

Employee Performance Improvement Based on Leadership, Innovation, and Creativity with Job Satisfaction as an Intervening Variable

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ABSTRACT

This study aims to examine the influence of leadership, innovation, and creativity on the performance of employees in culinary SMEs, both directly and indirectly through job satisfaction as a mediating variable. Field observations indicate that many culinary SMEs encounter challenges in optimizing employee performance due to ineffective leadership, low levels of innovation and creativity, and suboptimal job satisfaction. A quantitative approach is employed using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) technique. The research sample comprises 150 employees of culinary SMEs in Kendari City selected through purposive sampling. The results show that leadership, innovation, and creativity exert positive and significant effects on job satisfaction, which in turn mediates the relationship between these three variables and employee performance. In addition, leadership, innovation, and creativity also have significant direct effects on employee performance. These findings suggest that job satisfaction functions as a psychological mechanism that reinforces the impact of leadership, innovation, and creativity on improving employee performance. The practical implications underscore the importance of developing transformational leadership, strengthening an innovation-oriented culture, and providing space for employees' creative expression in order to enhance job satisfaction and performance. This study contributes to the management of culinary SMEs by offering insights for designing effective human resource management strategies to increase productivity and business competitiveness.

Keywords: Leadership, Innovation, Creativity, Job Satisfaction, Employee Performance

I. INTRODUCTION

The culinary MSME sector in Indonesia has experienced rapid growth, driven by rising consumer demand for food and beverages, relatively low capital requirements, and flexible business opportunities. Culinary MSMEs not only serve as a source of income for business owners but also absorb a substantial workforce across various regions, including Kendari City. Nonetheless, intensifying market competition and increasing consumer demands for higher product and service quality have made human resource (HR) management a critical determinant of business success (Ministry of Cooperatives and MSMEs, 2023; Suryani & Putra, 2022).

Employee performance in culinary MSMEs constitutes a key factor affecting productivity, customer satisfaction, and the capacity of MSMEs to survive and grow in a competitive environment. The high dynamism of the culinary market and the rapid shift in consumer preferences require employees who are not only responsive in carrying out routine tasks but also capable of demonstrating high levels of innovation and creativity. However, many culinary MSMEs encounter difficulties in sustaining employee productivity and performance, which are frequently associated with internal problems such as ineffective leadership styles, limited innovation capability, low creativity, and low job satisfaction resulting from suboptimal HR management systems (Wahyuni & Rahman, 2023).

In the human resource management literature, leadership is identified as a crucial variable that shapes employee behavior and performance. Effective leadership can create a conducive work climate, provide direction, and strengthen employee motivation to achieve superior performance. Transformational leadership theory underscores the role of leaders in inspiring followers, building trust, and encouraging individuals to think creatively and take constructive risks at work (Bass & Riggio, 2020). Empirical research in tourism and hospitality sectors documents a positive relationship between transformational leadership and employees' innovative work behavior through intrinsic motivation and creativity, leading to a significant increase in innovative work outcomes (Putri, Zhang, & Teo, 2024).

Beyond leadership style, innovation and creativity are recognized as key drivers of employee performance in the context of culinary MSMEs. Innovation refers to the capability of organizations and individuals to generate, implement, and exploit new ideas in products, processes, or marketing strategies, whereas creativity is related to employees' ability to think flexibly and generate novel solutions to work-related problems (Amabile, 2021). Empirical studies on culinary MSMEs indicate that innovation and creativity exert a positive and significant influence on business performance (Fitriani & Hidayat, 2022). Systematic reviews similarly position innovation as a critical determinant of MSME performance, either as a core predictor or as a mediating variable in various management and entrepreneurship models (Nasrullah & Hamzah, 2023).

Nevertheless, field observations show that not all culinary enterprises are able to effectively optimize employee innovation and creativity. This condition is frequently linked to a lack of leadership support, low HR competence, and work systems that do not provide sufficient space for employees to express ideas or engage in innovation. In culinary MSMEs, innovation capability does not only concern the development of new menus or recipes but also involves innovation in service processes, operational management, and the adoption of digital technologies (Rohman & Lestari, 2023). Studies on culinary MSMEs further indicate that employees' digital competence is strongly associated with innovative work behavior and that job satisfaction influences the level of innovation, although its mediating role has not yet been optimized (Santoso & Yuliana, 2022).

Job satisfaction plays a pivotal role in mediating the effects of managerial factors—such as leadership—and work-related capabilities—such as innovation and creativity—on employee performance. Job satisfaction is defined as a positive emotional state resulting from an individual's evaluation of their job or work experience (Locke, 1976). Classical motivation and need-based theories, including Herzberg's Two-Factor Theory and Maslow's Hierarchy of Needs, view job satisfaction as a primary determinant of motivation, commitment, and individual performance in organizations (Herzberg, 2019; Robbins & Judge, 2021).

In the MSME context, job satisfaction not only affects employee loyalty and retention but also relates to employees' commitment to engaging in innovative and creative behavior at work. Recent empirical evidence in the MSME sector reveals that job satisfaction functions as a mediating variable in the relationship between digital competence, innovation-oriented culture, and employee performance (Prasetyo & Nurhidayah, 2024). These findings suggest that employees who are satisfied with their jobs are more motivated to provide creative and innovative contributions that directly enhance performance.

The empirical phenomena observed in many local culinary MSMEs indicate that, despite the sector's substantial economic potential, HR management challenges often constitute a major constraint to achieving optimal performance. Many MSMEs continue to adopt traditional and instruction-based leadership patterns and work systems that offer limited room for employees to develop new ideas or improve work processes. Such conditions lead to low levels of operational innovation, limited creativity in addressing work problems, and declining job satisfaction, which in turn result in suboptimal employee performance and a weakened competitive position (Utami & Kurniawan, 2023).

On this basis, leadership, innovation, and creativity can be conceptualized as strategic variables for enhancing employee performance in culinary MSMEs, while job satisfaction is positioned as an intervening variable that explains the underlying mechanisms of their relationships. Accordingly, this study is designed to empirically examine the influence of leadership, innovation, and creativity on employee performance, with job satisfaction as an intervening variable, in culinary MSMEs in Kendari City.

Culinary MSMEs in Kendari currently face structural, managerial, and HR-related challenges in line with escalating business competition and shifting consumer behavior. Although this sector has considerable potential as a driver of local economic growth and a provider of employment, its capacity to improve business performance remains constrained by several critical issues. The limited quality of human resources—particularly in relation to employee performance—represents a major problem for culinary MSMEs in Kendari. Many business owners rely on workers with relatively low levels of education and skills and do not implement sustainable training programs. As a result, employees tend to lack the innovative and creative capabilities required to respond to increasingly diverse customer demands in terms of taste, presentation, and service, which contributes to stagnant productivity and weak competitiveness vis-à-vis more modern culinary businesses.

Leadership patterns within many culinary MSMEs in Kendari remain traditional and instruction-oriented. As most businesses are family-owned or individually managed, leadership tends to be authoritarian and highly centralized in the hands of the owner. This situation restricts employee participation in decision-making and inhibits the emergence of new ideas. Inadequate two-way communication between owners and employees further reduces employee engagement and lowers job satisfaction. Low levels of innovation and creativity constitute another salient challenge. Many culinary MSMEs retain the same menus, business concepts, and service systems over extended periods, with limited adaptation to culinary trends, digital technologies, and innovative approaches to marketing and service. These limitations are exacerbated by inadequate managerial knowledge and a reluctance among business owners to undertake change initiatives, thereby weakening business competitiveness.

Low job satisfaction among employees is also a key issue. Non-competitive wage systems, long working hours, limited job security, and insufficient recognition for performance contribute to employees' perceptions of dissatisfaction with their work. This low level of job satisfaction leads to high employee turnover, low loyalty, and declining service quality for customers. Culinary MSMEs in Kendari encounter operational management challenges, including the absence of standardized operating procedures (SOPs) related to service, hygiene, and product quality. In

many cases, this leads to inconsistent employee performance and difficulties in maintaining service quality, which directly affects customer satisfaction and the business image in an increasingly competitive marketplace.

Limited utilization of digital technology remains a significant barrier for culinary MSMEs in Kendari. Despite the expanding use of social media and online delivery platforms, many enterprises are unable to take full advantage of these tools. Low levels of digital literacy among both employees and business owners have prevented the optimal use of digital marketing and service innovations as a means of improving business and employee performance

II. LITERATURE REVIEW

2.1 Leadership

Leadership constitutes the process of influencing organizational members' behavior to attain collective goals through effective guidance, motivation, and exemplary conduct. In contemporary management contexts, leadership embodies a leader's capacity to optimize human resources and foster commitment to organizational aims (Robbins & Judge, 2019). Leadership theory underscores the leader's role in inspiring followers, offering individualized consideration, and stimulating intellectual engagement, with transformational leaders particularly encouraging creativity, initiative, and contributions exceeding formal duties (Bass & Riggio, 2006). Empirical evidence from OJS journals indicates that transformational leadership positively and significantly impacts employee performance via elevated motivation and creativity (Putra & Sari, 2023).

2.2 Innovation and Creativity

Innovation and creativity interconnect as vital drivers of organizational performance, especially among culinary SMEs. Innovation involves applying novel, valuable ideas to products, processes, or methods, whereas creativity denotes individuals' capacity to produce original, problem-solving ideas (Amabile, 1996). These elements enable adaptation to dynamic markets and consumer demands. Research on culinary micro, small, and medium enterprises (MSMEs) demonstrates that product innovation, process innovation, and employee creativity significantly enhance business performance and competitiveness, as affirmed in Jurnal Kompetif (Fitriani & Hidayat, 2022).

2.3 Job Satisfaction

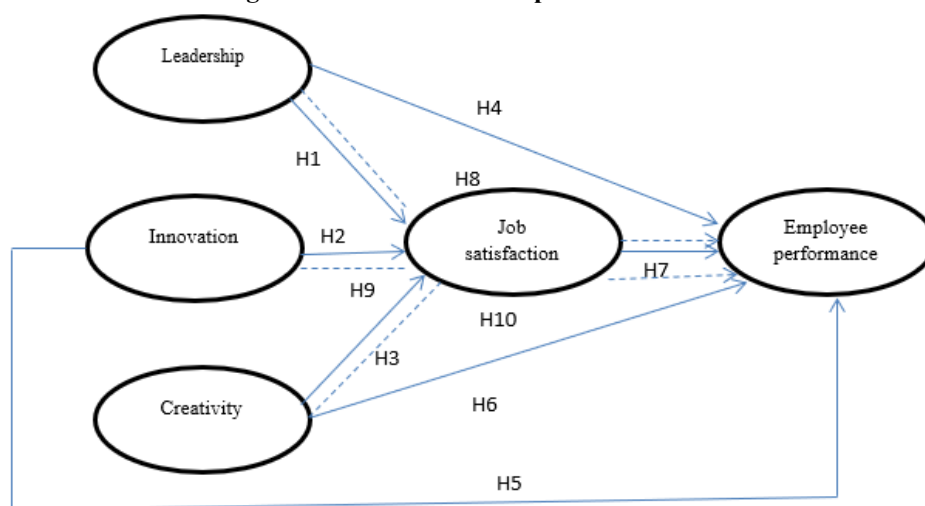
Job satisfaction encapsulates individuals' affective responses to their work, derived from evaluations of conditions, interpersonal relations, rewards, and growth opportunities (Locke, 1976). It profoundly shapes motivation, commitment, and behaviors, per Herzberg's two-factor theory, where intrinsic elements like achievement and recognition spur satisfaction, unlike extrinsic factors such as pay that primarily avert dissatisfaction (Herzberg et al., 1959). Studies on Sidoarjo MSMEs position job satisfaction as a mediator linking innovation culture to superior employee performance and positive behaviors, per the Online Journal of Universitas Kadiri (Prasetyo & Nurhidayah, 2023).

2.4 Employee Performance

Employee performance represents work outcomes aligning with organizational standards, encompassing quantity, quality, punctuality, and collaboration (Mangkunegara, 2020). In culinary SMEs, it directly influences service quality, preparation speed, product consistency, and customer satisfaction, bolstering competitive edges and loyalty (Sutrisno, 2016). Thus, elevating employee performance stands as a core human resource management objective in this sector.

2.5 Conceptual Framework and Hypotheses

Figure 2.1. Research Conceptual Framework



Research Hypotheses:

H1: Leadership has positive effect on job satisfaction.

H2: Innovation has positive effect on job satisfaction.

H3: Creativity has positive effect on job satisfaction.

H4: Leadership has positive effect on performance.

- H5: Innovation has positive effect on performance.
 H6: Creativity has positive effect on performance.
 H7: Job satisfaction has positive effect on performance.
 H8: Job satisfaction mediates the effect of leadership on employee performance.
 H9: Job satisfaction mediates the effect of innovation on employee performance.
 H10: Job satisfaction mediates the effect of creativity on employee performance.

III. RESEARCH METHOD

This study employs a quantitative approach using Partial Least Squares–Structural Equation Modeling (PLS–SEM) to analyze the relationships among leadership, innovation, creativity, job satisfaction, and employee performance (Hair et al., 2022). The research sample consists of 150 respondents, specifically employees of culinary SMEs in Kendari City, selected through purposive sampling based on specific criteria such as work experience and involvement in operational processes (Etikan et al., 2016). Data were collected using a questionnaire with a 5-point Likert scale to measure the respondents' level of agreement with statements related to the research variables (Likert, 1932). Data analysis was conducted to test both direct and indirect effects as well as the validity and reliability of the research instruments (Hair et al., 2022).

IV. RESEARCH RESULT AND DISCUSSION

4.1 Result

Based on the results of the study, the direct effects of each hypothesis can be described as follows:

Tabel 4.1 Direct Effect

Direct Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
Leadership → Job Satisfaction	0.402	0.093	0.322	4.902	0.000	Significant
Innovation → Job Satisfaction	0.248	0.077	0.215	3.024	0.003	Significant
Creativity → Job Satisfaction	0.301	0.085	0.178	3.459	0.001	Significant
Leadership → Employee Performance	0.322	0.082	0.402	3.462	0.001	Significant
Innovation → Employee Performance	0.215	0.082	0.248	2.792	0.005	Significant
Creativity → Employee Performance	0.178	0.087	0.301	2.094	0.036	Significant
Job Satisfaction → Employee Performance	0.178	0.085	0.178	2.094	0.036	Significant

Source: Processed primary data, 2025

4.1.1 Leadership has significant effect on Job Satisfaction (H1)

The analysis indicates that leadership has a strong positive impact on job satisfaction, with a path coefficient of 0.402 ($T = 4.902$, $P = 0.000$). Employees tend to feel more satisfied with their jobs when leaders provide guidance, support, and recognition. Effective leadership contributes to a positive work climate, reduces role ambiguity, and motivates employees, which enhances their overall satisfaction. Leadership quality is therefore a key determinant of how employees perceive their work environment.

4.1.2 Innovation has significant effect on Job Satisfaction (H2)

Innovation also positively influences job satisfaction, with a path coefficient of 0.248 ($T = 3.024$, $P = 0.003$). Employees involved in innovative activities tend to experience higher satisfaction because they feel empowered to contribute ideas and improve organizational processes. Innovation provides opportunities for personal growth, learning, and skill development, which increases employees' intrinsic motivation and satisfaction.

4.1.3 Creativity has significant effect on Job Satisfaction (H3)

Creativity has a significant positive effect on job satisfaction, with a path coefficient of 0.301 ($T = 3.459$, $P = 0.001$). Creative employees often find their work more meaningful and enjoyable because they can contribute unique ideas and solutions. This sense of autonomy and self-expression enhances satisfaction, which motivates employees to continue performing effectively.

4.1.4 Leadership has significant effect on Employee Performance (H4)

Leadership positively and significantly influenced employee performance. The analysis indicates that leadership has a strong positive impact on job satisfaction, with a path coefficient of 0.402 ($T = 4.902$, $P = 0.000$). Employees tend to feel more satisfied with their jobs when leaders provide guidance, support, and recognition. Effective leadership contributes to a positive work climate, reduces role ambiguity, and motivates employees, which enhances their overall satisfaction. Leadership quality is therefore a key determinant of how employees perceive their work environment.

4.1.5 Innovation has significant effect on Employee Performance (H5)

The analysis shows that innovation positively affects employee performance, with a path coefficient of 0.215 ($T = 2.792$, $P = 0.005$), implying that employees who engage in innovative behaviors tend to achieve better results. Innovation can lead to improved problem-solving, efficiency, and adaptability, which in turn enhances overall work output. Organizations that foster innovative thinking encourage employees to explore creative solutions, which contributes directly to performance improvement.

4.1.6 Creativity has significant effect on Employee Performance (H6)

The study finds that creativity positively influences employee performance, with a path coefficient of 0.178 ($T = 2.094$, $P = 0.036$), indicating a significant but moderate effect. Creative employees can develop innovative approaches to tasks, improve workflows, and overcome challenges efficiently, which enhances their overall performance. This highlights the importance of encouraging creative thinking as part of employees' daily work..

4.1.7 Job Satisfaction has significant effect on Employee Performance (H7)

The study finds that job satisfaction positively affects employee performance, with a path coefficient of 0.178 ($T = 2.094$, $P = 0.036$). Satisfied employees are generally more motivated, committed, and willing to go beyond minimum requirements, which enhances their productivity and effectiveness. Job satisfaction acts as a psychological driver, influencing how employees approach tasks and challenges in their work.

Table 4.2 presenting the Total Indirect Effects is shown in the following table:

Table 4.2 Total Indirect Effect

Indirect Effects (Mediation)	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Hypothesis Test Results	
Leadership → Job Satisfaction → Employee Performance	0.170	0,210	0,126	3.981	0.000	Sig	accepted
Innovation → Job Satisfaction → Employee Performance	0.152	0,197	0,102	3.634	0.000	Sig	accepted
Creativity → Job Satisfaction → Employee Performance	0.123	0,132	0,063	3.212	0.001	Sig	accepted

Source: Processed primary data, 2025

4.1.8 Job satisfaction mediates the effect of leadership on Employee performance (H8)

The test results indicate that leadership has a positive and significant influence on employee performance through job satisfaction, with an indirect effect value of 0.170, a t-statistic of 3.981, and a p-value of 0.000. This finding means that effective leadership not only improves employee performance directly, but also exerts an indirect effect through the enhancement of job satisfaction. When leaders are able to provide clear direction, support, recognition, and foster harmonious working relationships, employees tend to feel more satisfied with their jobs. This sense of satisfaction, in turn, motivates employees to work more optimally, take greater responsibility, and demonstrate higher levels of performance. Thus, job satisfaction acts as a psychological mechanism that mediates the influence of leadership on employee performance.

4.1.9 Job satisfaction mediates the effect of innovation on Employee performance (H9)

The analysis results show that innovation has a positive and significant effect on employee performance through job satisfaction, with an indirect effect value of 0.152, a t-statistic of 3.634, and a p-value of 0.000. This finding implies that an innovative work environment not only has a direct impact on performance but also enhances performance indirectly by increasing job satisfaction. When employees are involved in the innovation process and given the opportunity to develop new ideas, they feel valued and perceive themselves as important contributors to the organization. This feeling fosters greater job satisfaction, which then drives employees to deliver their best performance and contribute more effectively to organizational success.

4.1.10 Job satisfaction mediates the effect of creativity on Employee performance (H10)

The test results reveal that creativity has a positive and significant influence on employee performance through job satisfaction, with an indirect effect value of 0.123, a t-statistic of 3.212, and a p-value of 0.001. This finding suggests that employees' ability to express creativity and generate new solutions enhances their job satisfaction, which in turn positively affects their performance. A work environment that supports creativity allows employees to feel more independent, comfortable, and motivated in performing their tasks. The resulting increase in job satisfaction encourages them to work more effectively, adaptively, and with a stronger focus on quality outcomes.

4.2 Discussion

4.2.1 The Effect of Leadership on Job Satisfaction

The results reveal a positive and significant influence of leadership on job satisfaction. This finding confirms that effective leadership styles enhance employee satisfaction in the culinary SME sector. Leaders who provide clear direction, support, recognition, and effective communication create a comfortable, motivating, and appreciative work environment. This aligns with transformational leadership theory, which states that leaders offering inspiration and individual attention improve employee satisfaction and engagement (Bass & Riggio, 2020).

These results support Muslichah and Asrori (2018), who found transformational leadership exerts a direct, positive, and significant effect on job satisfaction, with employee trust serving as a key mediator. Khalik and Rachmawaty (2025) similarly reported that leadership styles positively and significantly affect employee satisfaction. Usman and Nurhaeda (2019) demonstrated leadership's significant impact on job satisfaction, both partially and simultaneously with work motivation, as leaders offering clear direction, feedback, and support boost satisfaction in formal and informal settings. Al Khajeh (2018) identified a strong positive correlation between transformational leadership and job satisfaction, with transactional styles showing lesser effects, and noted that participative, communicative approaches significantly enhance engagement.

4.2.2 The Effect of Innovation on Job Satisfaction

Innovation positively affects job satisfaction, as environments encouraging product and process innovation heighten employees' sense of value and involvement. Employees contributing ideas to innovation view their work as more meaningful and impactful for business growth. This aligns with Fitriani and Hidayat (2022), who emphasized innovation's role in elevating job satisfaction in culinary MSMEs, positioning it as both technical and psychological motivator.

Lesmana, Indradewa, and Syah (2025) confirmed organizational innovation's positive, significant effect on job satisfaction through dynamic, effective work structures. Harmiko, Tanuwijaya, and Gunawan (2024) linked innovation in managerial practices and employee creativity to higher satisfaction via recognized contributions. Purnama et al. (2025) showed innovative behavior positively influences satisfaction, mediating its link to performance, while Nazpi, Ali, and Rosadi (2023) tied innovative behaviors to greater satisfaction from meaningful work.

4.2.3 The Effect of Creativity on Job Satisfaction

Employee creativity positively influences job satisfaction by enabling novel ideas and creative problem-solving for enjoyable, meaningful experiences. Supportive environments free employees from monotony, boosting psychological fulfillment. This matches Prasetyo and Nurhidayah (2023), who linked creativity to improved satisfaction in the MSME sector.

4.2.4 The Effect of Leadership on Employee Performance

Leadership exerts a positive, significant effect on employee performance, promoting discipline, responsibility, and productivity. Role-model leaders with clear direction and consistent motivation enhance work effectiveness. These results support Bass and Riggio (2020) on transformational leadership's direct contribution to individual performance.

Susilowati (2025) found inspirational, communicative leadership fosters innovation, responsibility, and productivity. Hussain and Khalil (2025) reported participative, democratic styles improve efficiency across industries, while Rozak (2024) confirmed transformational leadership boosts performance despite workload controls. Sahidi and Waskito (2025) highlighted motivation and direction as mediators, and Firmansyah and Kurniawan (2025) noted exemplary leadership drives discipline in government settings, reinforcing leadership's key role (Bass & Riggio, 2020).

4.2.5 The Effect of Innovation on Employee Performance

Innovation positively and significantly impacts employee performance, enabling effective, efficient work in products, processes, and services. It aids market adaptation, quality improvement, and service enhancement. Fitriani and Hidayat (2022) identified innovation as a core driver of performance in culinary MSMEs.

4.2.6 The Effect of Creativity on Employee Performance

Creativity positively affects performance through innovative solutions to operational challenges, elevating productivity and quality. It encourages proactivity and contributions to growth. Amabile (2021) affirmed individual creativity enhances performance via original ideas.

4.2.7 The Effect of Job Satisfaction on Employee Performance

Job satisfaction positively influences performance, with satisfied employees showing greater productivity, responsibility, and motivation. It fosters optimal psychological conditions. This supports Herzberg's theory and Prasetyo and Nurhidayah (2023) on satisfaction as a performance determinant.

4.2.8 The Effect of Leadership on Performance through Job Satisfaction

Leadership positively affects performance through job satisfaction, impacting both directly and psychologically. Bass and Riggio (2020) explain how motivational, inspirational leadership boosts engagement and satisfaction, with satisfaction mediating managerial effects (Herzberg, 2019). Putra and Sari (2023) found transformational leadership raises satisfaction and performance in culinary contexts, acting as a partial mediator. Supportive leaders enhance productivity and creativity via satisfaction.

4.2.9 The Effect of Innovation on Performance through Job Satisfaction

Innovation positively influences performance through job satisfaction, reflecting abilities to apply novel ideas for effectiveness (Amabile, 2021). Innovative environments build ownership and recognition, driving optimal performance. Fitriani and Hidayat (2022) confirmed innovation's mediated effect on MSME performance, with employee involvement yielding psychological benefits alongside technical gains.

4.2.10 The Effect of Creativity on Performance through Job Satisfaction

Creativity positively affects performance through job satisfaction, defined as novel, useful idea generation (Amabile, 2021). Creative support enhances value and expression, leading to better adaptability. Prasetyo and

Nurhidayah (2023) showed creativity's mediated impact in MSMEs, with tourism parallels confirming higher commitment from creative freedom, positioning satisfaction as partial mediator.

V. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusions

Based on the results of the research and discussion, several conclusions can be drawn as follows: Leadership has a positive and significant effect on employee job satisfaction. Effective leadership styles enhance employees' sense of appreciation, motivation, and engagement, thereby increasing job satisfaction. Innovation has a positive and significant effect on employee job satisfaction. Employees involved in innovative activities feel that their roles are meaningful and valuable, which leads to greater psychological satisfaction. Employee creativity has a positive and significant effect on job satisfaction. A work environment that supports creative expression improves psychological well-being and employee involvement in tasks.

Leadership has a positive and significant effect on employee performance. Leaders who provide direction, motivation, and serve as role models enhance employee discipline, responsibility, and productivity. Innovation positively and significantly affects employee performance. Employee participation in product, process, and service innovation contributes to improved effectiveness, efficiency, and work quality. Creativity also has a positive and significant effect on employee performance. Creative employees are able to generate innovative solutions, adapt more quickly, and make tangible contributions to the success of SMEs. Job satisfaction has a positive and significant influence on employee performance. Satisfied employees are more motivated, responsible, and productive in achieving organizational goals.

Leadership positively influences performance through job satisfaction. Job satisfaction acts as a partial mediator that strengthens the effect of leadership on employee performance. Innovation positively influences performance through job satisfaction, which serves as a psychological mechanism linking innovation with improved employee performance. Creativity positively influences performance through job satisfaction. A supportive environment for creativity increases job satisfaction, which in turn fosters optimal, adaptive, and high-quality performance.

5.2 Suggestions

Based on the research findings, several recommendations can be made. For culinary SME leaders, it is essential to enhance leadership quality by providing transformational leadership training that emphasizes effective communication, motivation, and employee recognition. It is also important to foster a culture of innovation and creativity by providing employees with opportunities to express new ideas, participate in decision-making, and experiment with new work methods. Attention should be given to factors influencing job satisfaction, such as interpersonal relationships, compensation, work environment, and opportunities for personal development.

For employees, it is important to develop creative and innovative abilities to contribute more effectively to business objectives, as well as to communicate actively with management regarding work-related needs and expectations to enhance job satisfaction and motivation.

Future research could include other factors that may influence employee performance, such as organizational culture, intrinsic motivation, or digital competency. Expanding the sample to include SMEs from sectors beyond culinary can help assess the generalizability of the findings. Moreover, employing a longitudinal design could provide a deeper understanding of changes in job satisfaction and employee performance over time.

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