The Influence of Technology Orientation and Human Resource Capital (Human Capital) On Business Performance Through Innovation in Culinary Msmes in Makassar City

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Abstract

This study aims to analyze and prove the influence of Technology Orientation and Human Capital on Business Performance through Innovation in Culinary MSMEs in Makassar City. This research involved 140 samples, the research sample was taken using a purposive sampling technique whose magnitude was determined through the Hair method. The data was analyzed using a structural equation model (SEM) with the Smart-PLS4 analysis tool. The results of this study prove that (1) Technology Orientation has no effect on business performance (2) Human resource capital has an effect on business performance (3) Technology Orientation has no effect on innovation (4) Human resource capital has an effect on innovation (5) Innovation has an effect on business performance (6) Technology orientation has no effect on business performance through innovation (7) HR capital has an effect on business performance through innovation. This study found that technology orientation has no direct effect on performance and also does not affect indirectly through innovation, this proves that the technology orientation in this study is proven to still not be implemented as an innovation support by Culinary MSME actors in Makassar City so that this does not affect business achievements significantly.

Keywords: *Technology Orientation, Human Resource Capital, Innovation, Business Performance*

INTRODUCTION

Industrial growth in countries that are members of the ASEAN Economic Community is increasing, because it sees market opportunities that are increasingly wide and global. The globalization of the market and the increasing interpenetration of the economy and the interdependence of economic actors require many companies to redesign and modify their competitive strategies. Businesses in the 21st century will increasingly face challenges because consumers are more oriented to products that are more high-quality, low-cost, and these businesses must also be more responsive to very rapid changes (Agustina, et al., 2020). These new competitors are becoming more capable and productive because their managers are more educated and have technical expertise and the ambiguity across technology and information boundaries makes them quickly access the latest methods and equipment. The complexity and challenges faced by companies require companies to have the right innovation strategy so that they are able to compete with competitors, both from national companies and multinational companies.

Globalization also offers economic opportunities that can be used for economic development (Bappenas 2019), namely: (1) A very open market for export products; (2) Ease of access to capital and technology/knowledge originating from abroad; (3) Ease of obtaining goods that are needed by the community and cannot be produced in Indonesia; and (4) Increasing tourism activities as well as creating jobs and also becoming a place to promote Indonesia's products. One of the real forms of economic globalization is the highly competitive free market. Increasing regional competitiveness is a must to anticipate and participate in global competition, global competition is also one of the stimuli for the development of today's increasingly dynamic business challenges. Business dynamics that are quite turbulent today have actually received very serious attention from experts, several theories that are the basis related to business dynamics that need to be understood have been very well initiated and relevant to the current condition of business dynamics among these theories is the Resources-

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Based View (RBV) theory, which explains that valuable resources, Rare, difficult to replicate and irreplaceable can be a source of superior performance, and can enable companies to achieve sustainable competitive advantage (Barney, 1991). The theory also emphasizes the framework by considering an organization's internal resources as the main key in creating long-term competitive advantage. For business actors, especially in the small and medium enterprises (MSMEs) industry, RBV has significant implications, especially in relation to technology orientation, human capital, and performance through innovation. In the DMC concept, business actors are required to carry out Sustainable Innovation, MSMEs need to become innovation agents in their industry. They must constantly look for opportunities to improve their products, services, operational processes, and business models. This involves developing new products, adopting new technologies, or improving operational efficiency through the integration of information and communication technology.

Small and Medium Enterprises have an important and strategic role for the country's economic growth, both developing and developed countries. At the time of the economic crisis in Indonesia, Small and Medium Enterprises (SMEs) are the economic sector that has the best resilience. The capabilities of Small and Medium Enterprises need to be empowered and developed continuously by trying to reduce the obstacles experienced by Small and Medium Enterprises, so that they can contribute more optimally to the improvement of community welfare (Sutaryo, 2004). The performance of MSMEs is also influenced by Globalization which is accompanied by technological changes, for that technology orientation must be a strategic instrument for MSMEs today, technology-oriented product development policies can be used to manage competition, assuming that the higher the technology used, the more innovative the products produced and the greater the opportunities for products or services offered. Sold to a specific target market. In a technology-based business, this means that the business can use its technical expertise to create technical solutions that meet the needs of its users (Sari, et al., 2022).

Technology is also one of the factors that affect the success of new products, where companies can create more innovative products with advanced technology. The advantages of product differentiation are very influential, especially in high-tech companies, where this is evidenced by several clear advantages. The application of new technology is a decisive factor in the development of new products. The technological superiority of a product can attract consumers to buy new products it produces. With the availability of technology that accelerates the development of new products, the company's ability to produce high-tech and applied products greatly affects the advantages of these products (Sari, et al., 2022). Based on the description, both theoretically and the results of previous research, this study intends to conduct research on the culinary industry in Makassar City, considering that the culinary industry in Makassar City is a very prominent MSME and is one of the most dominant MSME businesses, so the mayor of Makassar also made a tag line in supporting the culinary industry of Makassar City with the tag line "Makassar City of Delicious Food". The city of Makassar as one of the major cities in Indonesia and a trade center and a reference for economic development in Eastern Indonesia, has development challenges that include an increasing population, limited land area and the diversity of its people in terms of education, economy and social. In 2019, Makassar City experienced a recovery phase in the regional economy. Although the Covid-19 pandemic only occurred at the end of 2019, recovery efforts continue to be carried out by the Government and business actors in all economic sectors. Makassar's economy, which initially grew at 6.20% at the beginning of 2019, had to experience a slump of 2.8% in the 2nd quarter of 2020. This is the center of attention for the city government and the community. Moreover, Makassar City is a city that has a great contribution to the economy of South Sulawesi (Dauda, 2023). SMEs have many business unit sectors, one of which is the culinary sector. The Makassar City Cooperatives and SMEs Office in 2017 recorded the number of SMEs spread across Makassar City as many as 2664 business units and 289 of them are businesses in the culinary sector. The culinary sector is an activity related to cooking or cooking activities. Culinary can also be interpreted as processed products in the form of side dishes, food and drinks. The culinary sector is one of the sectors that will continue to grow. This growth can be seen from the rise of roadside food stalls to sales made via social media and digital platforms (Didiharyono et al, 2022). And the most in demand by the public because as we know that Makassar is indeed famous for its culinary richness. With diverse booking options offline and online, it can reach a wider market. The success in educating the market about online food delivery has had a positive impact, especially for SMEs in the culinary sector in Makassar City.

The performance of Culinary MSMEs in the city of Makassar seems to be getting better after the COVID-19 pandemic. The pandemic condition that hit the whole world had a huge impact on the economy, not only in Indonesia or in Makassar in particular, but also on the economies of all countries in the world. The economic condition at that time was really negatively disrupted which even now the impact is still felt, many business actors have closed and until now have not been able to rise again This can be seen from the trading areas that were quite crowded, but even though the condition has begun to recover, the impact of the pandemic is still felt until now. One of the characteristics of MSME resilience is due to the influence of the use of technology which at that time inevitably had to be adapted by business actors who were forced to use online marketing channels and online delivery due to large-scale social restrictions (PSBB). The use of technology requires several adaptations that must be made by MSME actors in the city of Makassar itself, innovative awareness from business actors is beginning to grow, especially in displaying products offered online that require presentation techniques, taking pictures and creating content, this awareness has fostered innovation in the field of modern wrap-up, packaging, packaging, logo and branding, and the use of marketing channels by growing partnerships. with delivery service providers such as Gofood, grabfood, shopee food and others. Of course, this is very interesting to analyze scientifically how MSMEs utilize the ability of human resources (human capital) and the ability to adapt to technology and innovations that they strive to improve their performance, research related to improving the performance of MSMEs has been carried out by many researchers, but nevertheless previous studies have not analyzed comprehensively in terms of the use of human capital as a variable that Studied in various studies, most of the research related to human resource problems in the context of entrepreneurship emphasizes more on entrepreneurial orientation, entrepreneurial interest, entrepreneurial minset and the like, even though these problems will be more meaningful if analyzed through a more in-depth concept by looking at resources as the main capital in entrepreneurship (Human Capital). With the existence of the research gap, this study seeks to conduct research to answer the existing research gap. The originality of this study is the discovery of innovations in culinary MSMEs in improving business performance with a technology-oriented concept approach and human capital (Human Capital) which is built from basic theories in management, namely resources based view theory, dynamic managerial capabilities, knowledge based view, and market based view. The final goal to be achieved from the merger of these three theories is to achieve superior competitiveness in MSME businesses which has implications for improving MSME business performance. This study seeks to answer the controversy of previous research and based on field phenomena and inconsistent empirical facts, it is a gap for researchers to conduct further research. Therefore, based on the description that has been explained above, the researcher is interested in conducting research "The influence of technology orientation and human capital on business performance through innovation in Culinary MSMEs in Makassar City".

RESEARCH METHODS

The method used in this study is descriptive verifiable. Descriptive research is research that aims to obtain or obtain a description of the characteristics of research variables, namely technology orientation, human capital, innovation and MSME business performance. Verifiable research is research that basically wants to test the correctness of a hypothesis carried out through data collection in the field. This research will examine the influence of technology orientation, and human capital on business performance through innovation in culinary MSMEs in Makassar City. Given the nature of this research is descriptive and verifiable, the research methods used are the descriptive survey method and the explanatory survey method. The type of investigation in this study is causality. The unit of analysis used in this study is individuals, namely leaders/owners of Culinary MSMEs in Makassar City. The time horizon in this study is cross sectional, that is, information from a part of the population (respondent sample) is collected directly from the location empirically, with the aim of finding out the opinion of part of the population (sample) on the object being studied. The approach used in this study is a quantitative approach. Quantitative research is research that is carried out working with numbers, whose data is in the form of numbers (scores or values, rankings, or frequencies), which are analyzed using statistical models, to answer specific research questions or hypotheses, and also to predict that a certain variable affects another variable (Alsa, 2003)

Types and Data Sources

The types of data in this study are qualitative data and quantitative data, while the data sources are primary data and secondary data.

Primary data, which is data obtained directly from the original source (original respondent-not through an intermediary). The data of this study came from respondents on the list of questions that the researcher gave to Culinary MSME actors.

Secondary data, which is data obtained from documentation or other written reports from the results of literature studies, documentation references, and other printed materials as well as government regulations relevant to this research.

Population and Sample

Population. The population in this study is all entrepreneurs who are included in the criteria for micro, small and medium business actors in the culinary field/sector, which are in Makassar City.

Sample. The sample is a sub of a set of elements selected to be studied (Sarwono, 2006). The reason for conducting sample research is that the number of population elements is relatively large, so sample research is considered more effective than census. The sample object in this study is MSMEs in the Culinary Sector in the Makassar City area.

The sample determination technique uses the purposive sample technique, which is to select a sample from a population based on available information with the following criteria or assessments:

Culinary MSMEs in the Makassar City area

The business has been established for at least one year.

This study uses Structural Equational Modelling-Partial Least Square (SEM-PLS), with the basic model of path analysis, so that the sample size is determined by the smallest correlation between the variables in the path. To determine the size of the sample of this study, Motode Hair was used which stated that the research should meet a sample that can represent the research population so that it can meet the Good of Fitness of the research, the sample is taken by multiplying all research indicators with multiplication treatment between 5 to 10 treatments, with this technique the sample of this study is 14 indicators x 10 = 140 (one hundred and forty respondents)

Data Collection Techniques

The data collection techniques carried out in this study are as follows:

Observation, which is carried out by directly observing certain symptoms accompanied by data collection on Culinary MSMEs in Makassar City which is carried out effectively and efficiently because it can find the real situation in the field without any engineering.

List of Questions (Questionnaire), which is to distribute questionnaires to actors/leaders/owners of MSMEs in Makassar City who are considered to represent the respondents being researched.

Data Analysis Techniques

According to Sugiyono (2015), data analysis is the process of systematically searching for and compiling data obtained from the results of interviews, field notes, and documentation by organizing data into categories, describing them into units, synthesizing, organizing them into patterns, choosing which ones are important and what will be studied, and making conclusions so that they are easy to understand by yourself and others. Data analysis techniques are used to answer the formulation of a problem or test a hypothesis that has been formulated. The data management in this study will use PLS 4 smart software. Structural Equation Modelling (SEM) is a method used to close the weaknesses contained in the regression method. According to experts,

SEM research methods are grouped into two approaches, namely the Covariance Based SEM (CBSEM) approach and the Variance Based SEM or Partial Least Square (PLS) approach.

RESEARCH RESULTS AND DISCUSSION

The relationship between latent variables in this research model can be seen from the results of the estimation of path coefficients and their significance (P values). To test the proposed research hypothesis, it can be seen from the magnitude of the P Value. If the P value < 0.05, then Ho is rejected and Ha is accepted or there is a significant influence, which is correlated with the t-statistical value where the t-statistic value > the t-table. The t-statistical value of the estimated path coefficients. Hypothesis testing in statistical analysis through Smart PLS is carried out through two testing models, the first is a test to prove whether there is a direct influence between variables, the second is a test to prove whether there is an indirect influence between independent variables to dependent variables through intervening variables. In the direct influence hypothesis test, this test helps in confirming whether the independent variable has a significant direct influence on the dependent variable. This means that we can determine how strong and significant the direct relationship between variables is. Through data processing using SMART-PLS as a data analysis tool, a Coefficient path table is produced that shows the direct and indirect influence as presented in table 1 as follows

Table 1. Path Coefficient Results

VARIABLES	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDE)	P values
Direct Influence					
OT -> KB	0,089	0,087	0,080	1,104	0,270
MS -> KB	0,441	0,436	0,106	4,171	0,000
OT -> IN	-0,228	-0,218	0,119	1,924	0,054
MS -> IN	0,928	0,922	0,093	9,941	0,000
IN -> KB	0,358	0,367	0,069	5,219	0,000
Indirect Influence					
OT -> IN -> KB	-0,082	-0,078	0,043	1,913	0,056
SM ->IN -> KB	0,332	0,338	0,067	4,972	0,000

Source: Primary Data Processed, 2024

From Table 1 which explains the estimate of path coefficient which includes the P Value, the direct and indirect hypotheses can be explained as follows:

Direct Influence

Hypothesis Test 1 (Direct Effect between X1 Against Y)

Hypothesis 1 of this study suspects that Technology Orientation has a positive and significant effect on the Business Performance of Culinary MSMEs in the city of Makassar. Testing this hypothesis is carried out with the following provisions:

H0= Technology Orientation has no effect on the Business Performance of Culinary MSMEs in Makassar City

Ha=Technology Orientation Affects the Business Performance of Culinary MSMEs in Makassar City

With the requirement if the value of:

P values ≥ 0.05 then Ho is accepted and Ha is rejected, and if

P values < 0.05 then Ho is rejected and Ha is accepted.

Test Results

The test results obtained based on the path coefficient table gave a P Value of 0.270 so that the P Value > 0.05 which is classified as an insignificant category with a statistical t value of 1.104 < the t table of 1.9770, with an influence of 0.089 in other words Ho was accepted and Ha was rejected. This means that technology orientation can not directly affect business performance, especially if the orientation is only to know and is not applied in real business management, then knowledge alone is not enough if it is not actually internalized in real business management activities

Hypothesis Test 2 (Effect of X2 on Y)

Hypothesis 2 of this study suspects that Human Resource Capital has a positive and significant effect on the business performance of Culinary MSMEs in the city of Makassar. Testing this hypothesis is carried out with the following provisions:

H0 =   Human resource capital has no effect on the performance of Culinary MSMEs in Makassar City and,

Ha =   Human resource capital affects the performance of Culinary MSMEs in Makassar City.

With the requirement if the value of:

P values ≥ 0.05 then Ho is accepted and Ha is rejected, and if,

P values < 0.05 then Ho is rejected and Ha is accepted.

Test Results

The test results obtained based on the path coefficient table gave a P Value of 0.000 so that the P Value < 0.05 which is classified as a significant category with a statistical t value of 4.171 > the t table of 1.9770, with an influence of 0.441 with this result, Ho was rejected and Ha was accepted. This means that human resource capital affects the Business Performance of Culinary MSMEs in Makassar City, the results indicate that the ability to manage, direct and manage human resources appropriately will be able to have a significant impact on the achievement of business performance

Hypothesis Test 3 (Effect of X1 on Z)

Hypothesis 3 of this study suspects that Technology Orientation has a positive and significant effect on Culinary MSME Innovation in the city of Makassar. Testing this hypothesis is carried out with the following provisions:

H0 = Technology Orientation has no effect on Culinary MSME Innovation in Makassar City and,

Ha = Technology Orientation has an effect on Culinary MSME Innovation in Makassar City.

With the requirement if the value of:

P values ≥ 0.05 then Ho is accepted and Ha is rejected, and if,

P values < 0.05 then Ho is rejected and Ha is accepted.

Test Results

The test results obtained based on the path coefficient table gave a P Value of 0.054 so that the P Value > 0.05 which is classified as insignificant with a statistical t value of 1.924 < the t table of 1.9770, with an influence of -0.228 with this result, Ho was accepted and Ha was rejected. This means that technology orientation may not have an impact on the emergence of innovation if the orientation is just to know without any real encouragement to use technology as a tool to support the implementation of innovation and innovative actions, especially for MSME actors in managing their businesses

Hypothesis Test 4 (Effect of X2 on Z1)

Hypothesis 4 of this study suspects that Human Resource Capital has a positive and significant effect on the innovation of Culinary MSMEs in the city of Makassar. Testing this hypothesis is carried out with the following conditions:

H0 = Human resource capital has no effect on Culinary MSME Innovation in Makassar City and,

Ha= Human resource capital affects MSME Innovation in Makassar City.

With the requirement if the value of:

P values ≥ 0.05 then Ho is accepted and Ha is rejected, and if,

P values < 0.05 then Ho is rejected and Ha is accepted.

Test Results

The test results obtained based on the path coefficient table give a P Value value of 0.000 so that the P Value value < 0.05 which is classified as a significant category with a statistical t value of 9.941 > the t table of 1.9770, with an influence of 0.928 with this result, Ho is rejected and Ha is accepted. This means that quality human capital in general will have good creativity and innovation, so that adequate human resource capabilities will be able to influence the level of innovative practices of employees at work so that it can have a positive impact on the company to increase its innovative power as an effort to achieve the expected business performance by the company

Hypothesis Test 5 (Effect of Z on Y

Hypothesis 5 of this study suspects that Innovation has a positive and significant effect on the business performance of Culinary MSMEs in the city of Makassar. Testing this hypothesis is carried out with the following provisions:

H0 = Innovation has no effect on the Business Performance of Culinary MSMEs in Makassar City,

Ha= Innovation has an effect on the Business Interests of Culinary MSMEs in Makassar City.

With the requirement if the value of:

P values ≥ 0.05 then Ho is accepted and Ha is rejected, and if,

P values < 0.05 then Ho is rejected and Ha is accepted.

Test Results

The test results obtained based on the path coefficient table give a P Value of 0.000 so that the P Value < 0.05 which is classified as a significant category with a statistical t value of 5.219 > the t table of 1.9770, with an influence of 0.358 with this result, Ho is rejected and Ha is accepted. This means that innovations developed by Culinary MSME actors aimed at improving product quality, service quality and added value will have a good impact on improving the performance of the business managed by the company

Indirect Influence

Indirect influence in a study refers to the effect of an independent variable (X) on a dependent variable (Y) through one or more intermediate variables (mediators). This is in contrast to direct influence where the independent variable affects the dependent variable without an intermediary. These indirect influences are often analyzed in mediation or moderation models to understand the underlying mechanisms of the relationships between the variables in the model.

Based on Table 25, the indirect influence can be explained as follows:

Hypothesis Test 6 (Effect of X1 on Y through z)

Hypothesis 6 of this study suspects that Technology Orientation has a positive and significant effect on Business Performance through Innovation in Culinary MSMEs in the city of Makassar. Testing this hypothesis is carried out with the following provisions:

H0 = Technology Orientation has no effect on Business Performance through Innovation in Culinary MSMEs in the City and,

Ha = Technology Orientation affects Business Performance through Innovation in Culinary MSMEs in Makassar City.

With the requirement if the value of:

P values ≥ 0.05 then Ho is accepted and Ha is rejected, and if,

P values < 0.05 then Ho is rejected and Ha is accepted.

Test Results

The test results obtained based on the path coefficient table gave a P Value of 0.056 so that the P Value > 0.05 which is classified as insignificant with a statistical t value of 1.913 < the t table of 1.9770, with an influence of 0.082 with this result, Ho was accepted and Ha was rejected. This indicates that innovation cannot mediate technology orientation to business performance, empirical facts in the field show that the use of technology in Culinary MSMEs is only limited to the use of social media so that it cannot be the basis for innovative behavior for employees who work, so employee innovation still needs to be improved, this can be seen in the results of research that show that innovations owned by employees are not able to mediate technology orientation in improving the company's business performance.

Hypothesis Test 7 (Effect of X2 on Y through Z)

Hypothesis 7 of this study suspects that Human Resource Capital has a positive and significant effect on Business Performance through innovation in Culinary MSMEs in the city of Makassar. Testing this hypothesis is carried out with the following provisions:

H0 = Human resource capital has no effect on Business Performance through Innovation in Culinary MSMEs in Makassar City and,

Ha = Human resource capital affects Business Performance through Inovaso in Culinary MSMEs in Makassar City.

With the requirement if the value of:

P values ≥ 0.05 then Ho is accepted and Ha is rejected, and if,

P values < 0.05 then Ho is rejected and Ha is accepted.

Test Results

The test results obtained based on the path coefficient table gave a P Value of 0.000 so that the P Value < 0.05 which is classified as a significant category with a statistical t value of 4.972 > the t table of 1.9770, with an influence of 0.332 with this result, Ho was rejected and Ha was accepted. This means that good HR capital management will lead employees to have the opportunity to give the best to the company, employees who have good knowledge and skills will be able to appear as innovative employees which will ultimately lead to an improvement in the company's business performance.

DISCUSSION OF RESEARCH RESULTS

The entire series of this research process is intended to provide a perception of the conclusion about the causal relationship between the variables of Technology Orientation (X1) and Human Resource Capital (X2) to Business Performance (Y) through Innovation (Z) The results of hypothesis testing and data processing using smart PLS can be obtained several explanations related to hypothesis testing and data processing as follows:

Technology Orientation Has No Effect on Business Performance

This study proves that if Technology Orientation does not have a direct effect on business performance, it means that Technology Orientation that only stops at the level of knowledge can be described as a half-hearted approach. Although companies have knowledge of the latest technologies and their potential, without any effort to implement and integrate them into business processes, the benefits of such technology orientation cannot be felt to the fullest. This research reveals that to optimize business performance, companies need to go beyond just having a technology orientation. They must be able to turn technological knowledge into concrete actions, such as implementing new technology systems, optimizing processes with those technologies, and ensuring that all staff are trained and involved in the use of the technology.

Human Resource Capital Affects Business Performance

The results of this research prove that Human Resource Capital has an effect on business performance, empirically shows that Human Resource Capital (HR) is a vital asset that contributes significantly to business performance. HR includes the expertise, competence, knowledge, and abilities of employees who work in an organization. Good understanding and management of human resource capital can encourage increased efficiency, innovation, and competitiveness of the company. HR capital has a significant influence on business performance. Expertise, motivation, training, innovation, leadership, and a good organizational culture are key factors that can improve a company's productivity, efficiency, and competitiveness. By effectively managing human capital capital, companies can achieve better business performance and ensure sustainable growth in a competitive market

Technology Orientation Has No Effect on Innovation

The results of this study prove that if technology orientation does not have a direct effect on innovation, the facts in the field show that technology orientation is still limited to knowledge and lacks real implementation, so technology orientation cannot be a leverage to create innovation if it is only limited to awareness and knowledge without real implementation. To truly drive innovation, companies need to have a culture that encourages creativity, invest in HR skill development, have an integrative approach, provide adequate resources and infrastructure, and overcome internal barriers that hinder innovation. With a comprehensive approach, technology orientation can be a key driver of innovation in an organization.

Human Resource Capital Affects Innovation

This study proves that if HR Capital has an effect on Innovation, HR Capital has a significant effect on innovation because competent, motivated, and well-trained employees are the main drivers of new ideas and creative solutions. Supportive leadership and an innovative organizational culture further strengthen the company's ability to innovate. By making optimal use of human capital, companies can create an environment conducive to innovation, which ultimately improves competitiveness and overall business performance

Innovation Affects Business Performance

Innovation has a significant effect on business performance through improving operational efficiency, developing new products and services, increasing customer satisfaction, differentiation from competitors, adaptability to market changes, opening new market opportunities, improving employee morale and motivation, and optimizing the use of resources. By continuously innovating, companies can improve competitiveness, strengthen their position in the market, and achieve sustainable growth

Technology Orientation Has No Effect on Business Performance Through Innovation

This study proves that Technology Orientation Does Not Affect Business Performance Through Innovation, Technology Orientation Does Not Have a Direct Effect on Business Performance Through Innovation if it is only limited to technological knowledge without practical implementation. Factors such as organizational culture, investment in HR training, overly narrow focus on specific technologies, resource constraints, business process bottlenecks, and unsupportive leadership greatly affect a company's ability to translate technology

orientation into innovations that improve business performance. To overcome these barriers, companies need to ensure that technology orientation is followed by concrete actions and supported by a culture, resources, and leadership that supports innovation.

Human Resource Capital Affects Business Performance through Innovation

This study proves that Human Resource Capital has a significant effect on business performance through innovation because competent, motivated, trained, and working in an environment that supports innovation is the main driver of new ideas and creative solutions. Supportive leadership and an innovative organizational culture further strengthen the company's ability to innovate. By making optimal use of human resource capital, companies can create innovations that improve competitiveness and overall business performance

CONCLUSIONS AND SUGGESTION

CONCLUSION

Technology Orientation Has No Effect on Business Performance, The results of the study show that technology orientation does not have a significant influence on business performance. This indicates that although MSME actors have knowledge about technology, this knowledge has not been applied effectively in business operations to improve performance.

Human Resource Capital Affects Business Performance, Human Resource Capital has a significant influence on business performance. Skilled, motivated, and continuously developing employees through training and education contribute greatly to improving business performance through increased efficiency, productivity, and quality of service.

Technology Orientation Does Not Affect Innovation, Technology Orientation also does not have a significant effect on innovation. Although MSME actors have awareness and knowledge about technology, this is not enough to encourage innovation if the technology is not applied in daily business practices.

Human Resource Capital Affects Innovation, Human Resource Capital has a significant effect on innovation. Employees who have good skills and knowledge are able to create innovative ideas that can improve products, services, and business processes. Investment in human resource development has proven to be the main driver of innovation in culinary MSMEs.

Innovation Affects Business Performance, Innovation has a positive and significant influence on business performance. New ideas and the application of innovative technologies and working methods increase efficiency, reduce costs, and increase the competitiveness of culinary MSMEs, which ultimately improves overall business performance.

Technology Orientation Has No Effect on Business Performance Through Innovation, The findings show that technology orientation has no indirect influence on business performance through innovation. This confirms that without real implementation, technological knowledge alone is not enough to produce innovations that can improve business performance.

Human Resource Capital Affects Business Performance Through Innovation, Human Resource Capital has a significant influence on business performance through innovation. Skilled and motivated employees are able to create innovations that improve business performance, demonstrating the importance of investing in human resource development to achieve better business outcomes

Suggestion

Improvement of Technology Implementation, Although the current technology orientation does not have a significant effect on business performance and innovation, MSMEs must strive to not only understand technology, but also implement it practically in daily operations. Specialized training programs that focus on the application of technology can be very beneficial.

    Invest in HR Training and Development, As HR capital has proven to have a significant impact on business performance and innovation, MSMEs must continue to invest in employee training and development. This includes technical, managerial, and soft skills training to increase innovation and productivity capacity.

    Facilitating a Culture of Innovation, MSMEs need to create a culture that encourages creativity and innovation. This can be done by encouraging collaboration, providing incentives for new ideas, and creating a work environment that supports experimentation and risk-taking.

    Strengthening Leadership that Supports Innovation, MSME Leaders must actively promote and support innovation. Visionary and inspiring leadership can create a conducive climate for employees to develop and implement innovative ideas.

    Overcoming Barriers to Technology Implementation, Identify and overcome obstacles to technology implementation, such as costs, infrastructure limitations, and resistance to change. Government support or partnerships with other institutions can help MSMEs overcome these obstacles.

    Innovation Monitoring and Evaluation: Implement a monitoring and evaluation system to assess the effectiveness of the innovations implemented. This helps ensure that the innovations made actually have a positive impact on business performance.

Broader and In-depth Advanced Research, for further researchers can conduct further research with a broader object and a more comprehensive methodology to gain a deeper understanding of the dynamics between technology orientation, human resource capital, innovation, and business performance. Research can cover a wide range of different business sectors and geographic regions.

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