, 2023; Silaban & Siagian, 2021). However, the main thing that hurts the unemployment rate is the low economic growth of a country (Suhendra & Wicaksono, 2020). For this reason, it is important to pay attention to economic growth by making various efforts that can support economic progress in Indonesia.

One of the efforts that can be made to achieve economic progress in Indonesia is to promote entrepreneurship on a small, medium, and large scale. With an economy that is already advanced and supported by advances in the field of entrepreneurship, entrepreneurship can prosper the lives of the population in the country. Increasing entrepreneurship development programs is one of the important things to do to combat unemployment. Entrepreneurship has the potential to increase employment and generate new positions. Entrepreneurship is the skill and willingness to take different risks by using own initiative to create and achieve new things by using various resources to maximize profits while offering the best service to all stakeholders (Farida, 2022). In addition to creating new jobs, an entrepreneur can expand job prospects that stimulate innovation, new technologies, and new sources of creativity. Entrepreneurship as an alternative to reducing unemployment, especially when combined with innovation (Padi & Musah, 2022). Another study explains that the solution to economic problems in a country is entrepreneurship (Manullang & Simarmata, 2023).

From a conceptual point of view, entrepreneurs are defined by the existence of institutionalized, highly productive, efficient, transformative, and innovative business organizations or platforms (Singgih, 2020). By driving innovation, creating jobs, and recognizing the well-being of society, entrepreneurs significantly contribute to the economic prosperity of a country (Schumpeter, 2017). A thriving community facilitates the exchange of

information and experiences among entrepreneurs, which can enhance the entrepreneurial spirit and improve company performance (Siswanto & Gusneli, 2021). Every entrepreneur who joins an entrepreneurial community gains several benefits and advantages, such as better relationships, more business knowledge, motivation, increased confidence, access to business financing, and increased sales turnover.

In this research, the author looks at one entrepreneurial community that has a significant impact on economic growth in Medan City, namely the Indonesian Young Entrepreneurs Association (HIPMI) of Medan City. HIPMI Medan City was established in 1972 based on accommodating entrepreneurs and answering the challenges of the economic crisis in 1998. HIPMI aims to provide networking opportunities, increase business knowledge, build confidence, and increase sales by helping each other. However, there are still many problems in creating innovations that can support the creativity and competitiveness of entrepreneurs in Medan City including the members of HIPMI Medan City. Based on the researcher's analysis, this is due to the lack of entrepreneurs' self-efficacy, leadership spirit, entrepreneurial creativity and innovation, and entrepreneurial experience. Therefore, this study was conducted to see how Self-efficacy, leadership, experience level, creativity, and knowledge of entrepreneurs are interconnected and affect economic progress in Medan City.

THEORETICAL REVIEW

Performance

Performance is an effort to manage organizational resources to achieve organizational goals (Farchan, 2016). Performance is the result of a person's work in completing the tasks assigned to him by his abilities, background, seriousness, and time availability. In addition, performance can be interpreted through work performance, work implementation, and performance results. Performance is a term used to describe one's achievement of four business objectives: financial, customer, process, and learning and growth (Galib & Hidayat, 2018). In this study, we try to link the understanding of performance with entrepreneurship and their relationship with each other.

In general, 2 factors can affect employee performance, including internal factors and external factors (Sofyan, 2013). Internal factors include limited resource capacity, educational background, technical skills, capital, marketing, operating systems, information, mental attitude, work ethic, business independence, confidence, motivation, and other internal problems. On the other hand, external factors are those that come from outside the entrepreneur. These include opportunities, competition, global information systems, environmental factors, and other external issues. In addition, also explains that 4 main factors are causing the low performance of SMEs in Indonesia, namely Nearly 60% of small businesses still use traditional technology, Market share tends to decline due to lack of capital, Most small businesses are unable to fulfill administrative requirements to obtain assistance from banks, and The level of dependence on government facilities tends to be very large. Therefore, to anticipate the causes of low entrepreneurial performance, awareness of performance appraisal is needed.

Performance appraisal is used to evaluate the success of an organization or company in achieving predetermined goals. Performance appraisals assess the efficiency, effectiveness, and productivity of work among top management, business unit managers, functional area managers, and operational activity leaders, involving technical, operational, and administrative employees. In addition, the benefits of performance appraisal can also be felt by the owner with a measure of business success that can be seen from the increasing level of sales, increasing capital, increasing the number of workers, increasing the level of revenue and profit, and increasing sales or markets.

In addition, it is important to know the dimensions and performance indicators of SMEs based on the balanced scorecard framework. Balanced scorecard is a new performance measurement technique designed by Kaplan and Norton that provides a quick and comprehensive overview to the company's top managers. The cause-and-effect relationship that explains the strategy hypothesis is highlighted by the balanced scorecard, as is the relationship between measurement and strategy. 4 perspectives can form the performance framework in the balanced scorecard, namely the Financial Perspective, Customer Perspective, Internal Business Perspective, Growth and Learning Perspective (Kaplan & Norton, 2001).

Self Efficacy

In the context of entrepreneurship, self-efficacy is the belief that a person can carry out tasks and activities as an entrepreneur successfully (Wulandari, 2013). Self-efficacy explains a large part of entrepreneurial potential, such as motivation, opportunities, and resources. Creative self-efficacy moderates the relationship between entrepreneurial education experience and innovative behavior, suggesting that higher creative self-efficacy strengthens the relationship between education and innovation behavior (Wang et al., 2022). Self-efficacy can create a positive relationship between entrepreneurial alertness and social entrepreneurial intentions (Urban, 2020). self-efficacy includes a person's belief in their ability to identify opportunities, develop business ideas, overcome obstacles, and achieve success in entrepreneurship (Irdhayanti et al., 2022).

Self-Efficacy Indicators

To assess self-efficacy in entrepreneurship, it is important to know the indicators that can affect self-efficacy. The following are indicators of variables in self-efficacy according to Nuryanto (2019):

1. Strong belief in launching a business: A person who wants to launch a business must have strong confidence to do so.
2. When someone starts a business, they must have confidence in their ability to run it successfully. Self-confidence can handle business.
3. Confidence in one's ability to succeed as an entrepreneur: An entrepreneur must have confidence in his or her ability to launch and grow a business.
4. A person interested in becoming an entrepreneur must have confidence in his ability to succeed in managing his company.

5. Self-confidence fosters original thinking To ensure that the business operates successfully, an entrepreneur must generate innovative ideas.

Leadership

Leadership is a series of efforts from the leader to influence and mobilizing his subordinates in such a way that the subordinates can work well, have high spirits, and have discipline and high responsibility to the boss (Hardiyana & Helwiyan, 2011). Leadership is an important factor that affects organizational performance and increases work motivation discipline and responsibility in employees. Leadership is a way of leading and directing others to achieve common goal. Likewise in entrepreneurship, leadership has the role of directing and influencing employees and other organizational members to create and develop businesses. Entrepreneurial leadership plays a key role in facing global challenges and developing entrepreneurial behavior in various contexts.

will be implemented in the form of corporate strategies. They must be able to innovate, take opportunities, negotiate, and manage the company well. Every individual who has a leadership spirit needs to have a leadership style to support good organizational control. The effect of leadership style on work performance and motivation and overall organizational performance (Wokas et al., 2022). A successful leadership style is based on conscience, norm values, ethics, freedom, trust, supervision, being ready to accept criticism, constructive suggestions, firmness, and others (Suwarno & Bramantyo, 2019). This is because leadership style has a significant impact on organizational effectiveness (Mwai et al., 2018).

According to Mungthanaworakun (2020) there are 7 dimensions in leadership as indicators of leadership assessment, namely:

1. System thinker, Problem problem-solving is the role of the leader. System thinking is the ability to understand the relationship between problems, events, and important facts to understand the situation. Effective problem-solving requires systematic thinking. To anticipate internal and external elements that will help or harm the organization, systems thinking is required.
2. Change agent, for an organization to thrive, its leaders must become highly adept at implementing and overseeing change. Because managing change requires high-energy behaviour, which is generated by the change leadership role.
3. Creators, creative thinking must be nurtured and rewarded by leaders. Leaders need to embrace other points of view and never stop experimenting.
4. Stewards and caretakers, Leaders must put the needs of their team members, clients, and communities first. Improved service to others is emphasized by servant leadership as a comprehensive approach to work, a sense of community, and shared decision-making authority.
5. Polychronic coordinator, A leader must be a polychronic, capable of coordinating multiple tasks at once. They often must deal with awkward

situations and special issues while working with multiple stakeholders. The ability to focus on both the big picture and the specifics is essential for leaders.

6. Instructor and trainer, in addition to helping staff members find learning resources, leaders must be able to inspire, motivate, and assist staff members in learning new skills and improving their current abilities.
7. Leaders must be able to innovate the vision and goals of the organization.

Work Experience

Work experience refers to the knowledge, skills, and abilities a person acquires through work. It includes work-related factors that affect productivity and time spent at work, such as mental and physical health status, communication with coworkers, and having a dedicated workspace (Awada et al., 2021). Work experience is also an important factor in determining employee performance, especially in academic and leadership positions (Lian, 2020). Work experience is critical in improving employability, and higher education institutions are implementing various measures to foster and strengthen these activities, with an increasing focus on providing work experience through internships and placements (Helyer & Lee, 2014).

Work experience has a significant impact on each individual and can affect one's performance. In addition, work experience affects employee productivity at work (Sulaeman, 2014). However, it is important to know that work experience does not determine the development of employee career paths (Hidayat et al., 2023). Determine whether someone has work experience, it can be seen through several indicators, namely length of time working, level of knowledge and skills, mastery in the field of work, professionalism, and confidence (Foster & Karen, 2001).

Innovative Behavior

Innovative behavior refers to a series of work activities carried out by individuals to develop and improve effective work behavior (Darmaileny et al., 2022). Employee innovative behavior can be influenced by various factors, such as organizational climate, achievement motivation, servant leadership, governance, and competence (Fiernaningsih et al., 2022; Jamaludin & Nurhayati, 2022). In business, innovative behavior is very important because it can support creating new things in a business. Innovative behavior can bring businesses to have an advantage in competition. Innovative behavior by utilizing digital technology is expected to create value in various business activities (Utami & Wiyono, 2023). In addition, innovative behavior can help create new innovations in the form of new services and works that create a diversity of product models.

Hypothesis

According to Sugiyono (2017) a hypothesis is a temporary solution derived from empirical facts collected during data collection to overcome

research difficulties. Based on the conceptual framework, the hypothesis that can be put forward in connection with these problems:

H1 Self-efficacy has a positive and significant effect on entrepreneurial performance at BPC HIPMI Medan City.

2.H2 Leadership has a positive and significant effect on entrepreneurial performance at BPC HIPMI Medan City
Self Efficacy (X₁) Innovative Behavior (Z) Performance (Y) Leadership (X₂) Entrepreneurial Experience (X₃)

H3 Work experience has a positive and significant effect on entrepreneurial performance at BPC HIPMI Medan City.

H4 Self-efficacy has a positive and significant effect on the innovative behavior of entrepreneurs in BPC HIPMI Medan City.

H5 Leadership has a positive and significant effect on innovative entrepreneurial behavior at BPC HIPMI Medan City.

H6 Work experience has a positive and significant effect on innovative behavior at BPC HIPMI Medan City.

H7 Self Efficacy has a positive and significant effect on entrepreneurial performance through innovative behavior at BPC HIPMI Medan City.

H8 Leadership has a positive and significant effect on entrepreneurial performance through innovative behavior at BPC HIPMI Medan City.

H9 Work experience has a positive and significant effect on entrepreneurial performance through innovative behavior at BPC HIPMI Medan City.

H10 Innovative behavior has a significant effect on entrepreneurial performance at BPC HIPMI Medan City.

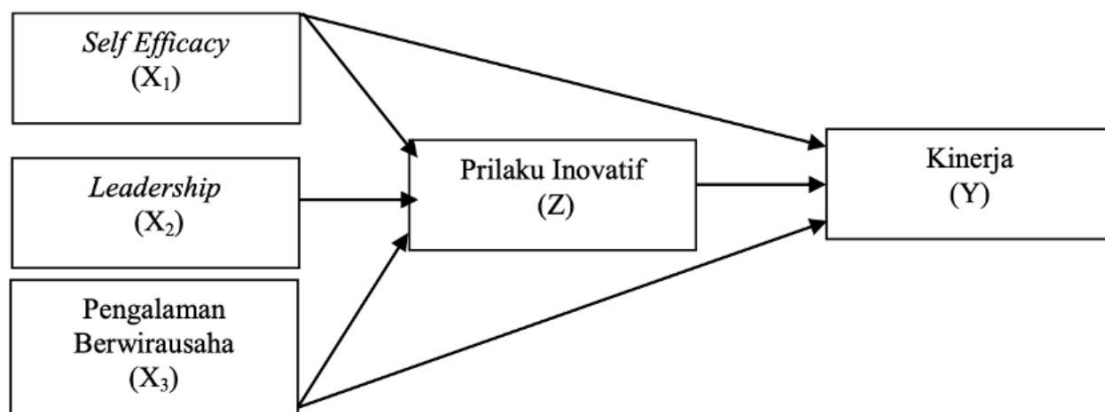


Figure 2. Conceptual Framework

METHODOLOGY

This research uses descriptive quantitative research methods. The descriptive quantitative research method is a technique that begins with data collection, data interpretation and ends with results that try to paint a picture or description of a situation objectively using statistics (Arikunto, 2006). The research was conducted on young entrepreneurs in the Indonesian Young Entrepreneurs Association (HIPMI) Medan City which began in May 2023 until September 2023. This study chose a sampling technique, namely probability sampling. Probability sampling is basic random sampling with a survey given to young business owners who are selected as samples (Sugiyono, 2013). In

addition, in choosing a sample size, researchers use the Slovin formula as a sampling technique from the existing population. BPC HIPMI Medan City members who served as the population of this study were 350 respondents. The data collection technique in this study uses primary data collected from administering questionnaires to young entrepreneurial respondents in HIPMI Medan City, observations, and interviews as well as secondary data collected through literature studies, journals, books, and online media.

RESULTS

Descriptive Analysis of Respondents

Based on the analysis, the researcher divided several questionnaires given through the respondent's choice. There are 32 questions for variable X, namely 9 questions for variable Z and 8 questions for variable Y. the total number of questions is 49 questions given to research respondents, namely BPC HIPMI Medan City. The results of primary data collection are in the form of questionnaires filled out by respondents, which are described in several descriptive analyses, such as age, education, type of business, length of time in business, and marital status.

Young entrepreneurs in HIPMI Medan City start their business at 22-26 years old, influenced by experience, self-efficacy, and consistency. However, they have a low educational background, are not old enough, and are married. Education is essential for increased competence and competitiveness in the entrepreneurial world, providing in-depth knowledge and opportunities. Research shows that Medan City HIPMI culinary entrepreneurs mainly operate in the snacks, light meals, warmindo, café, and bakery sectors. To improve their performance, entrepreneurs need experience and leadership qualities. Marital status also plays a role in entrepreneurship. Many entrepreneurs in this city register due to household needs, fierce trade competition, lack of expertise, and creativity.

Data Analysis Results

A. PLS Analysis

All indicators for each component were used in the first model or initial model in this study. The first model was analyzed using the reference basis of the model framework in Figure 4.1, as follows:

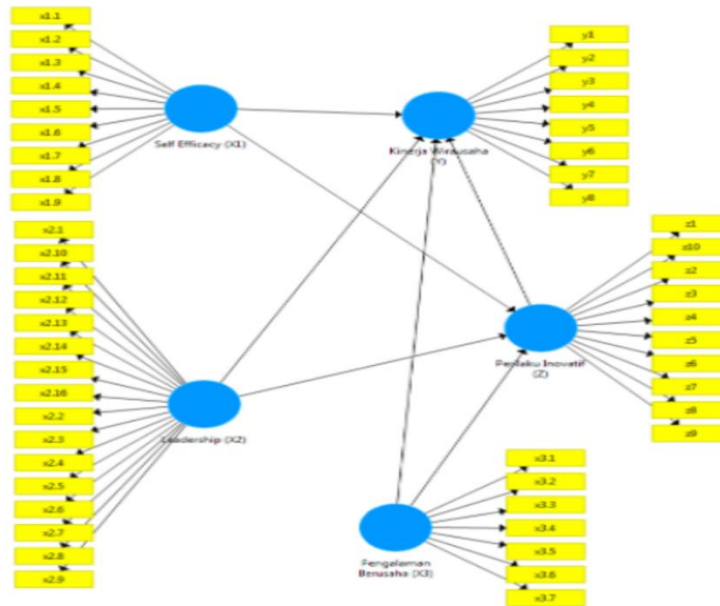


Figure 1. PLS Analysis Results

The first order analysis conducted on each research variable is shown in Figure 1. This is done to determine whether each indication is appropriate for each dimension, which serves as a guide for reducing research indicators. Research can more clearly predict the relationship between variables that occurs if the research indicators of each dimension are reliable and measure each dimension well.

B. Evaluation of the Measurement Model (Outer Model)

To evaluate the validity and reliability of the construct model, the measurement model, also known as the outer model, is evaluated. Cronbach alpha for indicator blocks and convergent, discriminant, and composite reliabilities are used to assess the outer model with reflexive indicators ((Ghozali & Latan, 2012)). Loading factors are used in testing the reliability of reflective structure indicators. The loading factor value for each construct serves as a measure for each research indicator. The loading factor value is anticipated to rise above 0.7. In exploratory studies, a value of more than 0.5 is considered sufficient ((Ghozali & Latan, 2012)).

Each variable indication in this study has several outer loading values > 0.5, as shown in Table 4.2. The outer loading value between 0.5 and 0.6 is considered sufficient to meet the convergent validity criteria ((Ghozali & Latan, 2012)). Based on this data, it can be concluded that these indicators are feasible or valid for use in research and can be applied in further research. Each construct undergoes an internal consistency reliability assessment. The composite reliability value of each construct must be at least 0.7. Composite reliability values > 0.6 can be used, however, in exploratory studies. good.

The results show that each construct with a good enough category has met the requirements for the outer model reliability assessment, with a composite reliability value greater than 0.7. Thus, the outer model validity stage

of the outer model analysis has been achieved. Convergent and discriminant validity are used to assess the validity of the outer model. The average variance extracted (AVE) value for each construct - which indicates that an excellent AVE value for each construct is at least >0.5 - was examined to evaluate the convergent validity of the theory. Each construct in the finished model had an AVE value greater than 0.5. Therefore, the convergent validity condition has been satisfied by the suggested structural equation model.

C. Structural Model Evaluation (Inner Model)

The next measurement is carried out by testing the structural model (Inner Model) by looking at the R-Square (R^2) value on the variables after the estimated model meets the Outer Model criteria. By looking at the R-Square (R^2) value on the variables, structural model testing (Inner Model) is carried out to determine the measurement. Based on the measurement results, the R-Square (R^2) value.

The results provide information about the R Square value of 0.524 for the Entrepreneurial Performance variable (y). This indicates that 52.4% of the variation in Entrepreneurial Performance (y) can be explained by the influence of Self Efficacy (x_1), Leadership (x_2), and Business Experience (x_3), while the remaining 47.6% is influenced by variables not included in this analysis.

Customer innovative behavior (z) has an R Square value of 0.693, which indicates that 69.3% of innovative behavior (z) is influenced by Self Efficacy (x_1), Leadership (x_2), and Business Experience (x_3), with the remaining 30.7% influenced by variables not included in this study.

Hypothesis Testing

A. Direct Effect Test

The T-statistic test (t-test), with a significance level of 5%, was used for hypothesis testing. A number of 1.66 or higher on the T-statistic indicates significance. The test is considered significant if the p-value is less than 0.05, and insignificant if the p-value is greater than 0.05. Based on the direct effect test findings for each variable that the relationship between Entrepreneurial Performance (y) and Self-Efficacy (x_1), with P-values of $0.000 < 0.05$, indicates a positive and significant relationship. H1 (Accepted): Self-efficacy (x_1) has a considerable and favorable impact on entrepreneurial performance (y).

Based on the data, it can be concluded that there is a substantial and positive relationship between Leadership (x_2) and Entrepreneurial Performance (y) with P-values of $0.000 < 0.05$. H2 (Accepted): Leadership (x_2) significantly and positively affects entrepreneurial performance (y). Based on these data, it can be concluded that there is a significant and positive relationship between Business Experience (x_3) and Entrepreneurial Performance (y) with P-values of $0.000 < 0.05$. H3 (Accepted): Business Experience (x_3) has a considerable and favorable impact on Entrepreneurial Performance (y).

According to the data, there is a negative and insignificant relationship between Self Efficacy (x_1) and Innovative Behavior (z), with P-values of $0.142 > 0.05$ to indicate this. H4 (Rejected): The relationship between Self Efficacy (x_1)

and Innovative Behavior (z) is not good and can be ignored. The effect between Leadership (x2) and Innovative Behavior (z) is shown to have P-values of $0.000 < 0.05$, indicating a statistically significant and favorable relationship. H5 (Accepted): Leadership (x2) significantly and positively influences Innovative Behavior (z).

The effect of business experience (x3) on innovative behavior (z) is shown to have P-values of $0.000 < 0.05$, indicating a significant and positive relationship between the two variables. H6 (Accepted): Business Experience (x3) has a substantial and favorable impact on Innovative Behavior (z). The findings show a positive and significant relationship between Innovative Behavior (z) and Entrepreneurial Performance (y), with P-values of $0.000 < 0.05$. H7 (Accepted): Innovative Behavior (z) significantly and positively affects Entrepreneurial Performance (y).

B. Indirect Effect Test

The amount of impact provided by the mediating variable is known as the indirect effect. The direct impact of the independent variable on the mediating variable multiplied by the direct impact of the mediating variable on the dependent variable will produce the amount of indirect effect. This amount can be calculated for both the independent variable and the mediating variable. This explains the P-values of $0.153 < 0.05$ for the relationship between Self Efficacy (x1) and Innovative Behavior (z), which indicates that Self Efficacy (x1) has a negative and negligible effect on Entrepreneurial Performance (y) through Innovative Behavior (z). H8 (Rejected): There is no relationship between Self Efficacy (x1) and Entrepreneurial Performance (y) through Innovative Behavior (z).

The relationship between Leadership (x2) and Innovative Behavior (z) has a significant and positive impact on Entrepreneurial Performance (y) through Innovative Behavior (z), as indicated by P-values of $0.001 < 0.05$. H9 (Accepted): Through innovative behavior (z), leadership (x2) significantly and positively affects entrepreneurial performance (y). In addition, P-values of $0.005 < 0.05$ indicate a positive and significant influence between Business Experience (x3) and Entrepreneurial Performance (y) through Innovative Behavior (z). This indicates that there is a favorable relationship between the two. H10 (Accepted): Through innovative behavior (z), business experience (x3) has a beneficial and significant influence on entrepreneurial performance (y).

DISCUSSION

The Effect of Self Efficacy (x1) on Entrepreneurial Performance (y) on Members of the Branch Management Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The findings of hypothesis testing show that there is a substantial and positive relationship between the Self Efficacy variable and Entrepreneurial Performance. The path coefficient value (original sample) of 0.683, with a significant value of $0.000 < 0.05$, provides evidence of this. He/she will do careful planning in operating the company and affect performance if he/she has strong beliefs and skills.

HIPMI members need high self-confidence, quick decision-making, and unique thinking to succeed in their business. They exhibit positive entrepreneurial behavior, conduct business with integrity, and have confidence in completing tasks or facing challenges. Confidence and strong self-confidence increase entrepreneurial dedication and goal achievement.

The Effect of Leadership (x2) on Entrepreneurial Performance (y) on Members of the Executive Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The findings of the hypothesis test show that there is a significant and positive relationship between the Leadership variable and entrepreneurial performance. The path coefficient value (original sample) of 0.550, with a significant value of $0.000 < 0.05$, provides evidence of this. Employee performance and leadership have a close relationship. Employee performance is not only shown by the ability of a leader but also by how well they manage, inspire and influence other employees to achieve company goals. The respondents who agreed demonstrated high self-confidence, a strong belief in business problem solving, and a belief in planning and growth. They often have previous business experience and clear goals, which demonstrate their ability to overcome challenges and succeed in their business.

The Effect of Business Experience (x3) on Entrepreneurial Performance (y) on Members of the Executive Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The Business Experience variable has a positive and significant effect on Entrepreneurial Performance, according to the results of hypothesis testing. The path coefficient value (original sample) of 0.479, with a significant value of $0.000 < 0.05$, provides evidence of this. Work experience, which is determined by one's tenure, allows them to master their knowledge and complete projects on time. HIMMI members have entrepreneurial skills, high salesmanship and selling ability, a responsible attitude towards employers, government, society, and workers, which promotes business growth and success.

The Effect of Self Efficacy (x1) on Innovative Behavior (z) in Members of the Executive Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City.

The findings of the hypothesis test show that Innovative Behavior is negatively and insignificantly influenced by the Self Efficacy variable. The path coefficient value (original sample) of -0.196, with a significant value of 0.142 < 0.05 , is evidence of this. Undoubtedly, every organization needs leaders who can inspire workers, help solve problems for their followers, and develop and implement visions and goals. Every individual in a company must have creative ideas to develop new strategies to achieve organizational goals.

Entrepreneurs in the HIPMI network believe that perseverance and hard work are the keys to exploring new business opportunities. They realize the competitive nature of the business world and the importance of setting sales targets for strategic decision-making and corporate planning. They also monitor

the development of the company and competitors, in line with Salanova's research on innovative behavior.

The Effect of Leadership (x2) on Innovative Behavior (z) in Members of the Executive Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The findings of the hypothesis test show that Innovative Behavior is positively and significantly influenced by the Leadership variable. The path coefficient value (original sample) of 0.779, with a significant value of $0.000 < 0.05$, proves this. HIPMI business owners realize the need for skill development and training in entrepreneurship. This entrepreneurship training provides valuable insights into business principles, management, and marketing, as well as networking opportunities for business owners and professionals. Sales targets, according to HIPMI members, are critical to business success, providing focus, motivation, and performance measurement.

The Effect of Business Experience (x3) on Innovative Behavior (z) in Members of the Branch Management Board of the Indonesian Young Entrepreneurs Association (Hipmi) in Medan City

The findings of the hypothesis test show that Innovative Behavior is positively and significantly influenced by the Business Experience variable. The path coefficient value (original sample) of 0.295, with a significant value of $0.000 < 0.05$, proves this. Work Experience: A person's tenure can be used to measure the extent of his knowledge and ability to do his job. HIPMI business owners must demonstrate accountability, curiosity, problem-solving, and risk-taking qualities. They must be aware of market trends and technical advancements to create relevant products, which can potentially increase sales turnover. Entrepreneurs must be brave, willing to take risks, and have an unyielding mindset.

The Effect of Innovative Behavior (z) on Entrepreneurial Performance (y) in Members of the Branch Management Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The results of hypothesis testing show that there is a positive and statistically significant relationship between the Innovative Behavior variable and Entrepreneurial Performance. The path coefficient value (original sample) of 0.398, with a significant value of $0.000 < 0.05$, proves this. Innovation refers to the capacity of SMEs to continuously develop and update existing product lines, introduce new products, and create copycat products while maintaining their unique qualities. Product innovation is crucial to a company's success, especially for SMEs. HIPMI members believe in their ability to create innovative products, and their market understanding helps them identify market gaps and create products that meet people's needs, thus increasing their market share.

The Effect of Self Efficacy (x1) on Entrepreneurial Performance (y) Through Innovative Behavior (z) in Members of the Branch Management Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The results of hypothesis testing show that there is an insignificant and negative relationship between the Self Efficacy variable and Innovative Behavior, which leads to entrepreneurial performance. The path coefficient value (original sample) of -0.078, with a significant value of $0.153 > 0.05$, provides evidence for this. The capacity to persuade others to perform tasks to the best of their ability is known as leadership. Entrepreneurs in HIPMI organization should be able to respond quickly to their customers, as this is very important to maintain customer satisfaction. In addition, satisfied customers are more likely to stay, make additional purchases, and refer other businesses to others.

The Effect of Leadership (x2) on Entrepreneurial Performance (y) Through Innovative Behavior (z) on Members of the Branch Management Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The findings of the hypothesis test show that the Leadership variable significantly and positively affects Entrepreneurial Performance through Innovative Behavior. The path coefficient value (original sample) of 0.310, with a significant value of $0.001 < 0.05$, provides evidence for this. As HIPMI entrepreneurs have a thorough awareness of the needs, preferences, and market trends of their respondents, they are able to create products tailored to the tastes of their target market. By creating products that meet consumer demands, they are able to uphold customer satisfaction, establish lasting bonds with their clients, and succeed in business.

Aside from keeping up with current technological developments to ensure that their businesses are not left behind and continue to grow, HIPMI members also realize the tremendous opportunities that come with implementing digital (online) marketing and sales. Digital (online) marketing can also reach a wider market share and generate greater financial returns.

The Effect of Business Experience (x3) on Entrepreneurial Performance (y) Through Innovative Behavior (z) on Members of the Executive Board of the Indonesian Young Entrepreneurs Association (Hipmi) Medan City

The Business Experience variable has a positive and significant effect on Entrepreneurial Performance through Innovative Behavior, according to the results of hypothesis testing. The path coefficient value (original sample) of 0.117, with a significant value of $0.005 < 0.05$, provides evidence of this. Entrepreneurial experience significantly impacts business development, with more experience will result in better business outcomes, while less experience will reduce the likelihood of business growth. HIPMI entrepreneurs realize the benefits of digital marketing, keeping up with technology, and expanding market share. They value employee welfare, as this increases productivity and job satisfaction. HIPMI members understand consumer preferences and design trends, enabling them to create attractive designs that add value, increase product appeal, and differentiate the company from competitors.

CONCLUSIONS AND RECOMMENDATIONS

Based on the research results, it can be concluded that Self Efficacy has a positive and significant effect on Entrepreneurial Performance at BPC Hipmi Kota Medan, Leadership has a positive and significant effect on Entrepreneurial Performance at BPC Hipmi Kota Medan, Business Experience has a positive and significant effect on Entrepreneurial Performance at BPC Hipmi Kota Medan, Self-Efficacy has a negative and insignificant effect on Innovative Behavior at BPC Hipmi Kota Medan, Leadership has a positive and significant effect on Innovative Behavior at BPC Hipmi Kota Medan, Business Experience has a positive and significant effect on Innovative Behavior at BPC Hipmi Kota Medan, Innovative Behavior has a positive and significant effect on Entrepreneurial Performance at BPC Hipmi Kota Medan, Self-Efficacy has a negative and insignificant effect on Entrepreneurial Performance through Innovative Behavior at BPC Hipmi Kota Medan, Leadership has a positive and significant effect on Entrepreneurial Performance through Innovative Behavior at BPC Hipmi Kota Medan, and Business Experience has a positive and significant effect on Entrepreneurial Performance through Innovative Behavior at BPC Hipmi Kota Medan.

FURTHER STUDY

This study shows that entrepreneurs in HIPMI Medan City must have high self-efficacy, use digital technology for innovation, and develop creative ideas. Leadership is essential to coordinate business goals, improve performance quality, and accept criticism to sustain the market and maintain market share.

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