

THE IMPACT OF *PENTHA HELIX* AND HUMAN CAPITAL ON BUSINESS PERFORMANCE AND COMPETITIVE ADVANTAGE OF THE CREATIVE INDUSTRY IN BURU REGENCY, INDONESIA

TRI WAHYUNINGSIH

Universitas Iqra Buru, Indonesia. Email: wahyu040578@gmail.com

Abstract

Although the creative industry plays a significant role in economic development, creative economy entrepreneurs continue to encounter numerous challenges in terms of business development and sustainability. The purpose of this study is to (a) determine the impact of academics, government, the private sector, society, media, and human capital on the business performance and competitive advantage of creative industries in Buru Regency and (b) determine the impact of business performance on the competitive advantage of the creative industry in Buru Regency. This study employs a quantitative method with a population of creative industry owners from Buru Regency, Maluku, Indonesia. Data analysis uses Structural Equation Modeling Partial Least Squares (SEM-PLS) to identify creative industry actors in the craft, culinary, and performing arts industries. The results of this study suggest that: (a) academia and government have a considerable and favorable influence on the commercial performance and competitive advantage of creative sectors; (b) the private sector, society/community, and media have no substantial impact, but the direction is favorable on the business performance of the creative industry, whereas it has a significant and positive influence on the creative industry's competitive edge; (c) Human capital has a significant and positive effect on creative industry business performance but does not have a significant and positive effect on competitive advantage; (d) academics, government, private sector, media, and human capital have a significant and positive influence on the competitive advantage of the creative industry in Buru Regency through business performance; (e) society has no significant influence but has a positive direction; Thus, the creative industry in Buru Regency requires: (a) developing innovative business models and increasing access to financing for the developing creative industry in order to increase the role of entrepreneurs and the community in the development of the creative industry; and (b) increasing the human capital of creative economy business actors by developing knowledge and skills, such as increasing business actors' digital literacy. Regional governments may boost relationship facilitation by organizing business meetings for creative economy players, developing investment partnerships, and production and marketing collaborations. (c) *Pentha Helix* stakeholders (government, corporate sector, universities, society/community, and media) are projected to play an increasingly important role in stimulating the growth and development of the creative industry.

Keywords: Creative Industry, *Penta Helix*, Human Capital, Business Performance, and Competitive Advantage

INTRODUCTION

In the 1990s, a new economic age that stressed information and creativity, known as the Creative Economy, was headed by the Creative Industry. Figure 1 shows a wave pattern. The creative economy includes strategic values that include making a significant economic contribution, establishing a favorable business climate, raising the nation's image and identity, using renewable resources, stimulating innovation, and having beneficial social consequences [1-2]. Based on the statistics in Table 1, the GRDP contribution from other service sectors (arts, entertainment, and leisure activities are included in this category) in Buru Regency is relatively minimum compared to other sectors. The creative industry's tiny contribution to Buru Regency's

GRDP is accompanied by annual growth in the impoverished population, as seen in Table 2. It suggests that economic growth in Buru Regency still needs to be inclusive, as it has not resulted in poverty reduction.



Figure 1: Depicts the shifting orientation of economic waves

The creative economy includes strategic values that include making a significant economic contribution, establishing a favorable business climate, raising the nation's image and identity, using renewable resources, stimulating innovation, and having beneficial social consequences [3]. Based on the statistics in Table 1, the GRDP contribution from other service sectors (arts, entertainment, and leisure activities are included in this category) in Buru Regency is relatively minimal compared to other sectors. The limited contribution of creative industries to Buru Regency's GRDP is accompanied by annual growth in the impoverished population, as shown in Table 2.

Table 1: Percentage Distribution of Buru Regency GRDP Based on Current Prices by Business Fields 2017-2021 [4]

Industry		2017	2018	2019	2020	2021
A	Agriculture, Forestry and Fishing	38,14	33,96	33,78	34,35	32,73
B	Mining and Quarrying	0,83	0,80	0,78	0,78	0,78
C	Manufacturing	14,86	15,18	15,17	14,56	14,33
D	Electricity and gas	0,08	0,08	0,08	0,08	0,09
E	Water supply, Saverage, Waste Management and Remediation Activities	0,37	0,37	0,37	0,38	0,38
F	Construction	7,48	7,48	7,63	7,71	8,22
G	Wholesale and retail trade, repair of motor vehicles and motorcycles	6,79	6,81	6,90	6,75	7,11
H	Transportation and Storage	3,01	3,12	3,11	2,77	2,82
I	Accommodation and food service activities	1,33	1,29	1,29	1,21	1,21
J	Information and Comunication	1,16	1,15	1,14	1,17	1,20
K	Financial and Insurance Activities	1,80	1,84	1,81	1,95	2,07
L	Real Estate Activities	0,40	0,38	0,36	0,36	0,35
M, N	Business Activities	0,11	0,11	0,11	0,11	0,11
O	Public Administration and Defence, Compulsory social security	17,98	17,96	17,95	18,11	18,77
P	Education	4,39	4,38	4,26	4,29	4,27
Q	Human health and social work activities	3,65	3,62	3,65	3,86	4,00
R,S,T,U	Other service activities	1,62	1,58	1,59	1,57	1,56
Gross Regional Domestic Product		100	100	100	100	100

It suggests that economic growth in Buru Regency still needs to be inclusive, as it has not resulted in poverty reduction. The Inclusive Economic Development Index in Buru Regency fluctuated, reaching 4.93 in 2017-2018, 5.06 in 2019, 4.84 in 2020, and 4.98 in 2021 [3]. This figure needs to be higher when compared to other districts in Maluku.

Table 2: Number of Poor Population by Regency/City in Maluku Province (thousands), 2017-2021 [5]

Regency / Municipality	2017	2018	2019	2020	2021
Regency					
Maluku Tenggara Barat	30.67	31.53	30.76	30.74	30.70
Maluku Tenggara	23.69	23.16	22.69	22.59	22.89
Maluku Tengah	78.72	74.85	74.80	74.18	74.59
Buru	23.44	23.62	23.89	24.42	25.23
Kepulauan Aru	25.37	26.68	25.62	25.45	25.11
Seram Bagian Barat	43.44	43.77	43.14	43.15	43.72
Seram Bagian Timur	26.23	26.64	26.44	26.69	26.41
Maluku Barat Daya	21.94	21.98	21.49	21.37	21.74
Buru Selatan	10.28	10.12	10.17	10.07	9.99
Municipality					
Ambon	19.64	21.61	21.66	22.15	23.67
Tual	17.09	17.13	17.03	17.36	17.76
Maluku	320.51	320.08	317.69	318.19	321.81

Based on the facts above, the economic circumstances in Buru Regency are not yet entirely conducive to economic growth. To establish an inclusive creative economy in the tourist industry in Buru Regency, the government must work with other stakeholders or use collaborative governance in the form of the *penta helix* model. Thus, research is required to establish conditions more conducive to growing an inclusive creative economy in Buru Regency. This study focused on the craft, performing arts, and culinary sub-sectors since they are the most prominent and developing in Buru Regency. Based on the facts above, the economic circumstances in Buru Regency are not yet entirely conducive to economic growth. To establish an inclusive creative economy in the tourist industry in Buru Regency, the government must work with other stakeholders or use collaborative governance in the form of the *penta helix* model. Thus, research is required to establish conditions more conducive to growing an inclusive creative economy in Buru Regency. This study focused on the craft, performing arts, and culinary sub-sectors since they are the most prominent and developing in Buru Regency. The potential for the growth of creative industries in all three sub-sectors remains high, thanks to the rapid expansion of tourism in Buru Regency. Thus, the goal of this study is to determine the role of the *penta helix* elements (academics, government, private sector, society, and media) and human capital in business performance and competitive advantage of the creative industry, as well as the influence of business performance on competitive advantage in Buru Regency.

METHODS

The Partial Least Squares (PLS) analytical approach is utilized to identify the elements influencing company performance and competitive advantage in Buru Regency's creative sector. The Academic markers include mentorship, managerial ideas, and networking. Government indicators include government rules, laws, and policies. Private indicators include collaboration, protection, and business climate. Civil society indicators include prospective users, culture, and communication media. Media indicators include reach, accessibility, frequency of usage, length of use, and content. Human capital indicators include education, skills, knowledge, motivation, leadership, innovation, and creativity. Business performance indicators include input costs, earnings, work quality, production, product innovation, risk minimization, and goal achievement. Competitive advantage indicators include product pricing, uniqueness, technological mastery, human resource responsibility, sensitivity, product quality, and innovation speed. The model is depicted in Figure 2.

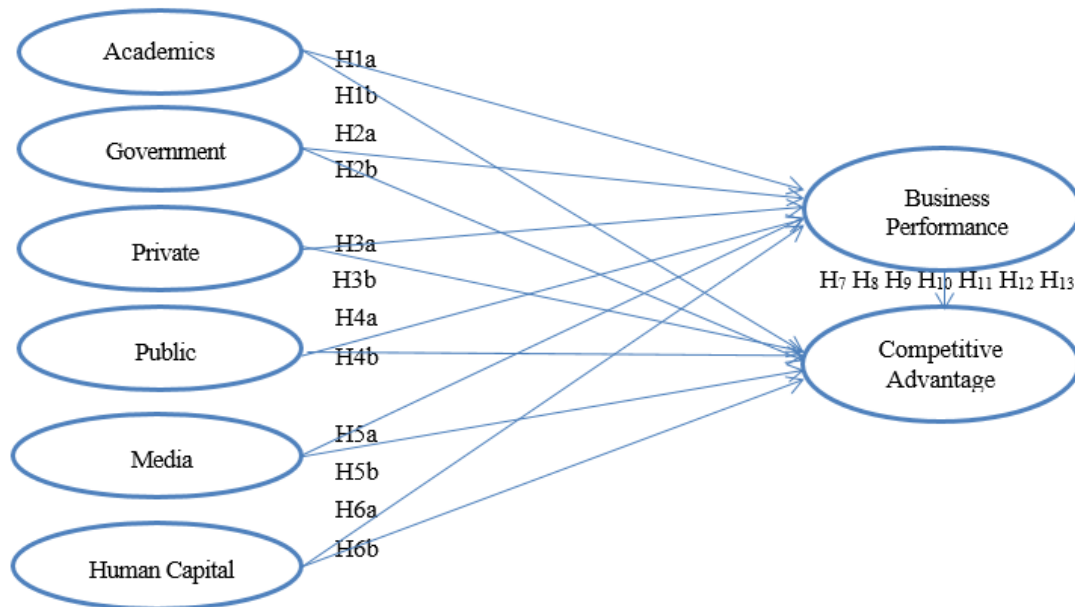


Figure 2: Research Path Diagram

RESULTS ANALYSIS AND DISCUSSIONS

Evaluation of the Measurement Model (Outer Model) and the Structural Model (Inner Model)

Based on the data processing results, all indicators for each variable have a loading factor value greater than 0.5, implying that all indicators fulfill the criteria for convergent validity. All constructs in the model have a Cronbach's Alpha value greater than 0.70, indicating that all constructs are trustworthy. In this study, the competitive advantage variable's R-squared (R²) value is 0.598. This number demonstrates that academic, government, private, community,

media, human capital, and business performance factors all affect competitive advantage by 59.8%. This number indicates that the model in this study meets the moderate criterion since the value of 0.598 is similar to that of 0.33. In this study model, the GoF value is derived using the square root of the average communality index and average R-squares values [6].

$$GoF = \sqrt{Com \times R^2}$$

$$GoF = \sqrt{0,650 \times 0,598}$$

$$GoF = 0,623$$

Based on the preceding computations, a GoF value of 0.623 may be calculated, indicating that the model in this study meets the Large GoF requirements. The link between the effect of exogenous factors and endogenous variables is shown in Table 3.

Table 3: Results of Bootstrapping Calculation for Research Data

Hypothesis	Construct	Original Sample Estimate	Sample	Standard Deviation	t Statistic	P-Values	Remark
<i>Direct Effect</i>							
H1a	X1 → Z	0,256	0,061	0,138	1,995	0,034	Significant
H1b	X1 → Y	0,208	0,119	0,108	1,990	0,047	Significant
H2a	X2 → Z	0,223	0,042	0,108	2,079	0,029	Significant
H2b	X2 → Y	0,206	0,207	0,115	1,991	0,036	Signifikant
H3a	X3 → Z	0,035	0,047	0,153	0,235	0,795	Not Significant
H3b	X3 → Y	0,253	0,209	0,162	2,012	0,042	Significant
H4a	X4 → Z	0,091	0,090	0,165	0,627	0,507	Not Significant
H4b	X4 → Y	0,305	0,025	0,128	2,161	0,042	Significant
H5a	X5 → Z	0,286	0,254	0,163	1,782	0,075	Not Significant
H5b	X5 → Y	0,255	0,292	0,160	2,690	0,008	Significant
H6a	X6 → Z	0,364	0,394	0,119	3,161	0,007	Significant
H6b	X6 → Y	0,179	0,186	0,143	1,452	0,193	Not Significant
H7	Z → Y	0,261	0,252	0,106	2,782	0,009	Significant
<i>Indirect Effect</i>							
H8	X1→Z→Y	0,064	0,042	0,081	2,093	0,042	Signifikan
H9	X2→Z→Y	0,078	0,065	0,073	2,144	0,040	Signifikan
H10	X3→Z→Y	0,199	0,076	0,054	2,016	0,048	Signifikan
H11	X4→Z→Y	0,078	0,079	0,080	1,372	0,259	Tidak Signifikan
H12	X5→Z→Y	0,084	0,093	0,066	1,989	0,038	Signifikan
H13	X6→Z→Y	0,095	0,056	0,056	2,190	0,032	Signifikan

Source: Primary data processing results, 2023

Factors Impacting the Development of an Inclusive Creative Economy in Buru Regency

1. Direct Effect of Variables

- a. Academics substantially impact the creative sector company's success in Buru Regency (H1a)

The SEM PLS estimation results show that hypothesis 1a is accepted, implying that academics significantly impact the business performance of creative industries in Buru Regency and that the relationship between academic variables and business performance is positive. Increasing the role of academics in promoting creative industries will benefit Buru Regency's financial success. Academics contribute to knowledge creation and developing competent, creative resources, allowing economic knowledge to grow. Thus, our study is consistent with prior research done by Halibas, Sibayan, and Maata [7], which found that universities and research institutions play a significant role in developing the creative economy by building a knowledge-based society. In addition, academics teach students to think critically, develop abilities, and generate knowledge and skills that are inventive, ambitious, and entrepreneurial [8].

- b. Academics considerably influence the competitive advantage of creative industries in Buru Regency (H1b)

The SEM PLS estimation results indicate that Hypothesis 1b is accepted, implying that academics significantly influence the creative industry's competitive advantage in Buru Regency and that the relationship between academic variables and competitive advantage is positive. It indicates that when academics play a more significant role in creating a creative economy in the tourist sector, the creative industry in Buru Regency will gain a competitive edge. This study's findings reflect prior research, which found that intellectuals may organize society to improve creativity, ideas, and skills [9]. Higher education (intellectual) is essential in fostering innovation and technology transfer [9]. Intellectual capital can improve innovation capacity [10]. Universities, like industry and government, play a vital role in societal innovation [11].

- c. The government has a substantial impact on the commercial success of the creative industries in Buru Regency (H2a)

The SEM PLS estimates findings indicate that Hypothesis 2a is accepted, implying that the government strongly affects creative sector business success in Buru Regency and that the link between government variables and company performance is positive. The government's significant participation may boost the business performance of creative sector firms in Buru Regency. The findings of this study are consistent with and enhance prior research by Jasra et al. [12], which indicated that government support had a favorable and substantial influence on company performance. Entrepreneurs still need to be satisfied with government support. Thus, the government must play an essential role in establishing a friendly atmosphere and creating a favorable climate. According to Sathe (2006) [13], government rules and bureaucratic procedures may inhibit and promote new firms' entrepreneurial operations. On the one hand, the government can develop policies that encourage and support the development of new

technology, products, and solutions; on the other hand, the government can impede the performance of SMEs by enacting policies that limit autonomy and entrepreneurial freedom, particularly for businesses with poor growth and environmental performance. Very lively.

- d. The government has a considerable impact on the competitive advantage of creative industries in Buru Regency (H2b)

The SEM PLS estimates findings indicate that Hypothesis 2b is accepted, implying that the government strongly affects the quality of the creative industry in Buru Regency and that the link between government variables and excellence is positive. It demonstrates that increasing the government's engagement will improve the competitiveness of creative sector company operators in Buru Regency. These findings back with a prior study [14], which found that for creative economy enterprises in Indonesia to obtain a competitive edge, the government must also play a role in company growth and strategic partnerships. According to several claims in the literature, the role of the government in maintaining a favorable atmosphere helps SMEs function efficiently and economically through various economic measures. Regarding economic growth, the government must make particular efforts to establish favorable conditions for the advancement of SMEs to generate chances to form diverse economic and commercial sectors [15].

- e. The private sector considerably influences the creative industry business success in Buru Regency (H3a)

The SEM PLS estimation results indicate that Hypothesis 3a is rejected, implying that the private sector has no significant influence on creative industry business performance in Buru Regency and that the relationship between private variables and business performance is positive. It demonstrates that increasing the involvement of creative sector business people in Buru Regency will boost their performance. Those participating in the Creative Economy development initiative include Buru Regency's creative industry players and numerous young communities. Creative industry actors play an important role as strategic determinants in company development since they are essential components of the creative economy. These creative industry actors are the primary entities driving the development of Buru Regency's Creative Economy since they operate the economy through the firms they own. The inventiveness of creative sector players is the primary capital and selling point of what they offer.

- f. The private sector considerably impacts the competitive advantage of creative industries in Buru Regency (H3b)

The SEM PLS estimation results show that Hypothesis 3b is accepted, implying that the private sector significantly impacts the creative industry's competitive advantage in Buru Regency and that the relationship between private variables and competitive advantage is positive. It demonstrates that as the private sector's participation in the creative business grows, so will the competitive advantage of Buru Regency's creative goods. The private sector/business functions as a business player, investor, inventor of new technology, and consumer of the creative industry, all of which contribute to the industry's sustainability. This function may be

accomplished by creating creative products and services, new markets that can absorb the items generated, and creating jobs for creative persons, communities, and creative businesses, specifically as a driver of public space development.

The findings of this study are consistent with those mentioned by Aang Curatman et al. [16], who stated that if a firm wants a competitive edge, it may do so through innovation efforts for the items it produces. Aside from that, Sunyoto [17] feels that the capacity to produce product innovation is a critical and strategic source of competitiveness for gaining a competitive edge. According to Martim de Conto et al. [18], business actors with a competitive edge must be creative and inventive thinkers. The study's findings back with prior research, which found that organizations needing more creativity and innovation will struggle to compete and thrive in an era of increased competition [19]. Muthami Kising et al. [20] found that organizational, product, administrative, and process innovation are vital in maintaining Kenyan institutions' competitive edge.

g. Society/community considerably affects the creative sector company success in Buru Regency (H4a)

The SEM PLS estimation results show that Hypothesis 4a is rejected, implying that society has no significant influence on creative industry business performance in Buru Regency and indicating that the relationship between community variables and business performance is positive. It demonstrates that if society/community plays an integral part in developing creative industries, creative industry goods in the tourist sector will grow/increase. Because few creative economy communities have been founded in Buru Regency, the creative economy society/community has yet to significantly influence creative economy firms' performance.

h. Society/community considerably affects the competitive advantage of creative industries in Buru Regency (H4b)

The SEM PLS estimation results show that Hypothesis 4b is accepted, implying that society significantly impacts the creative industry's competitive advantage in Buru Regency and that the relationship between community variables and competitive advantage is positive. It demonstrates that when society/community plays an integral part in the creative business, it increases the competitive advantage of creative industry goods in the tourist sector. The development of the creative economy in Buru Regency is inextricably linked to the social and cultural conditions of the supporting communities, including the presence of craft, performing arts, and culinary communities in the digital era, which will always be linked to society and the arts themselves. Communication occurs in this connection, as envisaged in a digital era social culture. Community communication activities aim to achieve common goals while maintaining social balance. Raymond Cattell defines *synergy* as a group's attempts to achieve goals; part of the energy is used to overcome work hurdles, while others are utilized to overcome interpersonal obstacles [21]. Symbolic interaction describes how social meaning emerges from encounters between individuals or groups with similar closeness and feelings, which can impact how someone acts and perceives reality [22].

- i. Media has a considerable influence on the creative sector company success in Buru Regency (H5a)

The SEM PLS estimation results conclude that Hypothesis 5a is rejected, indicating that the media has no significant influence on creative industry business performance in Buru Regency and that the relationship between media variables and business performance is positive. It indicates that as the media's involvement in the creative industry in the tourist sector grows, so will the creative industry's commercial performance in Buru Regency. The beneficial influence of media as a medium of information in the digital age has yet to be fully realized by creative economy businesses in Buru Regency. If it is used correctly, the feedback obtained by SMEs to grow their businesses with the assistance of the media and the other four players will be ideal. Social media plays an essential function in the digital era because it allows information to be communicated and accepted by the public quickly. According to Kotler and Keller [14], social media is essential in digital marketing. This is because social media allows users to exchange text, images, audio, and video content and vice versa. Media enables businesses to strengthen their communication efforts effectively while encouraging them to remain inventive.

- j. The media has a considerable impact on the competitive advantage of creative industries in Buru Regency (H5b)

The SEM PLS estimates findings suggest that Hypothesis 5b is accepted, implying that media has a considerable impact on the competitive advantage of the creative industry in Buru Regency and that the connection between media variables and competitive advantage is positive. If the media plays a vital role in the growth of creative industries, creative economy products will have a significant competitive advantage. Tiago and Veríssimo [23] found that the rise of online social networks contributes to changes in interaction patterns. This investigation validates their findings. Furthermore, Patrutiu-Baltes [24] affirmed that the digitization of company communications resulted in the use of marketing techniques such as social networks, blogs, webinars, and online competitions. Marketers incorporate digitalization into the marketing process by employing online communication channels such as search engine marketing, affiliate marketing, and advertising. These engage web users on third-party sites and encourage potential customers to visit company websites or purchase through traditional channels. According to Suhaeni [25], a competitive advantage can be gained if customers obtain consistent differences in the essential attributes of the products produced compared to their competitors, where these differences are a direct result of the producer's capability gap.

- k. Human capital substantially influences the creative sector company success in Buru Regency (H6a).

The SEM PLS estimation results in Table 1 indicate that Hypothesis 6a is accepted, implying that human capital significantly influences creative industry business performance in Buru Regency and that the relationship between human capital variables and business performance is positive. It demonstrates that as the creative industry's human capital increases, so will its business success. This study lends credence to the work of Asiaei et al. [50], Cisneros &

Hernandez-Perlines [26], and Cleary & Quinn [27]. The study's findings indicate that intellectual capital has a positive and significant impact on business performance because, in a dynamic and highly competitive business environment, human resources play an essential role in preserving implicit and explicit knowledge and can generate valuable knowledge for an organization. Various studies indicate diverse outcomes about the impact of intellectual capital on corporate success. Mention & Bontis [28]; Tehseen et al., [29] because, in other cases, management may not be interested in encouraging employees to acquire knowledge, and this result can be attributed to the company's lack of absorptive capacity for knowledge and technology use through human capital, structural capital, and relationship capital.

Chahal, Jyoti, and Rani [30] performed a study in North India and found that high-performing human resource strategies had a favorable and direct impact on corporate performance. Jogaratnam's [31] research in the United States demonstrates that human capital has a favorable and direct impact on firm success. Han and Li [32] performed a study to examine the link between intellectual capital and company performance and identify boundary conditions and relationship mechanisms from the perspective of knowledge-based dynamic capacities.

Some research undertaken by various specialists has demonstrated that human capital does not affect corporate success. Rompho [33] studied Thailand and found that human capital does not directly impact financial success. Scafarto, Ricci, and Scafarto [34] performed research in the agricultural industry in numerous nations and discovered that human capital had no direct bearing on corporate performance. Cabrillo and Dahms [35] in Serbia demonstrated that human capital does not directly impact does not directly impact innovation performance. In the UK, Zhao and Thompson in Tjahjadi et al. [36] discovered that small and medium-sized firms (SMEs) that make profits are more likely to invest in management human resources. Seclen-Luna, Opazo-Basáez, Narvaiza, and Moya Fernández [37] found that the impact of human capital on labor productivity varies by firm size. The link between human capital and corporate performance will improve as companies grow.

1. Human capital has a substantial impact on the competitive advantage of creative businesses in Buru Regency (H6b)

The SEM PLS estimation results show that Hypothesis 6b is rejected, indicating that human capital has no significant influence on the competitive advantage of the creative industry in Buru Regency and that the relationship between human capital variables and competitive advantage is positive. This suggests that as human capital in growing creative sectors rises, so will the competitiveness of creative economy products. Various studies demonstrate the importance of increasing resources through a strategic approach, consistent with the resource-based view theory, which states that differences in performance between companies are caused by differences in competing companies' resource architectures and how these resources are used [38]. Intellectual capital is becoming a crucial competitive force for businesses and organizations despite its intangible character. Numerous academics believe intellectual capital can potentially increase corporate value in this scenario. Intellectual capital comprises numerous factors, including human and structural capital. The first is the outcome of personnel qualities such as competence, dedication, and motivation.

In contrast, the second is caused by the corporate structure, specifically inventive, relational, and organizational capital [39]. The stronger the intellectual capital. Moreover, innovation will boost competitiveness [40]. Network ties that combine information, skills, and resources can provide a competitive advantage through specialization, collaboration, and improved flexibility [41]. The utilization of information technology will result in a robust communication network between global logistics businesses and clients, providing a competitive advantage [42].

m. Business performance has a substantial impact on the competitive advantage of creative industries in Buru Regency (H7)

The SEM PLS estimation results show that Hypothesis 7 is accepted, implying that business performance significantly impacts the creative industry's competitive advantage in Buru Regency and that the relationship between business performance variables and competitive advantage is positive. It means that when the creative industry's business performance improves, so does its competitive edge. Creative industry company players in Buru Regency, despite their modest goods, have a competitive edge since they are always creative and inventive, developing something new and different in response to customer wants. These findings indicate that creative economy company actors employing distinctiveness, durability, imitability, and cost advantages will increase earnings, customers, market share, and sales. It is consistent with Porter's view [43] that a durable competitive advantage cannot be easily replicated, allowing a business to take and keep its position as a market leader.

2. Indirect Effect Between Variables.

a. Academics have a substantial impact on the competitive advantage of creative industries in Buru Regency via business performance (H8)

The SEM PLS estimation results indicate that Hypothesis 8 is accepted, implying that academics significantly influence the creative industry's competitive advantage in Buru Regency through business performance and that the relationship between academic variables and competitive advantage through business performance is positive. Universities/academics (intellectual) are essential in transmitting knowledge technology and intellectual capital for establishing new commercial firms [28]. Changes in consumer needs and desires to satisfy themselves will drive companies to innovate continuously to create products that meet consumer desires. It will result in collaboration between business actors and intellectuals to provide training and mentoring to improve business performance and competitive advantage.

b. The government has a considerable effect on the competitive edge of Buru Regency's creative industries through business performance (H9)

The SEM PLS estimation results indicate that Hypothesis 9 is accepted, implying that the government significantly influences the creative industry's competitive advantage in Buru Regency through business performance and that the relationship between government variables and competitive advantage through business performance is positive. The kind and scope of government policies affect performance. However, some studies in developing countries have government policies convey the perception of exploitation of MSMEs, connections, and

networks, which can act as a barrier to utilizing power and resources [31]. These findings are consistent with [32], who believe that government rules and bureaucratic procedures may impede and assist new firms' entrepreneurial efforts. Buru Regency's local government can develop policies promoting innovative technology, goods, and solutions. Conversely, local governments can stifle performance by enacting rules that impede autonomy and entrepreneurship, particularly for enterprises that are growing and operating in a fast-paced environment.

- c. The competitive advantage of Buru Regency's creative industries is significantly influenced by the private sector's business performance (H10)

The SEM PLS estimation results indicate that Hypothesis 10 is accepted, implying that the private sector significantly influences the creative industry's competitive advantage in Buru Regency through business performance and that the relationship between private variables and competitive advantage through business performance is positive. Innovation must always focus on generating something new to get a competitive edge. Entrepreneurs in the creative business rely increasingly on creative performance to provide aesthetic outcomes, enrich their ability and creativity, and combine their entrepreneurial and artistic orientations [35]. Ways to increase value (added value) and competitive advantage include developing products or services distinct from those existing in the current market and developing products or services to create new market potential.

CONCLUSIONS

Academics and the government significantly and favorably impact the commercial performance and competitiveness of creative industries in Buru Regency. The private sector, society/community, and media have no substantial influence, but the direction is favorable on the business performance of the creative industry in Buru Regency. The creative industry's competitive edge has a significant and positive impact. Human capital significantly and favorably impacts the creative industry's business success rather than on competitive advantage. Academics, government, the corporate sector, the media, and human capital all have a substantial and beneficial impact on the competitive edge of Buru Regency's creative industry through business performance. The community has little effect, although there is a good trend in the competitive advantage of the creative industry in Buru Regency as measured by company performance. Therefore, the creative industry in Buru Regency requires (1) developing innovative business models and increasing access to financing for the developing creative industry so that entrepreneurs and the community can play a more significant role in the development of the creative industry and (2) increasing the human capital of creative economy business actors through developing knowledge and skills such as increasing digital literacy. Regional governments can improve partnership facilitation by hosting business meetings for creative economy actors, developing investment partnerships, and forming production and marketing partnerships; (3) Pentha Helix stakeholders (government, private sector, universities, society/community, and media) are expected to play a more significant role in accelerating the growth and development of the creative industry.

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