



## The Influence of Entrepreneurial Leadership, Self-Efficacy on Innovative Work Behavior of SMEs in Tangerang

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### **Abstract**

Leadership is very important in business because leadership can shape and influence work behavior and employee performance. Good leadership is formed from wise leaders in planning and solving problems that arise in the company. A good leadership is able to form and improve self-efficacy both individuals and teams to become the foundation of successful leadership, able to provide positive direction for employees and bring the company to success. This will be implemented through practical entrepreneurship leadership. This entrepreneurial leadership practice will affect many things, one of which is the innovative work of employees. Good and optimal work behavior, then you will get innovative and innovative work behavior in doing their work. To find out that, the study aims to determine the influence of entrepreneurial leadership practices and self-efficacy on innovative work behavior. Studied 90 SMEs located in Tangerang. Sample selection technique with convenience sampling. Data collection by distributing questionnaires. The analysis techniques SEM using smart PLS. The results showed that there was a positive and significant influence between entrepreneurial leadership on innovative work behavior; There is a positive and significant influence between self-efficacy on innovation work behavior.

**Keywords:** *Entrepreneurial Leadership; Self-Efficacy; Innovative Work Behavior*

### **Introduction**

Entrepreneurship is an absorption of two phrases, namely hero which means independent or male and business which means an activity that exerts energy and mind to achieve a goal (Kompas, 2018). Entrepreneurs also have a soul such as having a creative and courageous nature, having an ambitious and high spirit, able to analyze a problem well, having a leadership spirit that can make decisions with responsibility and responsibility, and totality to the entrepreneurship they run. Not all entrepreneurs have a leadership spirit, which can affect innovative work (Kasmir, 2016). Salsabila (2019) concluded that the

meaning of entrepreneurial leadership is the ability of an individual to lead a business, with creativity and innovation finding something new than before. Mrealize entrepreneurship that produces innovation and community happiness. Improve enthusiasm, behavior, and entrepreneurial skills. Innovative work behavior links employee activity and work outcomes, influencing innovation development (Messmann & Mulder, 2012). Innovative work behaviors include identifying and introducing new ideas, work processes, and new procedures for work (De Jong & Den Hartog, 20, 05).

Studies have shown that entrepreneurial leadership positively influences innovative employee behavior (Bagheri, 2017). Entrepreneurial leadership has a positive and significant influence on the innovation process (Fontana & Musa, 2017), moderated by the environment (Huang et al., 2014). Using a different perspective of leadership, Afsar (201-8) explains that leadership transformation influences innovative work behavior, and the climate for innovation moderates relationships. Chen (2007) examined the relationship between entrepreneurial leadership and innovative ability, and the results showed that high levels of entrepreneurial leadership and team creativity increased innovative ability. Several previous studies have examined the relationship between entrepreneurial leadership and innovative behavior. However, in general, research is conducted in medium and large enterprises. The study allows different findings in the context of Usaha Kecil Intermediate. This study examines the relationship between entrepreneurial leadership and innovative work behavior, as well as self-efficacy of innovative work behavior in the context of *small* and medium-sized service companies.

Chen, I.-S. (2016), Explaining self-efficacy is the result of the interaction between the external environment and a person's personal adjustment ability in the form of education and experience. The concept of creative self-efficacy is derived from the concept of belief in one's abilities in terms of knowledge (intelligence), skills and abilities necessary for creative effectiveness (Bandura in Jaiswhal & Dhar, 2015). People with low levels of self-efficacy tend to reduce their efforts or give up altogether, while those with high self-efficacy try harder to overcome challenges (Robbins and Judge, 2015). According to Bandura (201: 2), self-efficacy is an individual's belief in his ability to be able to control himself, and also to events that occur in the surrounding environment. According to Wirama & Wulanyani (2016), an individual can change life circumstances by changing from within himself first so that a good self-profile can increase self-efficacy.

Innovative work behaviors include identifying and introducing new ideas, work processes, and new procedures for work (De Jong & Den Hartog, 20,05). Studies have shown that entrepreneurial leadership positively influences innovative employee behavior (Bagheri, 2017). Entrepreneurial leadership has a positive and significant influence on the innovation process (Fontana & Musa, 2017), moderated by the environment (Huang et al., 2014). Using a different perspective of leadership, Afsar (201-8) explains that leadership transformation influences innovative work behavior, and the climate for innovation moderates relationships. Chen (2007) examined the relationship between entrepreneurial leadership and innovative ability, and the results showed that high levels of entrepreneurial leadership and team creativity increased innovative ability. Several previous studies have examined the relationship between entrepreneurial leadership and innovative behavior. However, in general, they are carried out in medium and large enterprises. Thus, allowing different findings in the context of small and medium enterprises. This study examines the relationship between entrepreneurial leadership and innovative work behavior in the context of small and medium-sized service companies.

For this reason, it examines whether the influence of entrepreneurial leadership practices, creativity, self-efficacy affects innovative performance behavior in a company. How the influence of these variations on company performance. This research is expected to help company leaders (CEOs) in implementing the practice of Entrepreneurial Leadership. This study aims to determine the influence of entrepreneurial leadership practices, on innovative work behavior, the influence of self-efficacy on innovative work behavior in an SME.

### **Literature Review**

In today's entrepreneurial world, leadership is becoming increasingly important to businesses. Business people must pay attention to leadership to achieve their goals and ensure the continuity of their work. Leadership is generally defined as the process of influencing employees of an organization to achieve organizational goals (Esmer, 2016). On the other hand, leadership is understood as the ability to create the support and trust needed to achieve organizational goals among people (Esmer 2016).

A study conducted by Akbari (2020) found that entrepreneurial leadership requires practice. Analysis of the data revealed a significant relationship between entrepreneurial leadership and innovative work. Sarwoko (2020) also revealed that it was found that leadership entrepreneurship has a positive and significant relationship with innovative work behavior. Herman et al (2018) also found that entrepreneurial leadership was found to have a positive effect on innovative work behavior, hypothesis of research are;

H1: There is a positive influence between entrepreneurial leadership and innovative work behavior

Niu (2010) "Efficacy is a self-assessment, whether an individual can do a job well or badly, right or wrong, able or unable to do as required". Herman et al (2018) found that the way an individual behaves in a given situation depends on the cognitive conditions of the environment and the environment, specifically cognitive factors related to their beliefs about their ability or inability to produce behaviors that conform to expectations. This belief is called self-efficacy. A study conducted by Akbari (2020) found that entrepreneurial leadership requires practice. Analysis of the data revealed a significant relationship between entrepreneurial leadership and innovative work. Sarwoko (2020) also revealed that it was found that leadership entrepreneurship has a positive and significant relationship with innovative work behavior. Herman et al (2018) also found that entrepreneurial leadership was found to have a positive effect on innovative work behavior, thus the research hypothesis is:

H2: There is a positive influence between self-efficacy and innovative work behavior

### **Research Methods**

The Population Used in This Study is All SMEs Located in Tangerang

In this study the participation of the entire population is not possible in data collection because the population is scattered and heterogeneous, so using samples with convenience sampling techniques, because it is only based on the availability and willingness of subjects when collecting data and has the opportunity to become a sample. To facilitate sampling and provide better research results, in this study the sample size was 90 respondents. The technique used in data collection is to distribute questionnaires to respondents who are selected to be sample members, distributed to SMEs located in Tangerang. This study used three variables among them, entrepreneurial leadership was measured with 8 items, self-efficacy was measured with 9 items and innovative work behavior was measured with 5 items. Data processing in this study uses SmartPLS software which consists of two analyses, including *outer model* and *inner model*. PLS model specifications that will be estimated in this study are as follows:

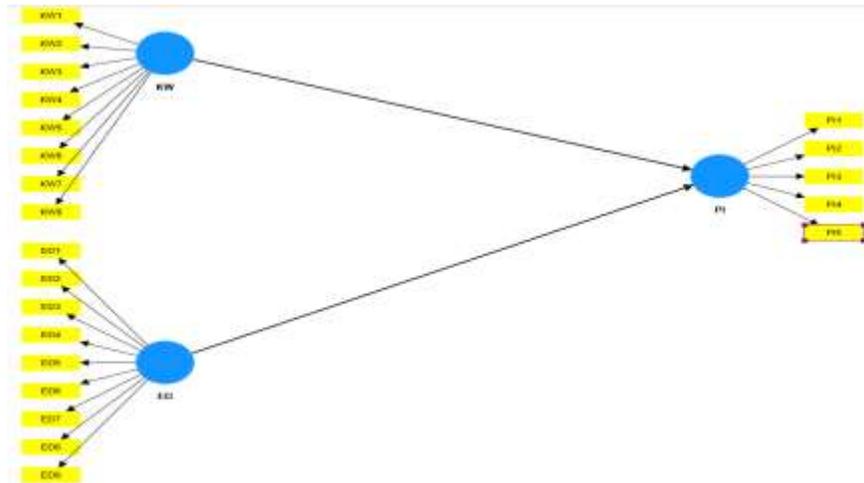


Figure 1 Research Model Specification

**Results and Discussion**

Outer Model Results

The processing results in Table 1 display evidence that each variable has a value above 0.50 (>0.50) so that it meets the requirements.

Table 1. Results of convergent validity analysis

	Average variance extracted (AVE)
ED	0.730
KW	0.784
PI	0.613

Source: SmartPLS processing results

The processing results in Table 2 display evidence that each item used in measuring variables has a *composite reliability* value of > 0.60 so that the variable can be declared reliable then each item used in measuring variables has a *Cronbach's alpha* value > 0.60 so that the indicator or item to measure the variable can be declared reliable.

Table 2. Internal Consistency Reliability Analysis Results

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
ED	0.926	0.947	0.942
KW	0.726	0.733	0.879
PI	0.788	0.815	0.863

Source: SmartPLS processing results

### Inner Model Results

The processing results in Table 3 show evidence if there is  $R^2$  which is 0.857 which explains if 85.7% of social entrepreneurship can be explained by the physical environment and food safety then the remaining 85.7% of dependent variables can be explained by the variables in this study, the remaining 14.8% is explained by other variables that were not studied in this study.

Table 3 Results of *R-Square* Coefficient of Determination Analysis

	R-Square	R-Square Adjusted
PI	0.828	0.824

Source: SmartPLS processing results

Furthermore, for testing the *inner model*, it is necessary to test the hypotheses that can be obtained from *path coefficients* and *p values*. The processing results in Table 5 prove that the three hypotheses are supported because the *p value* is below 0.05 ( $<0.05$ ) and *the path coefficient* is above 0 ( $>0$ ).

Testing of *path coefficients* was carried out with the aim of determining whether there was an influence between variables in this study. The following test results of *path coefficients* can be seen in table 4 which shows the results of *bootstrapping*.

Table 4. *Bootstrapping* Test Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV)	P values
ED PI→	0.246	0.249	0.057	4.341	0.000
KW PI→	0.764	0.763	0.054	14.233	0.000

Based on the results of the above hypothesis testing, the following test results were obtained:

On the path that shows the influence of entrepreneurial leadership on innovative work behavior, the *p value* obtained is 0.000 with a statistical T of 14.233 and a path coefficient of positive signs of 0.764. Because the *p value* of the path  $< 0.05$ , the statistical T  $> 1.96$  and the coefficient of the path marked positive, it can be concluded that entrepreneurial leadership has a positive and significant influence on innovative work behavior. This suggests that research hypothesis 1 that says "There is a significant positive influence between entrepreneurial leadership and innovative work behavior" is accepted.

In the path that shows the effect of self-efficacy  $>$  innovative work behavior, the *p value* obtained is 0.000 with a statistical T of 4.341 and a positive path coefficient of 0.246, moreover because the *p value* of the path value  $< 0.05$ , statistical T  $> 1.96$  and the coefficient of the path with a positive sign it can be concluded that self-efficacy have a positive and significant influence on innovative work behavior. This suggests that research hypothesis 2 which says "There is a significant positive influence between self-efficacy on innovative work behavior" is accepted.

### Discussion

In the results of research on the influence of *entrepreneurial leadership* on innovative work behavior, showing that there is a positive and significant influence, the results of this study support

previous findings that say, that *innovative behavior* is involvement in the innovation process as the first step part of innovative results. The innovative concept of behavior is broader than creativity (Shin et al., 2007). Innovative work behavior links employee activity and work outcomes, influencing innovation development (Messmann & Mulder, 2012). Innovative work behavior includes identifying and introducing new ideas, work processes, and new procedures at work (De Jong & Den Hartog, 2010). Studies have shown that leadership entrepreneurship positively influences employees' innovative work behavior (Bagheri, 2017). Entrepreneurial leadership has a positive and significant influence on the innovation process (Fontana & Musa, 2017), moderated by the environment (Huang et al., 2014). Using a different perspective of leadership, Afsar (201-8) explains that leadership transformation influences innovative work behavior, and the climate for innovation moderates relationships. Chen (2007) examined the relationship between entrepreneurial leadership and innovative ability, and the results showed that high levels of entrepreneurial leadership and team creativity increased innovative ability.

The results of self-efficacy research on innovative work behavior, show the results that there is a positive and significant influence. This research is in line with previous research Rohimat, A. (2022) explained that employees with high creative self-efficacy will show a high level of innovative behavior. Herman et al (2018) also found that self-efficacy also has a positive influence on innovative work behavior.

### **Conclusion**

Through the test results, the conclusions that can be drawn in this study are Entrepreneurial leadership has a positive and significant influence on innovative work behavior in SMEs. Self-efficacy has a positive and significant influence on innovative work behavior in SMEs

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