

### The Effect of Knowledge Management on Innovative Behavior through Personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency

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#### **ABSTRACT**

This study aims to determine the effect of knowledge management on innovative behavior through personality in MSME players in Bantan District, Bengkalis Regency. The number of samples in this study were 364 MSME players in Bantan District, Bengkalis Regency. This research uses quantitative methods. The data collection technique in this study used a questionnaire. The data analysis technique uses Structural Equation Modeling (SEM) PLS. The results showed that knowledge management affects innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. Knowledge management affects personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. Personality affects innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. Knowledge management affects innovative behavior through personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency.

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#### Introduction

The industrial sector that has an important role in increasing Indonesia's economic growth is the Micro, Small and Medium Enterprises sector. Micro, Small and Medium Enterprises have become one of the main pillars of the Indonesian economy with an independent outlook and have great potential to improve the welfare of the Indonesian people.

Micro, Small and Medium Enterprises are businesses that have little initial capital, little wealth value (asse) and a small (limited) number of workers, the value of capital or the number of workers in accordance with the definitions given by public authorities or other agencies with specific objectives. So it can be concluded that Micro, Small and Medium Enterprises are businesses that are included in a small or limited scale with little initial capital and a limited number of workers. However, Micro, Small and Medium Enterprises strive to continuously maintain customer satisfaction (Shavab, 2021). With the current condition of the business world, increasingly fierce competition requires business actors to be able to adjust to the



changing desires of consumers. This demand ultimately requires business actors to have consistency in satisfying consumers, therefore actors in the business world must be able to maintain their existence while always developing their business in accordance with their vision, mission and goals. Seeing this, the innovative behavior of Micro, Small and Medium Enterprises actors plays an important role in determining the success of Micro, Small and Medium Enterprises. Innovative behavior refers to the ability to create an original idea, use the results of work as a potential idea and implement new ideas into work practices.

Without competent business actors, a Micro, Small and Medium Enterprises will find it difficult to achieve the goals that have been set. To grow competent business actors, good knowledge management is needed. This knowledge management is often referred to as knowledge management. Knowledge management is a process that helps organizations find, select, disseminate, communicate key information and expertise needed for activities such as problem solving, dynamic learning, strategic planning and decision making (Valmohammadi, C. and Ahmadi, 2015).

In addition to knowledge management, the innovative behavior of Micro, Small and Medium Enterprises actors is closely related to personality. Personality includes all thoughts, feelings and behaviors. Personality guides individuals to adjust to the social environment and physical environment. Since the beginning of life, personality has the potential to form unity. When developing personality, people should try to maintain unity and harmony between all elements of personality.

One of the Micro, Small and Medium Enterprises that is of important concern is the Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency, which consists of 3,944 Micro, Small and Medium Enterprises. Given that Bantan District is an area that has tourist destinations such as the new strait beach, muntai beach located in Dusun Tua, Muntai Village, then there is papal beach which is decorated with coconut trees and mangroves, mentayan agro-tourism which offers a wide view of rice fields, mangrove tourism with river views and liong bridge which is not far from the center of Bengkalis City. With these tourist destinations, sapta pesona (tourism awareness) also needs to be done with the aim of attracting tourists to visit by providing excellent service and hygienic food and beverage offerings. The phenomenon that occurs in Micro, Small and Medium Enterprises in Bantan District is that Micro, Small and Medium Enterprises are very rare to design and explore ideas that encourage actors to be creative. Micro, Small and Medium Enterprises actors do not come up with new ideas for business development, and very rarely implement business development ideas obtained from seminars or workshops conducted by related agencies.

Knowledge management is a process that helps organizations find, select, disseminate, communicate key information and expertise needed for activities such as: problem solving, dynamic learning, strategic planning and decision making (Valmohammadi, C. and Ahmadi, 2015). According to (Budihardjo, 2017), knowledge management is the transfer of knowledge, skills and effective work behavior. Meanwhile, according to (Torabi, 2016) knowledge management is the management of corporate knowledge in creating business value and generating sustainable competitive advantage by trying to optimize the process of creating, communicating and applying all the knowledge needed in order to achieve company goals.

Knowledge management is measured using three indicators (Rehatalanit, 2019):



- Personal knowledge is knowledge gained by employees in the form of experience either from daily events or from other sources. Human knowledge begins when people get an idea where the impression arises from feelings and the mind's work system or in other words, the idea is formed with the help of memory and imagination that adds, shares, expresses true feelings.
- 2. Knowledge sharing is an activity in knowledge management that is used to provide and disseminate knowledge, ideas, experiences, or skills from a person, department, organization, agency, or company to create a basic need for cooperation.

According to (Robbins, 2017) personality or personality is a word that comes from Latin, namely "charm". A word that refers to a guise or mask, where the mask was used by dramatists in the Roman Age as something that describes a person's behavior, personality, or character. "Enchantment" had a specific meaning for the Romans, which was about how individuals appeared to other individuals.

Personality includes all thoughts, feelings and behaviors. Personality guides the individual to adjust to the social environment and the physical environment. From the beginning of life, personality is a unity or has the potential to form a unity. When developing personality, people should try to maintain unity and harmony between all elements of personality (Alwisol, 2014).

According to (Robbins, 2017), there are five indicators of personality:

- 1. Extroversion, describing a carefree, outgoing, and confident individual.
- 2. Agreeability, describing individuals who are trustworthy, cooperative, and kind.
- 3. The ability to listen to one's inner voice, depicting a person who is responsible, stable, organized, and reliable.
- 4. Emotional stability, individuals who are confident, calm and serene.
- 5. Personality that characterizes a person based on imagination, sensitivity and curiosity.

Innovative behavior is defined as all individual actions that lead to the introduction and application of something new and beneficial to the organization. This includes the development of new product ideas, technological developments and changes in administrative procedures that aim to improve work relationships or the application of ideas and ideas to work processes to significantly improve employee efficiency and effectiveness (Putri, Yashinta., Suharti, 2021). According to (Fitrio, Tomy., Budiyanto., 2020), innovative behavior is the behavior to bring up, improve and implement new ideas in their duties, work groups or organizations.

Taherparvar, N., Esmaeilpour, R., Dostar, (2014) says there are several indicators related to innovative behavior including the following:

#### 1. Seeing Opportunities

For employees who find many opportunities and opportunities that exist, for example, problems arise from the workflow that has taken place, or there are consumer desires that are not realized or changing trends.

#### 2. Generating Ideas

At this stage, employee concepts are released with the aim of improvement, which includes releasing new ideas or modifying existing ones, appointments with clients and technology used. The key is to collaborate and organize existing information and concepts



to solve problems and improve performance. in this phase, employees come up with new concepts.

### 3. Championing

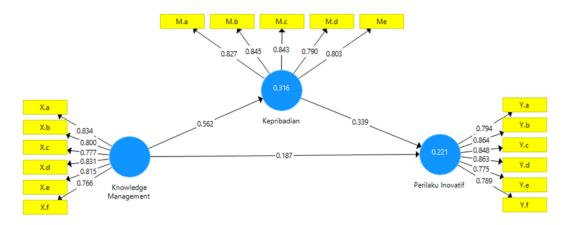
At the championing stage, employees are required to fight for what has been created by trying to find support by inviting, influencing and selling the idea of their findings to other employees so that their findings have strength because there are many supporters to implement.

#### Method

This type of research is quantitative research. Quantitative research is a study that emphasizes analysis of numerical data processed using statistical methods. The goal is to obtain the significance of group differences or the relationship between the variables studied (Sugiyono, 2018). The population in this study were all Micro, Small and Medium Enterprises in Bantan District, totaling 3,944 Micro, Small and Medium Enterprises.

The sample in this study was determined by the Slovin formula with a provision level of 5%. The number of samples in this study were 364 Micro, Small and Medium Enterprises. The sampling technique used in this study was simple random sampling. The data collection technique used in the study was a questionnaire. Data analysis techniques in this study, researchers used Structural Equation Modeling (SEM) with the Partial Least Square (PLS) method.

#### Results



Source: Data Processing Year 2025

From the figure above, the loading factor value for each indicator is above 0.70. This means that all indicators are valid. Then to measure convergent validity, the Average Variance Extrated measuring instrument can be used. In convergent validity, the rule of thumb is Average Variance Extrated> 0.5. The following is the AVE value which will be displayed in the table below:



Table 1. Average Variance Extrated (AVE)

	Average Variance Extracted (AVE)		
Personality	0,675		
Knowledge Management	0.647		
Innovative behavior	0.677		

Source: Data Processing Year 2025

From the table above, it is known that the results of research data processing show that all variables have good validity. Furthermore, to find out details about the Average Variance Extrated root value of each variable, it can be seen in the table below:

Table 2. Average Variance Extrated Root Value

	Personality	Knowledge Management	Innovative behavior
Personality	0,822		
Knowledge Management	0,562	0,804	
Innovative behavior	0,544	0,778	0,823

Source: Data Processing Year 2025

From the table above, it can be concluded that the results of discriminant validity data processing according to the test with the AVE root have good discriminant validity.

Table 3. Composite Reliability Variabel

	Cronbach's	rho_A	Composite	Average Variance
	Alpha		Reliability	Extracted (AVE)
Personality	0,880	0,882	0,912	0,675
Knowledge Management	0,890	0,892	0,916	0,647
Innovative behavior	0,906	0,924	0,926	0,677

Source: Data Processing Year 2025

From the table above, the Cronbach's Alpha and Composite Reliability values for all variables are above 0.70. This means that all items of this research variable are reliable.

Table 4. R Square Value

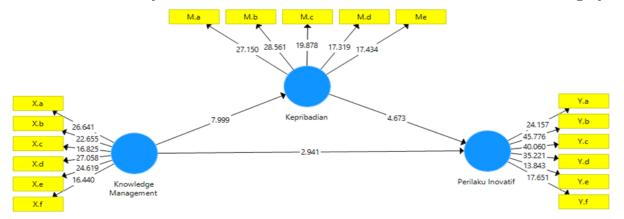
	R Square	R Square Adjusted
Personality	0.316	0.314
Innovative behavior	0.221	0.217

Source: Data Processing Year 2025



From the table above, the following results can be found:

- 1. The R-square value of the personality variable is 0.316, this means that the personality variable that can be explained by the knowledge management variable is 31.6% and the rest is explained by other variables outside this study. Therefore, it can be concluded that the effect is in the weak category.
- 2. The R-square value of the innovative behavior variable is 0.221, this means that the innovative behavior variable that can be explained by the knowledge management variable and the personality variable is 22.1% and the rest is explained by other variables outside this study. Therefore, it can be concluded that the effect is in the weak category.



Source: Data Processing Year 2025

Table 5. Path Coeficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Personality -> Innovative behavior	0,339	0,342	0,072	4,673	0,000
Knowledge Management -> Personality	0,562	0,569	0,070	7,999	0,000
Knowledge Management -> Innovative behavior	0,187	0,183	0,064	2,941	0,003

Source: Data Processing Year 2025

H1: Knowledge management has a positive and significant effect on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. The effect of knowledge management on innovative behavior in Micro, Small and Medium Enterprises in Bantan District with a coefficient value of 0.187 with a p-value of 0.003 (less than 0.05) which means significant and H1 is accepted.

H2: Knowledge management has a positive and significant effect on personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. The effect of knowledge management on personality with a coefficient value of 0.562 with a p-value of 0.000 (less than 0.05) which means significant and H2 is accepted.



H3: Personality has a positive and significant effect on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. The effect of personality on innovative behavior in Micro, Small and Medium Enterprises in Bantan District with a coefficient value of 0.339 with a p-value of 0.000 (small than 0.05) which means significant and H3 is accepted.

Table 6. Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Knowledge Management -> Personality -> Innovative behavior	0,190	0,196	0,053	3,587	0,000

Source: Data Processing Year 2025

H4: Knowledge management indirectly has a positive and significant effect on innovative behavior through personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency with a coefficient value of 0.190 with a p-value of 0.000 (less than 0.05) which means significant and H4 is accepted.

#### **Discussion**

## The effect of knowledge management on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency

The results of this study indicate that knowledge management on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. The results of this study are in line with research conducted by (Seyed, 2014) (Taherparvar, N., Esmaeilpour, R., Dostar, 2014) and (Nasution, 2021) which state that knowledge management has a positive and significant effect on innovative behavior. Knowledge management is a clear advancement of tools, structures, systems, processes and culture to improve the use, sharing and careful creation of knowledge in decision making. Then innovative behavior is a creation, appreciation and implementation of new ideas at work and in the company to improve the quality of work of employees and the company. In this case, many business actors lack knowledge from the results of observations so that business development is hampered. This can affect business actors in innovating due to the lack of observations made.

# The effect of knowledge management on personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency

The results of this study indicate that knowledge management has a positive and significant effect on personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. The results of this study are in line with research conducted by (Sari, 2014) knowledge management feels very much needed at this time to improve the quality of work for employees. Personality is an important part of a worker, because personality can reflect how a person behaves, generally in everyday life and especially in the world of work. Knowledge management can affect employee personality through increasing their connection to the



organization. Employees who have a high connection with the organization are able to work together to improve the achievement of the work unit or organization. In this case, business actors lack emotional stability in dealing with every thing that happens in their business. So that it makes the business done less than optimal.

## The effect of personality on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency

The results showed that personality has a positive and significant effect on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. The results of this study are in line with the results of research conducted by (Abdullah, 2014) which states that to be able to increase innovative behavior requires a good personality. Personality is the unique traits, behaviors, and characteristics that a person has in the workplace. Personality can affect the way a person interacts, understands situations, and makes decisions. The results of previous research show that personality affects innovative behavior. This means that personality can affect the innovative behavior displayed by employees at work. In this case, business actors lack communication about new ideas or ideas to their groups. So that it can make business people lose opportunities to develop their business.

# Knowledge Management affects innovative behavior through personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency

The results showed that indirectly knowledge management has a positive and significant effect on innovative behavior through personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. The results of this study are in line with research conducted by (Seyed, 2014) and (Abdullah, 2014) which shows that knowledge management affects innovative behavior, and to increase innovative behavior requires a good personality. Knowledge management is a series of tools, techniques, and strategies used to maintain, analyze, organize, improve, and share understanding and experience. This understanding and experience can come from individuals or be integrated in processes and applications in an organization. Knowledge management can facilitate the exchange of knowledge needed in the innovation process. Employees who actively participate in sharing innovative knowledge are more likely to generate, promote, and/or implement innovative ideas in the future. It is also influenced by personality. An active personality encourages employees to have the initiative and motivation to bring change in the form of innovations for the company.

#### Conclusion

From the results of the research and discussion in the previous chapter, the conclusions that can be drawn are as follows:

- 1. Knowledge management has a positive effect on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. This means that if knowledge management increases, then innovative behavior in Micro, Small and Medium Enterprises will increase.
- 2. Knowledge management has a positive effect on personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. This means that if knowledge management increases, the personality of Micro, Small and Medium Enterprises actors will increase better.



- 3. Personality has a positive effect on innovative behavior in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. This means that if the personality of Micro, Small and Medium Enterprises actors is getting better, the innovative behavior of Micro, Small and Medium Enterprises actors will increase.
- 4. Knowledge management has a positive effect on innovative behavior through personality in Micro, Small and Medium Enterprises in Bantan District, Bengkalis Regency. This means that the more knowledge management increases, the better the personality of Micro, Small and Medium Enterprises actors. A good personality can increase innovative behavior.

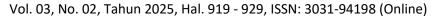
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