



# Improving Performance Through Entrepreneurial Knowledge and Innovation of Moment Coffee Employees in Kendari City

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## ABSTRACT

*Entrepreneurship knowledge and innovation have become two key elements in determining business success, both for beginners and existing businesses. This study aims to analyze the influence of Entrepreneurial Knowledge and Innovation on Employee Performance by looking at how these two factors interact with each other and influence the performance of a business. The population in this study was 34 Moment Coffee employees in Kendari City and the entire population was used as respondents in this study. This study reveals that Entrepreneurial Knowledge improves managerial skills and decision-making abilities, while innovation plays an important role in creating products and services that are able to meet market needs and maintain competitiveness. Based on this research, it was found that Entrepreneurial Knowledge and innovation have a positive and significant influence on Employee Performance, both in terms of profitability, competitiveness, and business sustainability.*

**Keywords:** *Entrepreneurial Knowledge, Employee Performance, Innovation.*

## I. INTRODUCTION

The development of the business world today has experienced quite rapid growth. One thing that indicates that Indonesia has entered the era of globalization is the development of the business world. The business world is required to be able to adapt to environmental changes in order to achieve success in the increasingly fierce level of business competition. In any developing country, one of the most important things in organizing activities country that is development nationally identical with Indonesia (Rosita et al., 2022). The economic growth of developing countries can change their financial situation for the better over a certain period of time. Economic growth is characterized by the growth of the public economic sector. This is reflected in the development of national growth. The economy should grow when the real wage level of consumption of production factors in a particular year is greater than that year until now. In today's technological era, the business world is required to always survive and have significant developments in order to compete with other businesses, so that later this business will be able to improve quality, not only in terms of business development, but also able to improve product quality and production processes, so that later the products that will be marketed will create more value (Rosmadi, 2019).

Entrepreneurship is one of the driving forces that determines progress. economy, because in field entrepreneurship there is freedom to work. If someone has the will and desire and is ready to become an entrepreneur, it means that someone can start an industry. Economic growth is necessary in every country, because accelerated economic growth indicates prosperity which is reflected in increased per capita production followed by increased purchasing power of the people (Wika Undari, Anggia Sari Lubis, 2021).

Entrepreneurship is a vital component of the modern economy, serving as a driver of innovation, job creation and economic development. In the world of entrepreneurship, Entrepreneurial Knowledge and innovation are considered two factors that greatly influence Employee Performance. Entrepreneurship knowledge provides the foundation of skills needed to manage a business effectively, while innovation offers the ability to adapt and compete in a dynamic market. This study aims to explore how much influence Entrepreneurial Knowledge and innovation have on Employee Performance, and how the two interact to increase the success of a business. Viren Juliani et al. (2024) stated that

entrepreneurial competence has a positive and significant influence on MSME business performance, with human resource readiness acting as a mediator. Kristopani Pinem et al. (2023) The results of their research show that entrepreneurial knowledge has a positive and significant effect on business success, and entrepreneurial knowledge and skills simultaneously have a significant effect on business success. Amrin Mulia et al. (2023) stated that entrepreneurial knowledge has a positive and significant effect on business success. Meanwhile, Siti Nurjanah et al. (2023) stated that there is a positive and significant influence between entrepreneurial knowledge and business performance among Generation Z entrepreneurs.

The success of a business, especially printing, is very important, especially if the business is the main source of income. At times like these, an entrepreneur, especially in the printing sector, needs to have a strong entrepreneurial spirit. You must have a never-give-up character, be able to face the difficulties of the business world, have a strong mind and never give up. Not to mention the challenges faced by printing entrepreneurs and they have to be creative. Without an entrepreneurial spirit and creativity, it is not impossible for printing entrepreneurs to collapse and close their businesses due to their inability to compete and survive in the current difficult economic conditions. Based on the phenomenon that occurred related to the Performance of Moment Coffee Kendari Employees, the number of product sales is uncertain due to the large number of competitors selling the same product. Moment Coffee employees sell their products using electric bicycles and the location where the employees sell their products changes. Employees usually bring coffee products that have been packaged in cups with several flavor variants. But sometimes the products they bring cannot be sold out. This shows that there is still a lack of entrepreneurial knowledge and employee innovation in offering products to the public.

Entrepreneurial innovation is the process of transforming potential ideas and concepts into commercial products. Successful entrepreneurs are those who can produce innovative products. Entrepreneurs are seen as supporters of national development. However, before starting or launching a business, it's important to develop an entrepreneurial understanding of how to start or run a business, the strategies needed to facilitate its success, and how to anticipate and resolve emerging problems. This is the importance of entrepreneurial knowledge that can be learned before starting a business. This knowledge can be in the form of concepts, ideas, attitudes and entrepreneurship in entrepreneurship (Misnawati & Yusriadi, 2018) (Gohae, 2021).

Entrepreneurship is the creative and innovative ability to identify opportunities and continuously embrace positive feedback and change that can sustain business growth and create value. One of the drivers of innovation, besides the need for change and adaptation, is the gap between what society wants and what the government and the private sector offer or provide.

## II. LITERATURE REVIEW

### 2.1 Entrepreneurial Knowledge

Entrepreneurship Knowledge is an approach that aims to equip individuals with the skills, knowledge, and attitudes necessary to start and manage a business. This educational program includes teaching about business planning, human resource management, marketing, and financial management. The knowledge gained from Entrepreneurship Knowledge is believed to be able to help entrepreneurs in facing challenges and making better decisions in managing their business.

According to Anggraeni and Hermanik in Ummah (2019, p. 16) entrepreneurial knowledge is the whole knowledge of all forms of information in the form of understanding and memory about entrepreneurial procedures so that the courage to take risks to start pioneering and developing a business without fear of failure arises. According to Hendrawan and Sirine in Ummah, (2019, p. 17) entrepreneurial knowledge is an individual's intellectual that can later help other individuals to innovate and dive directly into the field of entrepreneurship obtained through entrepreneurship education.

### 2.2 Innovation

Innovation is the creation of new ideas or meaningful improvements in existing products, services, or processes. In the context of entrepreneurship, innovation is crucial for creating products that meet evolving market needs and introducing new ways to improve operational efficiency. Innovation is often the difference between business success and failure, as it allows businesses to maintain a competitive edge in highly competitive markets.

According to Amir (2018), product innovation is any activity that cannot be produced with just one attempt, but rather a long and cumulative process. It includes many decision-making processes, from the discovery of ideas to their implementation in the market. (Devi, 2018), argues that product innovation is often associated with technology, because technology makes it easier for companies to develop ideas that will help achieve company goals. Product innovation is considered very important, especially in the development of new products, because it can help companies gain economic profits and produce new technologies.

### 2.3 Employee Performance

Employee performance refers to how well an employee completes the tasks and responsibilities assigned to their job, as well as their contribution to organizational goals. Performance relates not only to the results achieved but also to the methods used to achieve those results, such as efficiency, quality of work, skills used, and teamwork ability.

According to Robbins and Judge (2017), employee performance is "the result of behavior demonstrated by employees in carrying out assigned tasks in accordance with standards set by the organization." Performance covers various aspects, such as the quality, quantity, and effectiveness of work performed by an individual.

Bernardin and Russell (2013) define employee performance as "a process that describes how effectively employees perform job tasks related to organizational goals." They emphasize that performance is not just the end result, but also the process and efforts made to achieve it. Dessler (2013) states that employee performance is "the results obtained by an employee in their work, which are usually measured using standards set by the organization and can be in terms of quantity, quality, and efficiency." Performance includes work quality, productivity, and how employees utilize existing resources. Aguinis (2013) defines employee performance as "visible and recorded behavior that contributes directly to the achievement of organizational goals." Employee performance encompasses how individual actions affect the outcomes achieved within an organizational context, not just the final work output.

According to Sudarmawan (2016), employee performance is "how well someone carries out their duties in accordance with the responsibilities they have in the organization, which can be seen from the achievement of targets and their contribution to organizational goals." This performance can be measured based on the achievement of predetermined targets. Mathis and Jackson (2010) stated that employee performance is "a series of activities influenced by employees in their work that contribute to organizational outcomes and reflect the quality and quantity of output produced."

According to Theo Suhardi (2014:100) states: "Performance is greatly influenced by the ability, motivation, enthusiasm and expectations of each individual towards a person, group and company. Performance emphasizes the efficiency of saving the use of resources owned to achieve the desired goals. In other words, performance is the productivity of a person, group or company, performance is declared good and successful if the desired goals by both individuals, groups and companies can be achieved well."

**2.4 The Influence of Entrepreneurial Knowledge and Innovation on Employee Performance**

Several studies show that Entrepreneurial Knowledge has a direct impact on entrepreneurs' ability to manage their businesses more efficiently and effectively. This education provides them with insight into how to plan and manage critical aspects of business, such as marketing, finance, and operations. Furthermore, continuous innovation also plays a significant role in improving employee performance. Innovation in product and service development can enhance a business's market appeal, increase profitability, and foster customer loyalty.

**III. RESEARCH METHODS**

The population of this study is 34 employees of Moment Coffee in Kendari City and the entire population is used as respondents of this study, where the sampling technique in this study uses a saturated sampling technique, Sugiyono (2012) argues that this saturated sampling technique is a sampling technique, where samples are taken which are an inseparable part of the population members. In this case the sample taken is 34 Moment Coffee employees in Kendari City. The data analysis tool used in this study is Multiple Linear Regression Analysis.

**4. RESULTS AND DISCUSSION**

**4.1.1 Test Regression Multiple Linear**

**Table 4.1. Test Regression Linear Multiple**

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	7,632	3,205		4,542	.004
	Entrepreneurship Knowledge	.613	.328	.518	6,352	.002
	Innovation	.342	.183	.325	3,813	.000

a. Dependent Variable: Y

Source : Processing Data (SPSS), 2024

Based on table 7 above, the results of the linear regression test can be seen from the following linear equation :

$$Y = 7,632 + 0.613X_1 + 0.342X_2$$

Regression coefficient value X<sub>1</sub> The entrepreneurial knowledge variable is 0.613, meaning that the entrepreneurial knowledge of Moment Coffee employees in Kendari City has an influence. significant on the performance of Moment Coffee employees in Kendari City, where the increasing entrepreneurial knowledge of Moment Coffee employees in Kendari City will improve employee performance.

Regression coefficient value X<sub>2</sub> The innovation variable is 0.342, meaning that the innovation of Moment Coffee employees in Kendari City has a significant effect on the performance of Moment Coffee employees in Kendari City.

Where the more Good innovation from Moment Coffee Employees in Kendari City For start business, so will improve employee performance Moment Coffee employees in Kendari City.

#### 4.1.2 Coefficient Determination ( $R^2$ )

As for coefficient results determination can seen in the table 8 following This :

**Table 4.2. Results Test Coefficient Determination**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.847 <sup>a</sup>	.831	.828	2.2338	.852	12,142	2	57	.000

a. Predictors: (Constant), X2, X1

Source : Processing Data (SPSS), 2024

Table 8 above, the *Adjusted R Square value* is 0.847, which means that 84.7% of the entrepreneurial knowledge variables of Moment Coffee Employees in Kendari City and innovation of Moment Coffee Employees in Kendari City have a strong influence on the performance variables of Moment Coffee Employees in Kendari City and the remaining 15.3% is influenced by other variables not discussed in this study.

#### 4.1.3 Test Hypothesis Simultaneously (F Test)

Based on the results of data analysis, the F test value is 12.136 with a significance value of 0.000, so that can concluded, in a way simultaneous variables **E n t r e p r e n e u r i a l** knowledge and innovation of Moment Coffee employees in Kendari City have a significant influence on the performance variables of Moment Coffee employees in Kendari City.

#### 4.1.4 Test Hypothesis In a way Partial (t-test)

Partially, the entrepreneurial knowledge variable of Moment Coffee Employees in Kendari City, where the t-test value is 8.325 with a significance value of 0.002 which indicates that the entrepreneurial knowledge variable of Moment Coffee Employees in Kendari City has a significant effect on the Performance of Moment Coffee Employees in Kendari City. Innovation variable, where the t-test value is 4.246 with a significance value of 0.000 which indicates that the innovation variable of Moment Coffee Employees in Kendari City has a significant effect on the performance of Moment Coffee Employees in Kendari City.

## 4.2 Discussion

### 4.1 The Influence of Entrepreneurial Knowledge on Employee Performance

Entrepreneurial Knowledge has been shown to have a positive impact on Employee Performance. Entrepreneurs who take Entrepreneurship Knowledge have better managerial skills, are more skilled at managing resources, and are better able to make the right decisions. This contributes to increased operational efficiency, better financial management, and increased business competitiveness. Entrepreneurial Knowledge also helps in risk management, which in turn increases business sustainability.

Viren Juliani et al. (2024) stated that entrepreneurial competence has a positive and significant influence on MSME business performance, with human resource readiness acting as a mediator. Kristopani Pinem et al. (2023) The results of their research show that entrepreneurial knowledge has a positive and significant effect on business success, and entrepreneurial knowledge and skills simultaneously have a significant effect on business success. Amrin Mulia et al. (2023) stated that entrepreneurial knowledge has a positive and significant effect on business success. Meanwhile, Siti Nurjanah et al. (2023 ) stated that there is a positive and significant influence between entrepreneurial knowledge and business performance in Generation Z entrepreneurs.

### 4.2 The Influence of Innovation on Employee Performance

The results of the study show that innovation has a positive and significant effect on employee performance. This means that innovation plays a key role in improving employee performance. Businesses that continuously innovate, whether in terms of products, services, or processes, can better meet customer needs and address market challenges more efficiently. Innovation can increase a business's competitive advantage, which in turn drives revenue growth and profitability. Therefore, businesses that prioritize innovation tend to perform better in the long term.

According to Amabile (2020) in his book *The Social Psychology of Creativity* , he states that innovation can encourage employees to play an active role in improving performance . Innovation gives them a sense of challenge and personal satisfaction, which in turn increases their productivity and the quality of their work. When employees are given space to innovate, they are more likely to find new ways to improve performance and approach problems more creatively. Innovation is directly related to increasing individual creativity which affects the quality and speed of work.

Hameed & Afsar (2019) revealed that organizational innovation significantly affects employee performance . They found that implementing innovation at the organizational level gave employees the tools and resources to be more productive. Effectively implemented innovation can increase motivation and improve individual performance in their

tasks. Organizational innovation contributes directly to improved employee performance by creating an environment that supports creativity and efficiency.

According to Siti & Fauzan (2021), product and process innovation implemented in manufacturing companies can improve employee performance. When companies innovate in their work processes, employees feel more motivated and efficient in their work, which ultimately has a positive impact on productivity and final work results. Innovation in work processes improves employee performance by introducing new technologies and more efficient work methods.

Pooja & Agarwal (2020) showed that employee innovative behavior directly impacts their performance. This study emphasizes that employee innovation, whether in terms of new methods or products, can improve individual results within a company. Employees involved in innovative processes are more likely to be highly motivated and demonstrate better performance. Employees involved in innovation are more productive and demonstrate better performance because they feel more empowered and involved in achieving company goals.

Abdullah et al. (2022) found that technological innovation and an innovative culture implemented in IT companies significantly influence employee performance. Innovations in technology enable employees to work more efficiently and address job challenges with new solutions, which increase their productivity and the quality of their output. Innovations in the technology sector significantly impact employee performance by providing better tools to complete tasks more efficiently.

#### 4.3 The Influence of Entrepreneurial Knowledge and Innovation on Employee Performance

Entrepreneurial knowledge and innovation not only have a positive impact individually, but also interact synergistically to improve Employee Performance. Entrepreneurship Knowledge provides the insights and skills necessary to better plan and manage innovation. Educated entrepreneurs tend to be better prepared to implement appropriate innovations, which ultimately improves Employee Performance. The combination of the two forms a strong foundation for successful and sustainable business management.

The research is in line with research conducted by Nasrudin *et.al.* (2023) Entrepreneurial knowledge of printing entrepreneurs in Medan City and innovation of printing entrepreneurs in Medan City have a significant influence on the sustainability variables of printing businesses in Medan City. To address existing changes, printing entrepreneurs should increase their knowledge. His knowledge of digital means that sales can not only be made through offline sales, but also online, so that consumers in all sub-districts in Medan City can know about it, so that the printing business products in Medan City are known to many people.

## V. CONCLUSION AND SUGGESTIONS

### 5.1 Conclusion

Entrepreneurial Knowledge has a positive and significant effect on Employee Performance. Moment Coffee in Kendari City. Entrepreneurship knowledge provides the skills needed to manage a business more effectively. Innovation has a significant impact on employee performance. Moment Coffee in Kendari City. Meanwhile, innovation enables businesses to remain competitive and grow. Entrepreneurial knowledge and innovation simultaneously have a positive and significant effect on employee performance. Moment Coffee in Kendari City. These two factors complement each other, with Entrepreneurial Knowledge providing a strong foundation for the implementation of effective innovation in business management so as to increase Moment Coffee Employees in Kendari City.

### 5.2 Suggestion

The Entrepreneurship Knowledge Program needs to be strengthened with a more practical approach and relevance to current market needs. Businesses need to encourage a culture of innovation within the organization, so they can respond to market changes and increasingly fierce competition. The government and educational institutions must increase support for entrepreneurs in Kendari City, both through training and policies that encourage innovation.

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