

# Does Knowledge Sharing through Innovative Work Behavior Influence the Enhancement of Performance for Micro, Small, and Medium Enterprises (MSMEs)?

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## ABSTRACT

This research aims to explore the relationship between knowledge sharing, innovative work behavior, and the performance of Micro, Small, and Medium Enterprises (MSMEs) within the fashion cluster. Employing a quantitative approach, data was gathered from 152 MSMEs operating within the fashion cluster in Semarang Regency. The findings reveal that knowledge sharing significantly impacts both MSME performance and innovative work behavior. Additionally, innovative work behavior demonstrates a notable influence on MSME performance. Notably, the study identifies innovative work behavior as a mediator in the relationship between knowledge sharing and MSME performance. These insights offer valuable implications for MSMEs, governmental bodies, and other stakeholders, aiming to enhance the competitiveness and sustainability of MSMEs within the fashion industry.

**Keywords:** Knowledge Sharing, Innovative Work Behavior, MSME performance

## 1. INTRODUCTION

Modern organizations face more challenge complex, marked with exists novelty, wide reach, and high competitive fluctuations because environment business (Beliaeva et al., 2020). This underscores the need for collaborative efforts involving economic, social and environmental processes to achieve competitive advantage (Eller et al., 2020). Strategy that has mark and can become sustainable something need important For ensure continuity activity business in context period long And success performance (Anwar, 2018).

Business performance not only includes sales growth and number of customers, but also involves innovation processes, efficient use of resources, and operational sustainability (Chen et al., 2016). In a knowledge-driven economic era, the significance of intangible assets and capabilities becomes pivotal for companies to thrive amidst constant environmental shifts. (Subramaniam & Youndt, 2005). In this context, internal factors such as knowledge sharing and innovative work behavior play an important role in shaping performance.

Knowledge sharing can be explained as the process of interaction, communication, and coordination of knowledge or expertise among individuals within an organization. (Haas & Hansen, 2007). The effectiveness of knowledge sharing can improve knowledge-related competencies and organizational performance because it facilitates the exchange of relevant information, best practices, experiences, and learning, as well as increasing the efficiency of the process (Z. Wang & Wang, 2012). Through the knowledge sharing process, they can optimize the utilization of their collective knowledge and experience, which in turn can improve overall business performance (Doğan & Doğan, 2020). Research related to knowledge sharing affects performance, such as that done by Imamoglu et al., (2019); Setini et al., (2020); and Jilani et al., (2020). The findings of this study diverge from those of Saragih (2017), who concluded that knowledge sharing did not impact performance due to variations in information needs caused by job diversity.

Innovative individual work behavior is needed to generate new ideas, solve problems, and improve the quality of performance (Pian et al., 2019). In the development process business, innovation recognized as very activity important, not only For increase operation active but Also especially For increase mark business (Hoang & Ngoc, 2019). This is in line with research by Noraisah et al., (2021) which explains with exists behavior innovative in self someone who will increase performance. In contrast to Khodir & Makmur (2020), who asserted that innovative work behavior does not influence performance.

Innovative work behavior is also an important factor that mediates the relationship between knowledge sharing and MSME performance. By encouraging new ideas, creating creative solutions, and making positive contributions to the company, innovative work behavior opens up new opportunities in facing changing market challenges (Ma Prieto & Pilar Perez-Santana, 2014). Participate in exchange information, knowledge sharing is activity possible key for create superior performance with supported by contribution innovation (S. Wang & Noe, 2010).

The importance of knowledge sharing and innovative work behavior has been widely recognized, however there are still several obstacles faced by MSMEs, from limited human resources to a lack of technological knowledge, MSMEs often face challenges that limit their ability to innovate and compete in an increasingly tight market.

Study This expected can become A valuable contribution for various party related Micro, Small and Business Medium (MSME) in the fashion sector. With give outlook deep, hopefully results study this can become guide practical for domestic MSME players increase power competitive and continuity business. For the government and other stakeholders, the results of this research can be a basis for designing policies that support the growth and sustainability of MSMEs in the fashion sector. This can include training and mentoring programs, capital and market access facilities, as well as infrastructure development that supports the growth of MSMEs in the fashion industry.

## 2. LITERATURE REVIEW

### 2.1. MSME performance

Performance can explained as something encouragement And Skills individual in finish obligation or work (Manik & Syafrina, 2018). Chen et al., (2016) explained that MSME performance can be interpreted as a standard of achievement that must be obtained by an entrepreneur in managing and running his business which can be measured through a finance perspective which include income company , increase sales , turnover effort , and acquisition share market , perspective related customers with consumer , process perspective for evaluate how much good operational business they walking , and perspective learning and growth related with development motivating goals learning for employee and growth company . Thus, the performance of MSMEs is the outcomes of work that reflects the drive, individual skills and achievements of the company in achieving certain standards or values that are tailored to the role and goals of MSMEs.

### 2.2. Knowledge Sharing

Knowledge sharing is a behavior where individuals provide or disseminate knowledge to other members in the organization and this behavior provides a positive role in achieving performance (Henttonen et al., 2016) . When individuals demonstrate a willingness to assist one another in knowledge sharing, it leads to the generation of new ideas and enhancement of capabilities (Munir & Beh, 2019). Measurement of knowledge sharing according to Van Den Hooff & Ridder, (2004) includes knowledge donating and knowledge collecting. Knowledge donating with method communicate knowledge tell others what they have from personal intellectual capital a person, and knowledge collecting refers on consult with colleague Work For share information or owned intellectual capital.

Partogi & Tjahjawati (2019) emphasize that knowledge sharing stimulates individual creativity and effectiveness through the process of sharing and disseminating knowledge. Thus, knowledge sharing is a behavior where individuals spread knowledge to other members in the organization, which involves the process of giving and receiving information and ideas to improve collective performance and creativity.

### 2.3. Innovative Work Behavior

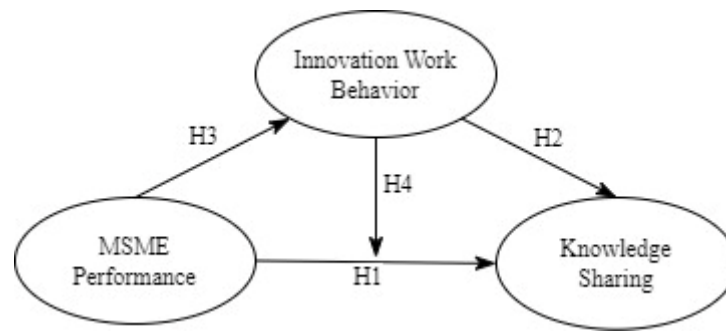
Innovative work behavior includes all physical and mental activities carried out by employees, both individually and in groups, in their work to achieve a series of tasks required to advance innovation (Safitri, 2020) . McGuirk et al., (2015) highlighted the importance of new ideas and innovative processes in improving organizational performance. Innovative work behavior consists of several indicators, including opportunity exportation, idea generation, idea championing, and idea application (De Jong & Hartog, 2008) . Thus, innovative work behavior is an activity carried out by individuals or groups, which aims to advance innovation in their work and improve overall organizational performance. Figure 1 shows the research framework used in this research.

H1: Knowledge sharing influences the MSME Performance

H2: Knowledge sharing influences innovative work behavior.

H3: Innovative work behavior influences the MSME Performance.

H4: Innovative work behavior can mediate knowledge sharing and MSME performance.



**Figure 1** Research framework

### 3. RESEARCH METHODS

This study employs a quantitative research approach designed to evaluate the proposed hypotheses. The research was conducted in the MSME fashion cluster in Semarang Regency with a population of 192 MSME actors, where the entire population was taken as a sample. Data was obtained through research instruments such as questionnaires, observations and interviews, as well as secondary data from related departments. The survey instrument utilizes a Likert scale ranging from 1 to 5 for measurable and systematic data, interviews for in-depth understanding of respondents, and observations to identify facts and problems in the field. The data analysis was conducted utilizing the Structural Equation Modeling (SEM) method, specifically Partial Least Squares (PLS), to examine the relationships among the variables outlined in the research hypothesis.

### 4. RESULTS AND DISCUSSION

Out of the total of 192 questionnaires distributed to respondents, 152 questionnaires were received back, while 40 questionnaires were not returned because some had moved from the cluster studied or the business was no longer operating. Therefore, data from 152 respondents who returned the questionnaire were used in this research.

PLS test results show that all variables meet the criteria for convergent and discriminant validity, as well as high reliability. Inner model testing shows a good fit with a Goodness of Fit (GoF) value of 0.584, which is in the strong category. Coefficient of determination shows that 42.1% of the variation in MSME performance and 17.3% of the variation in innovative work behavior can be elucidated by the independent variables within the model. Based on the results of data analysis, the path coefficient (direct influence) is obtained in Table 1:

**Table 1.** Path Coefficient Direct Effect

Variable	Original sample	T-statistics	P-values
Knowledge sharing → MSME performance	0.529	8,354	0,000
Knowledge sharing → Innovative work behavior	0.415	4,719	0,000
Innovative work behavior → MSME performance	0.215	2,547	0.011

Based on Table 1 can interpreted results test influence directly:

The original sample value is 0.529 and the t-statistic value is  $8.354 > 1.96$ , the first hypothesis which states which posits that knowledge sharing influences the performance of MSMEs **is accepted**. This indicates a direct impact of knowledge sharing on the performance of MSMEs. The practice of knowledge sharing, both through knowledge donating and collecting, enables business actors to increase operational efficiency, understand the market, and capture business opportunities thereby improving performance. An environment that encourages knowledge sharing can also create synergy, collaboration, innovation and better adaptation to market changes. This finding is consistent with previous research ( Imamoglu et al., 2019 ; Setini et al., 2020) this demonstrates a favorable correlation between knowledge sharing and MSME performance.

The original sample value is 0.415 and the t-statistic value is  $4.719 > 1.96$ , the second hypothesis which posits that knowledge sharing influences innovative work behavior **is accepted**. This shows that there is a direct influence of knowledge sharing on the innovative work behavior of business actors. The practice of knowledge sharing encourages

individuals and groups to create collaboration, discussion and broad insight, which stimulates creativity and innovation. This discovery aligns with prior studies ( Nguyen et al., 2020 ; Kmiecziak, 2020) which identified a relationship between knowledge sharing and innovative work behavior.

The original sample value is 0.215 and the t-statistic value is  $2.547 > 1.96$ , the third hypothesis which states that innovative work behavior influences the performance of MSMEs **is accepted**. This indicates that there is a direct influence of innovative work behavior on the performance of MSMEs. Innovative behavior, such as opportunity exploration, idea generation, idea championing, and idea application, contributes to improving MSME performance. Steps such as training, fairs and seminars from related parties can stimulate innovative work behavior of MSME players. This finding is in line with previous research ( Vasconcelos & Oliveria, 2018 ; Jankelová et al., 2021) which also shows a positive relationship between innovative work behavior and MSME performance.

Derived from the data analysis results, the path coefficient (indirect effect) in Table 2 is obtained as follows:

**Table 2.** Path Coefficient Indirect Effect

Variable	Original sample	T -statistics	P-values
Knowledge Sharing → Innovative work behavior → MSME Performance	0.089	2,405	0.016

Based on Table 2, results testing influence No direct (indirect effect) shows the original sample value is 0.089 and The t-statistic value is  $2.405 > 1.96$ . Based on findings, the hypothesis the fourth stated that innovative work behavior can mediate between the influence of knowledge sharing and MSME performance **is acceptable**. This matter show that innovative work behavior in a way no direct capable mediate connection between knowledge sharing and MSME performance. Innovative work behavior give contribution in push knowledge sharing practices of MSME actors to improve performance. Practice This trigger inspiration of ideas and shared solutions by fellow member community, fueling the creative process, and create momentum for the emergence of new ideas so that performance can be improved.

## 5. CONCLUSION

According to the analysis findings, this study indicates a favorable impact of knowledge sharing on both MSME performance and innovative work behavior. Furthermore, innovative work behavior positively influences MSME performance, and it acts as a mediator in the relationship between knowledge sharing and MSME performance. Suggestions for further research are to consider adding variables such as entrepreneurial leadership to study more broadly. Practically, MSME players are advised to improve knowledge sharing practices through establishing knowledge sharing communities, as well as increasing innovative work behavior by participating in entrepreneurship training and developing effective marketing strategies.

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