The Minang - Nomads Businesses’ Performance: The Role of Proactive Personality, Creativity and Innovative Work Behavior

(Prestasi Perniagaan Minang-Nomad: Peranan Personaliti Proaktif, Kreativiti dan Tingkahlaku Kerja Inovatif)

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ABSTRACT

Amid the prevalence of particular ethnic supremacy in entrepreneurship, few have looked at the centrality of entrepreneurship in various cultural domains. Authors utilize human capital formation theory to assert that extended family provide a crucial background in the growth of individual business skills and preferences. This study aims at investigating the influence of proactive personality and creativity on small businesses performance owned by the member of Minang business community through the mediating role of the entrepreneurs’ innovative behaviors. The Minang people inherent strong business characters from their ancestors, which is viewed as the enabler of their entrepreneurial success. Data was collected by mean of questionnaire that was distributed to 265 small businesses owners enrolled as the member of Minang business community in Purwokerto Central Java Indonesia. The tool of analysis used was structural equation modeling (SEM). Study results showed that both proactive personality and creativity have positive effect on the Minang Nomads innovative behavior and subsequently on the businesses performance. The study also confirmed the role of innovative behavior as a mediator on the relationship between proactive personalities and creativity.

Keywords: Proactive personality; creativity; innovative work behavior, small businesses performance.

INTRODUCTION

There is longstanding academic interest in the role of entrepreneurship as a key factor in company's economic success. Entrepreneurship theory extends its scope by investigating and creating explications of events such as innovation and business organizations. In the recent literatures, scholars have given attention to internal factors embedded to the entrepreneurs. Most studies indicate a positive value on the role of entrepreneurs' psychological characteristics and behavior as enabling factors for successful business performance (Gupta,
Successful entrepreneurs possess characteristics, attitudes and behaviors that drive their capabilities in building a business (Lope Pihie 2009). To survive the onslaught of the competition, small businesses need to be more creative and innovative (Özaráli 2015; Wihuda et al. 2017). Innovative entrepreneurs experience better business growth (Neck, DiLillo & Houghton 2006) and sustainability (Macey & Schneider 2008). Thus, creativity is essential for small businesses as they are resource disadvantaged (Adawiyah et al. 2015). The resources constraint version of survivalist entrepreneurship theory suggests that availability of resources do influence behaviors. The behavior is a realization of commitments at work that provide significant contribution to the success of small businesses (Terglav, Ruzzier & Kase 2016) and exert as a survival strategy in a highly dynamic environment (De Jong & Den Hartog 2010; Yuan & Woodman 2010; Shih & Susanto 2011). Emotional and mental attributes are related to the psychological theory of entrepreneurship. The success of an entrepreneur is influenced by personal characteristics, such as optimism and imagination (Shanker et al. 2017; Janssen 2014). Therefore, entrepreneurs’ behavior is a catalyst of small business growth with major consequences on profit.

The Minang tribe is stereotypically considered as active entrepreneurs in Indonesia's public sphere. Entrepreneurship is identical with the culture of the Minang tribe. Many Minangnese, at their young age, immigrate to other location to make business fortune in order to find a decent living due to the inadequate conditions in the realm of Minang (Naim & Mochtar 1974). Parental entrepreneurship is a unique philosophy embrace by the West Sumatran entrepreneurs, i.e. a successful entrepreneur bear the liability to coach at least one business startup (Elfindri et al. 2010; Hastuti et al. 2015). The people of West Sumatera has strong culture value, which become their entrepreneurial characteristics such as self-confidence, high agility, ingenuity for life, dare to meet challenges, hardworking, and consistent in trying (Hastuti et al. 2015). The fundamental thought of this inquiry is a presumption that proactive personality influence performance (Crant 1996). Hence examining the research stream in Minang nomads’ entrepreneurs is desirable.

Our paper provides several contributions. First, we provide new insight to entrepreneurship theory by examining entrepreneurial pattern of behavior in particular community that are famous of their entrepreneurial success. Scholars argued that cultural value is crucial for the development entrepreneurs’ characteristics and talent (Turró, Urbano & Peris-Ortiz 2014). Despite substantial literatures on entrepreneurial practices, few have scrutinized the role of entrepreneurial personality, attitude and behavior from a particular cultural background in determining small business success. It is not yet clear, when transfers of relevant human capital occur in entrepreneurial life. Siblings or contextual factors act as sources of entrepreneurship and those settings explains most of the subsequent occupational choice (Lindquist et al. 2016). The result of the study provides an alternative best practices for professional on the role of community background in forming individual psychological factors as the prerequisite of entrepreneurial success (see Dianati 2015; Lindquist et al. 2016; Parker 2009). Acknowledging the role of siblings provide reasoning on why entrepreneurs with particular races are more innovative and more successful in entrepreneurial projects handling compared to others.

Second, we develop body of knowledge on entrepreneurship based on the local wisdom. There is a tendency among academics to confine the entrepreneurship research findings to developed countries (Naudé, Bosker & Matthee 2010). Hence, examining the extend of entrepreneurs’ cultural background in shaping success shall increase the generalizability of entrepreneurship theory across context. In particular, the theory that was derived from developed economies are not necessary relevant to explain a similar theory in developing countries (Leskovar-Spacapan & Bastic 2007). We address this need by testing our conceptual model on small and medium firms owned by entrepreneurs with specific cultural background of Minangkabau.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Proactive personality is a power in motivating oneself to act actively in developing individual performance, career, and well-being (Bateman & Crant 1993). Proactive individuals will provide initiation to foster innovative behavior in the organization (Seibert, Kraimer & Crant 2001; Presbitero 2015) and find opportunities that can benefit individuals, groups and organizations (Bateman & Crant 1993; Seibert et al. 2001). Entrepreneurs with proactive personality could produce a performance that alters the behavior of working actors into discipline, hardworking and committed to carrying out the task (Salgado & Táuriz 2014; Shaffer & Postlethwaite 2013; Allen, Weeks & Moffitt 2005). Such personality works better for a person with experience and highly energize to face the competition (Bateman & Crant 1993). In addition, innovative behavior helps entrepreneurs in developing needs of social support, motivation, psychological support and confidence. Individuals’ active role in organization also depends on their personality such as openness to experience, conscientiousness, extraversion, agreeableness and neuroticism as a dimension in bridging the link between proactive personality with innovative working Behavior (Chen et al. 2013; Madrid et al. 2014; Thurlings, Evers & Vermeulen 2014). Proactive personality has often been used as the antecedent of innovative behavior.
Proactive personality is an individual vigorous competencies, highlighted by active self-attitude, and initiative stance with a high work (Seibert et al. 2001; Chan 2006; Becherer & Maurer 1999), that trigger individuals to discover opportunities for growth and development (Adawiyah 2015; Hall & Moss 1998). Proactive persons experience the mastery of knowledge and skill that empower them in marshalling resources to overcome the problem of resources scarcity faced by small businesses (Adawiyah & Istiqomah 2020, Frohman 1997; Presbitero 2015). Above all, small businesses’ achievement depends on the extend of entrepreneurs’ initiative to foster both personal growth and positive change in the organization (Morrison & Phelps 1999). Proactive personality leads the individual attitudes towards openness, creativity, interact, and collaborate (Afzar, Badir & Saeed 2014). Therefore, a business manager with proactive personality shall exhibit innovative behavior at work (Avolio et al. 2004; Wallace, de Chernatony & Bull 2013). Accordingly, organizational scholars are devoting increased attention to the career impact of proactive personality on business performance (Crant 1996; Crant & Bateman 2000; Kirkman & Rosen 1999; Parker & Sprigg 1999; Seibert et al. 2001).

Entrepreneurs with proactive personality are one of the main enablers of SME innovation. They are critical to empower small businesses to provoke rapid changes in the business environment. SME owners play three roles simultaneously as creators, organizers and market makers (Schoonhoven & Romanelli 2015). There are several types of individual competencies that assist entrepreneurs to identify opportunities and create value out of their limited resources. Hence we propose that:

$$H_1$$  Proactive personality has a positive influence on the entrepreneurs’ innovative behaviors

Increasing competition and rapid technological developments force individuals to be creative and innovative. Small businesses owned by Minang-nomads no longer combating in a local, regional or national market but finding themselves battling against companies worldwide. The SMEs have to be creative to reach a world-class quality to encounter the tense of business competition at this level (Adi & Adawiyah 2018; Pinasti & Adawiyah 2016). Creative is a personal character that enables individual to interact with the environment while finding new ideas for product development (Amabile 1983; Zhou & Jennifer 2001). Creative behavior encourages individuals to contribute actively in developing the organization’s resources by exploring idea of being part of the competitive advantage (Messmann & Mulder 2012; Thurlings et al. 2014). Creativity allows individual to solve business problems that leads to innovation (Oldham & Cummings 1996; Woodman. Sawyer & Griffin 2011) and successful organization’s performance (Basadur, Wukabayashi & Graen 1990). Basically, innovative work behavior is how working actors realize ideas and develop creative thinking, whereby implementation of productive ideas may generate a new one (Mumford 2004; Zhou & Shalley 2003). This proves that creativity contributes productively to the groundbreaking work behavior in an organization (Shalley & Gilson 2004; Shalley, Zhou & Oldham 2016).

Innovative work behavior is the interaction of actors in working environment, both internally and externally marked by the changing character of the individual initiated to find potential advantages in achieving success (Bateman & Crant 1993; Kim & Wang 2008). Innovative behavior emerges because of an individual’s creative act to develop productive idea to improve process, procedure and product. Creative acts like virus that easily contaminating others to behave in a similar way (Janssen, van de Vliert & Michael 2004; Sartori & Ceschi 2013). Developing creative thinking and innovative requires strong organizational supports (Anderson, Potočnik & Zhou 2014). Innovative behavior depends on individuals’ creativity and organizational supports that leads to the following hypothesis. Considering the pivotal role of creative to stimulate small business innovativeness the following hypothesis is proposed.

Innovation necessitates entrepreneurs to be open to external markets hence proactive characteristics alone is not sufficient. Creativity become essential factor for entrepreneurs with bounded resources to respond the open market demand. Creative individuals along with their proactive personality contextually demonstrated cognitive abilities to overcome the problems that occur in business (Zhang & Bartol 2010). An enterprise should offer powerful incentive to stimulate creativity and innovation at work (Anderson et al. 2014; Valaei, Rezaei & Ismail 2017; Hwang, Lee & Seo 2018; Hoerl & Gardner 2010). Working actors need to be creative and innovative in order to face the future businesses challenges (Scott & Bruce 2018; Oldham & Cummings 1996; Janssen 2014; Yuan & Woodman 2010).

$$H_2$$  Creativity has a positive influence on the innovative behavior

Innovation is an idea, processes, and procedures for development of product in small and medium businesses as a form of individual improvisation (Anderson, De Dreu & Nijstad 2004; Messmanna & Gruber 2010). Innovative behavior encourages individuals to improve the performance of small companies so that the innovation of personal work contributes to the improvement of organizational performance (Axtell et al. 2003; Messmanna et al. 2010; Hammond et al. 2011). Innovative behavior not only analyze the actors work, but also identify the elements of activity that will be used as part of the innovation process, so it can gradually build up
thoughts and ideas to realize in the form of duties and performance of small businesses (Messmann et al. 2010).

Innovation enable small businesses to encounter the effect of turbulent market changes occurring because of shorter product life cycle triggered by shifting needs and tastes of customers and rapid technological developments (Atalay, Anafarta & Sarvan 2013). The ability to innovate is most crucial factor for firms to improve their performance and hence to maintain their competitive advantage (Collinson & Liu 2019) In fact, only those small businesses with ability to introduce and commercialize innovative products and services will sustain (Leiva & Sanchez 2018). The availability of strategies, support systems and appropriate structure are crucial to foster innovation at both individual (Boxall & Macky 2009) and the organizational levels (Salunke, Weerawardena & McColl-Kennedy 2019) Given the importance of innovation for business continuity, researchers need explore the relationship between creativity and the level of innovation of small businesses.

An entrepreneur's innovativeness determine their business' success (Kesting & Ulhøi 2014). The Minang tribe is prevalent with their entrepreneurial skills and innovative ability (Rong et al. 2019). Innovative entrepreneurs have tenacity and dexterity in responding to various businesses challenges. The ability of entrepreneurs to generate creative idea and innovation highlight the fact that changes in an individual's mental attitude will affect small businesses’ success (Schaufeli & Bakker 2004; Luthans et al. 2007). Innovation involves risky and daunting task that depends on an entrepreneur’s perseverance of efforts and passions to pursue future goals. Entrepreneurs scoring on the effort are more innovative and experiencing high companies performances (Mooradian, Renzl & Matzler 2006).

Innovative behavior have made a positive contribution to the performance of small businesses (Shanker et al. 2017; Janssen 2014; Nybakk & Jerssen 2011; Isaksen & Ekvall, 2010; Kissi, Dainty & Liu 2012). Creative and innovative working actors have better accuracy and higher response speed in implementing ideas, processes, and procedures (Pieterse et al. 2010). The crucial question is how to apply the ability of thoughts and ideas, processes and procedures into strengthening the involvement innovative individuals within the organization, so that innovative behavior become the primary measurement dimension for the success of small businesses. It should be understood that the involvement of actors working in the organization motivate other actors to strive for the organizational success (Slatten & Mehmetoglu 2011; Lee & Ok 2016; Karatepe 2016). Thus we propose the following:

H₃ The innovative behavior has a positive effect on the perceived performance of small businesses

Proactive personality defines the character of an individual who responsible for task performance. The strong performance is a reflection of self and individual experience in which individuals become agents of change in the work environment and focus more on the successful performance (Bergeron, Schroeder & Martinez 2014; Liguori, McLarty & Muldoon 2012; Yang 2013). Proactive personality has a positive relationship with business performance (Crant 1996). It was proven that proactive personality could produce a performance that changes the behavior of working actors into discipline, hardworking and highly committed to carry out their tasks (Salgado & Tauriz 2014; Shaffer & Postlthwaite 2013; Allen et al. 2005).

Proactive personality shows the ability of an individual to pursue successful career performance (Thomas, Whitman & Visswesvan 2010; Fuller & Marler 2009; Li, Liang & Grant 2010). Thus, proactive personality stimulate individual contributions to the organization (Sun & van Emmerik 2014). Proactivity refers to anticipatory actions by individuals to positively behave at work that result in higher productivity. Individual with proactive personality become important asset for a business to face uncertainty (Spitzmuller & Van Dyne 2013; Grant & Ashford 2008; Parker & Turner 2006; Frese & Fay 2001). Moreover, proactive personality is a swift action to motivate other individuals to be active. This personality improve individual excellence hence contributing towards the achievement of business performance (Major & Fletcher 2006; Seibert, Crant & Kraimer 1999). Thus we proposed the following hypothesis.

H₄ Proactive personality has a positive effect on the perceived performance of small businesses

Creative individuals exhibit favorable work behavior that leads to successful organizational performance (Sung 2018; Sung & Choi 2012; Mueller & Goncalo 2010). Creativity encourages working actors to improve their knowledge and skills which is essential to achieve high business performance (Chiang, Hsu & Shih 2015; Giannikis & Nikandrou 2013). Creativity in this case refers to entrepreneurs skills to generate and implement a novel idea into their businesses (Amabile 1997; Khedhaouria, Gurau & Torrès 2015; Almahry, Sarea & Hamdan 2018). Therefore, creativity plays a pivotal role in the creation of a new venture (Matthews 2007) and the established one (Fillis & Rentchler 2010). Creativity also shape entrepreneurs ability to develop and preserving inventive organizational culture (Allison 2019).

Little studies have discussed the relationship between creativity and firm performance (Khedhaouria et al. 2015; Gong, Zhou & Chang 2013) in small business context Majority of the literatures focus on individual
(Perry-Smith 2006) or team-level performance (Gilson et al. 2005; Vera & Crossan 2005) in larger firms. Recurrent debates in the literature associate the creativity and business performance. The present empirical inquiries have indicated a positive relationship among creativity, firm performance innovativeness (Baron & Tang 2011) and business competitiveness (Zhou & Shalley 2003; Gilson & Raphaely 2008). Based on the view that creative entrepreneurs are the prerequisite in achieving performance in small firms (Fillis & Rentcher 2010; Mumford 2004; Matthews 2007) we hypothesize as follows:

\[ H_5 \] Creativity has a positive effect on the perceived performance of small businesses

Past studies indicate that substantial part of entrepreneurial activity is a direct consequence of subsequent actions overtime. Entrepreneurship frequently dealing with various businesses challenges (Bakker, Tims & Derks 2012; Greguras & Diefendorff 2010) therefore only those possessing the proclivity to change their current state may become entrepreneurs (Crant 1996). Entrepreneurs with proactive personality encourage other individuals to be innovative and work independently which leads to better performance (Parker & Sprigg 1999; Bateman & Crant 1993). Proactive personality profoundly influence and determine entrepreneurs’ ability to innovate (Chen et al. 2013; Madrid et al. 2014; Thurlings et al. 2014) that ultimately results in higher productivity (Kim & Wang 2008; Erdogan & Bauer 2005) The authors propose the following hypothesis.

\[ H_6 \] Innovative behavior mediate the relationship between proactive personality and the performance of small businesses owned by the Minang-nomadpreneurs.

Creativity is an essential factors to improve entrepreneurial competence (Farzin et al. 2014; Zhou & Hoever 2014). Creative entrepreneurs possess knowledge and skills that enable them to discover and commercialize innovative products to accomplish their primary role towards economic development (Radas & Božić 2009). Existing researches suggest the existence of relationship between creativity and innovation (Ahlin, Drnovšek & Hisrich 2014; Baron & Tang 2011; Śledzik 2013). Integrating creativity and innovation enable entrepreneurs to generate future creation (Nyström 1993) that have substantial effects on business performance (Gong et al. 2013; Simon 2002; Shin et al. 2012; Anderson et al. 2014; Binyamin & Carmeli 2010) To gain full understanding of this interesting phenomenon authors hypothesize as follows

\[ H_7 \] Entrepreneurs innovative behavior mediate the relationship between creativity and the performance of small businesses performance owned by Minang-nomadpreneurs

This study develops a conceptual model that shows the relationship of innovative behavior as the mediating variable on the relationship among between proactive personality and creativity to small business performance as demonstrated in Figure 1.

**FIGURE 1. Research model**

**RESEARCH METHODOLOGY**

**SAMPLES AND DATA COLLECTION**

This study used a quantitative approach to test the research model. The population was all members of Minang business community possessing small businesses with a minimum of 10 years of experience. The sample consisted of 265 Minang-nomadpreneurs living in Purwokerto Indonesia. The sample size was determined
based on the requirement of structural equation modelling. The minimum sample size at least equal to the number of indicators plus five times of the parameters used in the model (Hair et al. 2010). The respondent was randomly chosen from the list of Minang business community members living in Purwokerto.

MEASUREMENT

The variables used in the study consist of proactive personality with 17 indicators developed by Bateman and Crant (1993), creativity with 13 indicators developed by Zhou and George (2001); Innovative behavior as mediating variable with 9 indicators as developed by Scoot and Bruce (2018). The dependent variable was small business performance with 8 indicators developed by Chander and Hanks (1993). Individual question was designed to assess the variables. Data were collected using self-administered questionnaires. Survey questioner were distributed to the owner/ manager of the SMEs. Respondent were asked to rate the questionnaire items with five Likert scale (5-point scale, 1 – strongly disagree, 2 – disagree, 3 – neither agree nor disagree, 4 – agree, 5 – strongly agree).

DATA ANALYSIS

The analytical tool used in this research was Structural Equation Modeling (SEM). This tool was used based on the researchers developed models and the path diagrams which then transforms into a path diagram of the structural equation. To ensure the quality of the instruments, authors firstly conducted the convergent and discriminant validity test associated with 47 items using average variance extracted (AVE). Each item on the scale possessed the factor loading above 0.5 (Hair et al. 2010; Tabachnick & Fidell 1996) which confirm the evidence of convergent validity. The composite reliability of the measurements should at least 0.6 (Fornell & Larcker 2006).We use Cronbach alpha to test the construct reliability coefficient. The value of 0.7 or greater indicated that good scale of reliability (O’Leary-Kelly & Vokurka 2002).

RESULTS AND DISCUSSION

The first step was to test the validity and reliability of the constructs under study. The result indicated that all constructs’ reliability score was above 0.7, means reliable (Nunnally 1978), except for item X11, X12 and Y8 with a loading of 0.692, 0.664, and 0.621 respectively. The composite reliability of four constructs ranges 0.926–0.986. Meanwhile the AVE score for proactive personality was 0.556 with discriminant validity of 0.746; creativity was 0.595 with discriminant validity of 0.771; innovative behavior was 0.617 with discriminant validity of 0.785 and small firm performance was 0.603 with discriminant validity of 0.776. Thus it can be concluded that the variables were valid (Table 1).

| TABLE 1. Loading for reflective construct, composite reliability, AVE and discriminant validity |
|-------------------------------------------------|------------------|-------------------|-----------------|-------------------|-------------------|
| Construct                                      | Item  | Loading | Scale type | Composite Reliability | Average Variance Extracted (AVE) | Discriminant validity |
| Proactive personality                          | X11   | 0.692   | Reflective | 0.926              | 0.556                    | 0.746              |
|                                                | X12   | 0.664   | Reflective |                    |                          |                    |
|                                                | X13   | 0.707   | Reflective |                    |                          |                    |
|                                                | X14   | 0.794   | Reflective |                    |                          |                    |
|                                                | X15   | 0.812   | Reflective |                    |                          |                    |
|                                                | X16   | 0.799   | Reflective |                    |                          |                    |
|                                                | X17   | 0.765   | Reflective |                    |                          |                    |
|                                                | X18   | 0.749   | Reflective |                    |                          |                    |
|                                                | X111  | 0.738   | Reflective |                    |                          |                    |
|                                                | X112  | 0.724   | Reflective |                    |                          |                    |
| Creativity                                    | X21   | 0.797   | Reflective | 0.930              | 0.595                    | 0.771              |
|                                                | X22   | 0.775   | Reflective |                    |                          |                    |
|                                                | X23   | 0.768   | Reflective |                    |                          |                    |
|                                                | X24   | 0.791   | Reflective |                    |                          |                    |
|                                                | X25   | 0.788   | Reflective |                    |                          |                    |
|                                                | X26   | 0.773   | Reflective |                    |                          |                    |
|                                                | X210  | 0.762   | Reflective |                    |                          |                    |
|                                                | X211  | 0.761   | Reflective |                    |                          |                    |
|                                                | X212  | 0.726   | Reflective |                    |                          |                    |
| Innovative Work Behavior                      | X31   | 0.779   | Reflective | 0.986              | 0.617                    | 0.785              |
|                                                | X32   | 0.797   | Reflective |                    |                          |                    |
As presented in the table 2, the results showed that the Chi-Square, CMIN / DF, RMSEA, TLI, and CFI met the criteria of Goodness of Fit, while the probability, GFI and AGFI did not meet the requirements of Goodness of Fit.

### TABLE 2. The goodness of fit index

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Cut-off</th>
<th>Result</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>X2 with DF = 553 (608.082)</td>
<td>707.010</td>
<td>not good</td>
</tr>
<tr>
<td>prob</td>
<td>≥ 0.05</td>
<td>0.000</td>
<td>not good</td>
</tr>
<tr>
<td>CMIN / DF</td>
<td>≤ 2.0</td>
<td>1.278</td>
<td>Good</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0.871</td>
<td>marginal</td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0.90</td>
<td>0.853</td>
<td>marginal</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0.90</td>
<td>0.974</td>
<td>Good</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.90</td>
<td>0.972</td>
<td>Good</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt;0.08</td>
<td>0.032</td>
<td>Good</td>
</tr>
</tbody>
</table>

The correlation between proactive personality and creativity is 0.463; relationship to creative constructs with innovative work behavior is 0.400; relationship to constructive creativity with business performance is 0.462; the relationship of proactive personality constructs with innovative work behavior is 0.372; the relationship of proactive personality constructs with business performance is 0.381 and the relationship of constructs of innovative work behavior with business performance is 0.381.
Based on the result for hypothesis one (H1) proactive personality has a positive and significant effect on employee innovative work behavior (β = 0.272; t-value> 3.312; p <0.000). Hypothesis two (H2) employee creativity has a positive and significant effect on employee innovative work behavior (β = 0.285; t-value> 4.048; p <0.000). Hypothesis three (H3) an innovative employee work behavior has positive and significant impact on the perceived small firm performance (B = 0.199; t-value> 2.933; p <0.003). Hypothesis four (H4) proactive personality has a positive and significant impact on the perceived small firm performance (B = 0.192; t-value> 2.381; p <0.017), and Hypothesis five (H5), employee creativity has a positive and significant effect on the variable perceived small firm performance (B = 0.304; t-value> 4.257; p <0.000). Hypothesis six (H6), indicates that employee innovative work behavior mediate the relationship between proactive personality and perceived small firm performance with a positive and significant effect. According to the hypothetical values based on a Sobel test (Sobel 1982) innovative employee work behavior strongly mediates the relationship between proactive personality and small firm perceived performance (value 2.045 Sobel test; p <0.02), while the seventh hypothesis (H7) was analyzed using Sobel test. The result revealed a value of 2,366 with p <0.08, which confirmed the mediating role of employees’ innovative work behavior on the relationship between employees’ creativity and small firm performance.

**DISCUSSION**

Proactive personality influences entrepreneurs innovative work behavior. The proactive personality is characterized by their sense of responsibility in managing the business which demonstrated by the wide range of challenges and threats of life in the colony. Proactive personality of the Minang Nomads leverages their ability to build self-managed enterprises. Besides, the attitude of persistence and resilient while facing obstacles and dynamic business competition drives the Minang Nomads to be always active and innovative. This study supports the conventional wisdom that personality works better for a person with experience as they possess strong courage to face the competition (Adawiyah 2015; Bateman & Crant 1993). Therefore, the presence of entrepreneurs with proactive personality are critical to provoke small businesses’ growth.

The study found that creativity has a positive and significant impact on entrepreneurs’ innovative work behavior. Creativity drives Minang-nomad entrepreneurs to be self-knowledge and actively seek for more experience. This view in line with the notion that creative individuals contextually demonstrated cognitive abilities to overcome the problems that occur in business (Zhang & Bartol 2010). Hence, an enterprise should offer powerful incentive to stimulate creativity and innovation at work (Anderson et al. 2014; Valaei et al. 2017; Hwang et al. 2018; Hoerl & Gardner 2010). Working actors need to be creative and innovative in order to face the future businesses challenges (Scott & Bruce 2018; Oldham & Cummings 1996; Janssen 2014; Yuan & Woodman 2010).

Study result found that innovative work behavior positively related to the performance of small businesses. Innovative Work provides updates on offender performance in thought and action. Individuals will develop the ability to focus more on expressing ideas that can generate innovative behavior in developing the business (Luthans et al. 2007), Minang Nomads build synergy in developing the business partnership among the tribe members. The process of exploring individual’s ability of Minang Nomads initiated creative and innovative ideas which are done in groups so that the innovative work behavior of Minang Nomads improve business performance. The capacity of individuals to innovate affects the performance of other individuals. This then affects the individual’s contribution to innovation which will increase the development of business performance (Hammond et al. 2011).

The result of the study supports the view that proactive personality positively and significantly affects the performance of small businesses. Minang people dig up experiences to build up their proactive personality. Proactive personality is the character of individuals who become agents of change in the work environment and focus on the successful performance (Bergeron et al. 2014). The success of the performance is the reflection of individual’s experience, where the working actors proactively capable of producing a performance that can change the behavior of the working actors to be discipline, hardworking, and committed to carrying out the task performance (Bergeron et al. 2014; Salgado & Táuriz 2014).

The study also supports the hypothesis stating that creativity has a positive and significant effect on the performance of small businesses. Small business success depends on an entrepreneur’s creative ability to improve business. Therefore a healthy organizational atmosphere is needed in order to foster a creative behavior (Gong et al. 2013; Sung & Choi 2012). Minang Nomads has a principle of life, "jikok ndak mangakeh ndak ka makan di rantau (Minang language)" means that creativity and innovation are the prerequisite of success among the Minang nomads. Thus the result of this study is in line with the majority view that creative ideas are essential for success (Chiang et al. 2014; Elorza et al. 2016).

Innovative work behavior partially mediates the relationship between proactive personality and perceived performance of small businesses. Innovative work behavior directs individuals to be proactive in setting goals so that the individual can enhance the resources and the working environment resulting in favorable business
performance (Joo & Bennett III 2018). Personality proactively create innovative working actors that are essential factors for strengthening business performance (Bakker et al. 2012). The Minang people work together in developing business performance. Their personal attitude along with their proactive care form business synergies among fellow tribe members. They provide supports and encouragement among each other in building successful business performance.

Likewise, innovative work behavior partially mediates the relationship between creativity and perceived performance of small businesses. Creative entrepreneurs possess the ability to improve their managerial competence thus improving business performance (Shin et al. 2012; Tierney & Farmer 2002). The development of creative and innovative ideas encourage individuals to undergo change in both individuals and organizations to improve business performance (Stobbeleir, Ashford & Buyens 2011).

CONCLUSION

In this paper, we argued on the prevalence of particular ethnic supremacy in entrepreneurship, extending far beyond the literature's narrow focus of cultural based entrepreneurship. Lack of study investigating the centrality of entrepreneurship in various cultural domains is among the reasons. Authors use the theory of human capital formation to argue that extended families have a vital background for increasing the skills and preferences of individual business. This study confirms the hypothesis alleging the influence of proactive personality and creativity on small businesses performance owned by the member of Minang business community through the mediating role of the entrepreneurs’ innovative behaviors. The Minang people, one of the tribe from West Sumatera Indonesia, inherent strong business characters from their ancestors, which is viewed as the enabler their entrepreneurial success. To sum up, there is a positive relationship between antecedent and consequent variables. The success of the business performance depends on the attitude of the individual, proactive personality and creativity as well as innovative work behavior that requires individuals to face challenges of increasingly sharp competition.

Innovative work behavior is important for every individual to strengthen insight by sharing his or her knowledge and skills. Perpetrators of businesses employment should have the initiative to achieve business progress (Ali, Musawir & Ali 2018; Mura et al. 2013). Creativity and innovative competence reflect the individual in the face of various challenges. The synergy of business working actors has an impact on improving the ability of individual’s attitudes in addressing the work of environmental change.

RESEARCH IMPLICATIONS

Based on theoretical studies and research findings that the managerial contribution of this research provides an increase in knowledge, especially business actors, where innovative work behavior acts as a construct that intervenes in the relationship between proactive personality and creativity towards perceptions of business performance. The implications at the theoretical and practical levels are as follows: first, the study enhances theory of entrepreneurship especially from local wisdom view by emphasizing on the prevalence of cultural supremacy in entrepreneurship. We have integrated the human capital formation into the entrepreneurship theory alleging that nucleus family influence individual business skills and life preferences. Considering entrepreneurs cultural background as a trigger point in determining their success will increase the generalizability of entrepreneurship theory across context. In particular, the theory that was derived from developed economies are not necessary relevant to explain a similar phenomenon in developing countries (Leskovar-Spacapan & Bastic 2007). We address this need by testing our conceptual model on small and medium firms owned by entrepreneurs with specific cultural background of Minangkabau. Second, at the practical level entrepreneurs and professional can use the study findings as a guideline by adopting the Minang’s way in developing entrepreneurs. Our marks shall enhance knowledge on the role of psychological factors in determining innovative work behavior in a particular cultural setting. Our optimistic results provide noteworthy latitude for individuals who dream to be entrepreneurs by taking a lesson learned from successful entrepreneurs. Increasing needs for nascent entrepreneurs, require a guideline for professionals and authorities that came from best practices of local wisdom.

LIMITATIONS OF THE STUDY AND FUTURE STUDIES

Although this study contributes to a positive and significant relationship, there are some limitations encountered. First, the empirical model can be improved by adding more exact proxies. Vast majority of studies view local wisdom entrepreneurship to be an extremely wide idea, yet most investigations measure just a piece of the entire wonder. Then again, measuring the extend of family and community values as enabling factors for entrepreneurship skills could be extraordinarily advancing. Second, incorporating human capital hypothesis and pioneering survivalist hypothesis would appear to be a productive hypothetical system. Third, the unit of
analysis used in this study was individual level. Future studies may be directed towards a staggered examination
across level, individual and organizations to observe the possibility of mutual relationship. Various hypothetical
conversations and observational examinations have recognized connections between factors that across levels
from individual to organizational level. In this sense, the future research could incorporate other hypothetical
methodologies. At last, utilizing a more extensive scope of time could likewise add to advance the outcomes.

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