

THE INFLUENCE OF INNOVATION AND CREATIVITY TRANSFORMATION IN REALIZING ENTREPRENEURIAL MANAGEMENT IN THE SOCIETY 5.0 ERA

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ABSTRACT

The transformational changes of the Society 5.0 era demand an innovative and creative mindset, particularly in entrepreneurship, to generate solutions that focus not only on profit but also on social sustainability and community well-being. The purpose of this study is to identify how the use of digital technology, encouraging individual creativity, and integrating entrepreneurial values are expected to enable business actors to adapt more quickly to change and achieve business sustainability. The research method used is quantitative descriptive and associative. Data collection techniques were obtained through the distribution of online questionnaires. Data analysis was carried out using multiple regression to test the research hypothesis using the Smart PLS tool. The results of the study identified that the two independent variables together were able to explain 71.2% of the variation that occurred in the dependent variable (Y), while the remaining 28.8% was explained by other factors outside the research model, the loading factor value was 0.712, which indicated a positive influence with a greater level of strength than X₁. This value indicates that X₂ has a significant contribution to changes in Y, so it can be concluded that this variable is a dominant factor in the research model used. Therefore, the influence of innovation and creativity in entrepreneurial management in the era of society 5.0 provides an important contribution to the development of entrepreneurship.

Key words: *Innovation transformation; creativity; entrepreneurial management; Society 5.0*

INTRODUCTION

The era of *society 5.0* emerged as a new paradigm in social and economic development by emphasizing the integration of digital technology into human life. In contrast to *Industry 4.0*, which emphasizes industrial automation and digitalization, *Society 5.0* emphasizes the balance between technological development and human values. These changes demand an innovative and creative mindset, particularly in entrepreneurship, to generate solutions that focus not only on profit but also on social sustainability and community well-being. Business success is now determined not only by efficiency and effectiveness but also by the capacity to innovate and adapt to a dynamic environment (Triansyah et al., 2023) and (Santoso, 2024).

Modern entrepreneurship is no longer limited to production, distribution and marketing activities, but must be ready to adapt to rapid changes in the business environment. Innovation is a key factor in creating products, services, and business models that meet consumer needs. MSMEs need to strengthen their digital literacy to compete in the era of *Society 5.0*, where the ability to identify markets and create product differentiation is crucial (Triansyah et al., 2023). This approach forms the basis for developing sustainable entrepreneurial management, not only through the creation of new products but also through the development of innovative ideas in business management, marketing, and consumer relations (Nurhidayani et al., 2021).

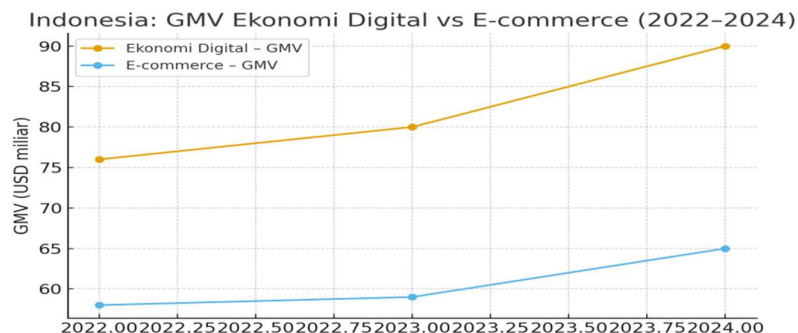


Figure 1. Analysis of entrepreneurial management problems in the era of *society 5.0*

Source: BPS GMV Economy, 2022-2024.

Indonesia's digital economy GMV increased from US\$76 billion in 2022 to US\$90 billion in 2024, indicating positive growth. However, e-commerce still dominates 70–72% of total GMV, suggesting that digital innovation in other entrepreneurial sectors remains limited. This highlights the need to strengthen innovation and creativity across sectors to support more balanced entrepreneurial management in the Society 5.0 era.

Environmental factors such as family and community support significantly influence entrepreneurial interest, particularly among younger generations (Olivia & Nuringsih, 2022; Pramesti & Kusuma, 2020). Entrepreneurship education also contributes to improving entrepreneurial competencies and strengthening entrepreneurial values and character (Supriatna et al., 2023).

Social media plays a strategic role in developing entrepreneurial creativity by enabling direct interaction with consumers and providing market insights that support innovation (Olivia & Nuringsih, 2022; Riyantoko et al., 2022). In the Society 5.0 era, entrepreneurial management must integrate innovation strategies, digital technology utilization, and collaboration with stakeholders. Government and business association support also helps MSMEs face digital challenges and opportunities (Priyambodo, 2020).

This study examines the impact of innovation and creativity transformation on entrepreneurial management in the Society 5.0 era. By leveraging digital technology and fostering creativity, business actors are expected to adapt to change and achieve sustainable business performance (Rumangkit et al., 2024).

METHOD

This research was designed systematically with stages including research design, data collection techniques, analysis, and interpretation of findings. All research procedures are designed by considering important aspects so that the results obtained have a high level of validity and reliability. The approach used was a descriptive and associative quantitative design. The descriptive design serves to describe the characteristics of the research variables, while the associative design is used to test the relationships between variables, namely innovation, creativity, and entrepreneurial management (Wilaini, 2022). The target population and sample of this study were business actors, specifically MSMEs operating in the Garut region. The *purposive sampling* technique was used so that the selected respondents had a direct connection to innovation and creativity practices in business management. The sample number of respondents involved was 100 people, with the questionnaire distributed online.

Meanwhile, the dependent variable in this study is entrepreneurial management (Y). This variable refers to the effectiveness of business management which includes aspects of planning, organizing, controlling, and marketing strategies implemented by business actors. Good entrepreneurial management enables business actors to optimize resources, increase efficiency, and respond quickly to market dynamics.

Data collection techniques were obtained through the distribution of online questionnaires, providing flexibility for respondents to answer based on their experiences. Before wider distribution, the instrument will be piloted on a limited group to ensure the clarity of the questions. The collected data will be analyzed using multiple regression to test the research hypotheses. This analysis allows for the simultaneous evaluation of the influence of the independent variables (innovation and creativity) on the dependent variable (entrepreneurial management) (Creswell, 2016). SmartPLS statistical *software* will be used to facilitate the analysis and structural modeling (PLS-SEM) process. The model in this study can be identified in the following figure

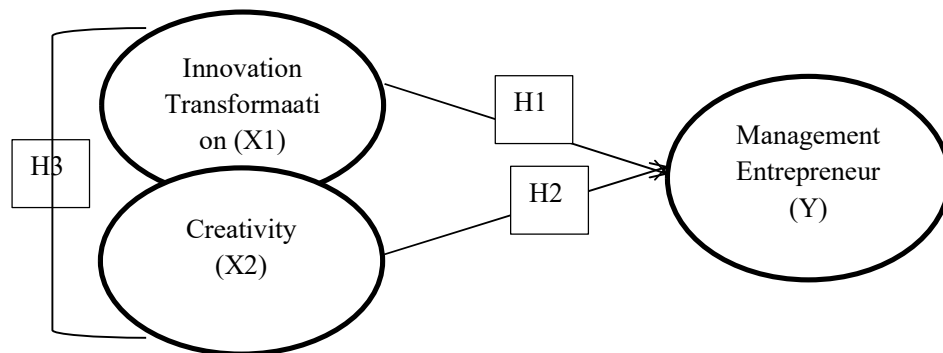


Figure 1. Research model

RESULTS AND DISCUSSION

Results

In an effort to maintain data validity, the study excluded respondents who did not have authority in business management, inactive business units, and large companies outside the MSME category. These criteria are established to ensure that the collected data truly represents the actual conditions of MSMEs in facing challenges as well as opportunities for innovation and creativity transformation in the era of *society* 5.0. The results of data analysis in measuring the influence of innovation transformation, creativity in encouraging entrepreneurial management in the era of *society* 5.0.

The data collection process involved a questionnaire instrument, which was analyzed through descriptive, hypothetical, and regression analysis. This was done to identify and analyze the influence between related variables. This influence analysis is interpreted through classical analytical tests. Based on field findings identified through the following analysis:

Table 1. Loading Factor Analysis

Indicator	Mark
X1 > Y	0.651
X2 > Y	0.712

Source: Smart PLS Version 4 processing results, 2025

The results of the analysis show that the variable X₁ has a loading factor value of 0.651 on the variable Y. This value indicates a positive but relatively weak influence between X₁ and Y. This shows that an increase in X₁ will be followed by an increase in Y, although the contribution is not too large. Substantively, this indicates that the factor represented by X₁ has a role in forming the variable Y, but is not the main factor that significantly influences changes in the value of Y. The role of X₁ is more complementary or supporting, which strengthens other variables in explaining variations in Y.

Meanwhile, the X₂ variable shows a loading factor value of 0.712, which indicates a positive influence with a greater level of strength than X₁. This value indicates that X₂ has a significant contribution to changes in Y, so it can be concluded that this variable is a dominant factor in the research model used. Empirically, these results confirm that improvements in the aspects represented by X₂ will have a more significant impact on increasing Y. Therefore, efforts to strengthen or develop strategies in the context of this research should be focused on the X₂ variable to obtain more optimal results in the Y variable.

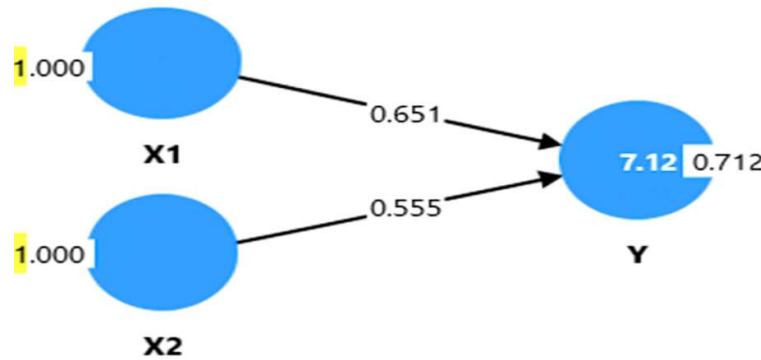


Figure 1. Bostrapping Analysis

Source: Smart PLS Version 4 processing results, 2025

Based on the results of the structural model analysis shown in the diagram above, it was found that the variable X₁ has a positive influence on the variable Y with a coefficient value of 0.651, while the variable X₂ also has a positive influence on Y with a coefficient value of 0.555. The R-Square value of 0.712 indicates that the combination of the two independent variables is able to explain 71.2% of the variation that occurs in the variable Y, while the remaining 28.8% is explained by other factors outside this research model. This indicates that the influence of X₁ and X₂ on Y is conceptually strong and significant, so that an increase in both variables simultaneously will make a real contribution to the increase in the variable Y. Thus, this model can be categorized as having good explanatory power and is relevant in the context of the research being conducted.

Based on the analysis results on the path diagram displayed, it can be seen that the relationship between variable X₁ and Y has a coefficient value of 0.108, while the relationship between X₂ and Y shows a value of 0.000. The p-value shows a significant influence between the two independent variables (X₁ and X₂) on the dependent variable (Y). Thus, statistically, both X₁ and X₂ are quite capable of explaining the changes that occur in Y significantly in this research model. This condition indicates that the relationship formed tends to be quite weak and is not yet significant enough to be supported empirically.

Table 2. R-Square Analysis

Indicator	R-Square	R-square adjusted
Y	0.555	0.534

Source: Smart PLS Version 4 processing results, 2025

Based on the analysis results of the R-Square value of 0.555 and the Adjusted R-Square of 0.534, it can be interpreted that the independent variables in the research model are able to explain approximately 55.5% of the variation that occurs in the dependent variable (Y), while the remaining 44.5% is explained by other factors outside this research model. The Adjusted R-Square value which is slightly lower than the R-Square indicates an adjustment to the number of independent variables and sample size, so that the results are more accurate in describing the strength of the model. In general, this value indicates that the model has a moderate level of explanatory power, meaning that the independent variables have an influence on the dependent variable, but there are still other factors that need to be considered to increase the overall explanatory power of the model.

Table 3. T-statistic analysis

Indicator	Original Sample (O)	Sample Mean	Standard deviation (stdev)	T-statistics
Average indicator X1 < X1	1,000	1,000	0.000	0.000
Average X2 < X2	1,000	1,000	0.000	0.000
Average Y < Y	1,000	1,000	0.000	0.000

Source: Smart PLS Version 4 processing results, 2025

The analysis results show that all indicators, namely Average Indicator X₁ against X₁, Average Indicator X₂ against X₂, and Average Indicator Y against Y, have Original Sample (O) and Sample Mean values of 1.000, with Standard Deviation (Stdev) and T-statistics of 0.000. This condition indicates that the relationship between each indicator and its construct is perfect and constant, without any variation between samples. In other words, each indicator truly represents the construct it measures fully and does not show any deviation or instability in the data. However, results with standard deviation and T-statistics values of zero also need to be interpreted with caution, as they may indicate a lack of data variation or potential technical problems in the model estimation process, such as absolute similarity of indicator values or model test results that have not fully converged.

The findings also indicate a significant influence of innovation and creativity transformation on entrepreneurial management in the Society 5.0 era, reflecting both challenges and opportunities arising from technological development and socio-economic dynamics. In the context of Society 5.0, which integrates digital technology and human creativity, innovation and creativity play an essential role in strengthening the entrepreneurial ecosystem (Dahlana et al., 2025). Entrepreneurial management is therefore required to adopt creative and innovative approaches to respond to rapid and uncertain global business changes (Amanda et al., 2024).

Innovation also contributes to entrepreneurial sustainability by mediating community engagement and strengthening governance (Syaifullah et al., 2023). This shows that entrepreneurship is not only oriented toward financial gain but also toward broader social contributions (Dewi & Ginting, 2022; Hamdani & Rawita, 2023). In addition, creativity enhances entrepreneurial competitiveness by enabling entrepreneurs to develop new solutions, differentiated products, and effective consumer communication strategies (Koeswandi et al., 2024; Hamdani et al., 2024). In the Society 5.0 environment, creativity acts as a catalyst for adaptive and inclusive business models (Safei, 2021).

The transformation of innovation and creativity in entrepreneurial management requires multi-stakeholder collaboration, including government, academia, industry, and the community. Support from a conducive ecosystem, such as pro-innovation regulations, access to financing, and technology-based education, is a key factor in accelerating this transformation process (Zhao, 2023), (Maulani et al., 2024). Therefore, research on the influence of innovation and creativity on entrepreneurial management in the era of Society 5.0 provides an important contribution to the development of entrepreneurial theory and practice that is more sustainable, inclusive, and relevant to current demands.

CONCLUSION

Based on the results of the structural model analysis shown in the path diagram, it can be concluded that variables X₁ and X₂ have a positive effect on Y, with their respective coefficient values being significant. This indicates that the two independent variables together are able to explain 71.2% of the variation that occurs in the dependent variable (Y), while the remaining 28.8% is explained by other factors outside the research model. This finding indicates that the relationship between creativity and innovation influences entrepreneurial management in the era of society 5.0. Suggestions for further research can deepen the analysis of other variables that have the potential to influence entrepreneurial management in the era of society 5.0, both as moderating and mediating variables, to gain a more comprehensive understanding. In addition, strengthening the aspects represented by the transformation of innovation and creativity needs to be a focus in the implementation of practical policies or strategies, because both have been shown to contribute significantly to the final results. Researchers are also advised to use a larger sample size and a more complex analytical approach, such as multi-group analysis or mediation model testing, so that the research results have a higher level of generalization and accuracy in a broader empirical context.

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