

**INFLUENCE OF ENTREPRENEURIAL PASSION, GOVERNMENT SUPPORT,  
AND LEARNING CAPABILITY ON THE PERFORMANCE OF CREATIVE SMEs  
IN JEMBER DISTRICT**

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**Abstract:** *This study examines the influence of three dimensions of entrepreneurial passion, namely a passion for inventing, passion for developing, and passion for founding, on the performance of creative industry-based MSMEs in Jember, Indonesia, after the Covid-19 pandemic with government support and learning capability as a moderating variable. Using a purposive sampling technique, as many as 280 creative MSMEs in Jember were involved in this study. Based on the results of the SEM-PLS analysis, passion for inventing and passion for developing have a significant positive effect on MSME performance. Learning capability can strengthen the influence of passion for inventing and passion for developing MSME performance. This study did not find a significant effect of passion for founding on MSME performance, and government support could not strengthen the influence of passion for inventing, developing, and founding on MSME performance. In addition, this study found that learning capability cannot strengthen the influence of passion for founding on MSME performance. The findings of this study offer theoretical and practical implications regarding how important the entrepreneurial spirit is in improving MSME performance after the Covid-19 pandemic by increasing learning capability in the creative industry-based MSME sector.*

**Keywords:** *entrepreneurial passion, government support, learning capability, SME performance, creative industry*

**Abstrak:** *Penelitian ini mengkaji pengaruh tiga dimensi entrepreneurial passion, yaitu passion for inventing, passion for developing, dan passion for founding terhadap kinerja UMKM berbasis industri kreatif di Kabupaten Jember, Indonesia, pasca pandemi Covid-19 dengan dukungan pemerintah dan learning capability sebagai variabel moderasi. Dengan*

*menggunakan teknik purposive sampling, sebanyak 280 pelaku UMKM kreatif di Jember dilibatkan dalam penelitian ini. Berdasarkan hasil analisis SEM-PLS, passion for inventing dan passion for developing berpengaruh positif signifikan terhadap kinerja UMKM. Learning capability dapat memperkuat pengaruh passion for inventing dan passion for developing terhadap kinerja UMKM. Penelitian ini tidak menemukan pengaruh yang signifikan dari passion for founding terhadap kinerja UMKM dan dukungan pemerintah tidak mampu memperkuat pengaruh passion for inventing, developing, dan founding terhadap kinerja UMKM. Selain itu, penelitian ini menemukan bahwa learning capability tidak bisa memperkuat pengaruh passion for founding terhadap kinerja UMKM. Temuan penelitian ini menawarkan implikasi teoritis dan praktis mengenai seberapa penting semangat kewirausahaan dalam meningkatkan kinerja UMKM pasca pandemi covid-19 dengan meningkatkan learning capability di sektor UMKM berbasis industri kreatif.*

**Kata Kunci:** semangat kewirausahaan, dukungan pemerintah, kapabilitas belajar, kinerja UMKM, industri kreatif

## INTRODUCTION

Since the Covid-19 pandemic was announced in March 2020, the Indonesian people have witnessed significant changes that have hit several aspects of the economy, especially MSMEs. As many as 47% of MSMEs in Indonesia failed to survive due to disruptions to their business activities, among others, due to decreased sales and capital, distribution problems, and raw material difficulties (Rantung, 2020). The MSME sector in Jember is also not free from the impact of this pandemic. This condition requires attention, considering that the role of MSMEs is very vital for the Indonesian economy. The government has made Various efforts to revive the performance of MSMEs as the backbone of the economy, starting from capital assistance and credit restructuring to improving skills (Fitriani, 2020). However, internally, these MSMEs are less adaptive in dealing with the turbulence of this change, and their business will find it difficult to survive.

Jember Regency has not been spared being an area affected by the Covid-19 pandemic. The number of poor people in the Jember Regency in 2020 increased compared to 2019 by 7.54% (Nursalikhah, 2021). Jember Regency, which potentially has quite a variety of natural resources, especially in the fields of plantations and tourism, can be utilized to improve the welfare of its people. The creative industry-based SMEs in Jember were also quite encouraging before the Covid-19 pandemic. The Covid-19 pandemic is a form of change that must be faced by MSMEs. In responding to this massive and dynamic change in the business environment, MSMEs are required to create a sustainable competitive advantage over the long term, both in difficult times and not (Hamilton, 2020).

In its demands to adapt in a dynamic business environment, especially in times of crisis, *passion* an entrepreneur in entrepreneurship is considered important as a 'fuel' that continues to trigger them to overcome the challenges they face during the business process (Cardon et al., 2013). This study adopts the concept *passion* identity-based study by Cardon in investigating how the entrepreneurial spirit for certain

entrepreneurial activities, namely, *inventing* (find), *founding* (founded), and *developing* (develop), affect the company's performance.

Despite the significant contributions over the last few years to develop an understanding of *passion* identity-based entrepreneurship (Strese et al., 2018), several issues limit understanding of this domain. First, research on *passion* Identity-based entrepreneurs mostly focuses on the positive effects of each domain, and in the process, they ignore the negative effects of the domains. The lack of attention to understanding the conditions under which positive or negative morale influences firm results is surprising, given the differential effects of the three domains (Stenholm & Renko, 2016).

In line with that, understanding the contingencies that affect the relationship between *passion* entrepreneurship and MSME performance is still limited. Meanwhile, the establishment, growth, and sustainability of companies do not depend only on entrepreneurs' creativity. The business atmosphere plays a deterministic role because government actions and coordination allow companies to thrive with limited resources (Smallbone & Welter, 2001). The government can assist in various ways in the progress of SMEs, including external financing support, training and development, technical assistance, and tax incentives.

In addition to government support, this research conceptualizes *learning capability* as a mediator consistent with the study of Gebremichael et al. (2016) and Wang et al. (2006). The concept of learning ability in research and among practitioners has grown rapidly over the years due to the importance of a dynamic business environment. Sukoco et al. (2018) sought to investigate the potential mediating role of learning in the relationship between capability and firm performance. Nonetheless, limited attention has been paid to the empirical examination of the role of mediation *learning capability* on the association of technological and relational capabilities and the performance of SMEs in developing countries.

Discussion on the relationship between entrepreneurial passion, government support, *learning capability*, and the company's performance also still encounters inconsistencies in research results. (Zhao et al., 2021) found that entrepreneurial spirit had a significant positive impact on entrepreneurial performance in Zhejiang, China. Megracia (2021) found that entrepreneurial characteristics and spirit directly influence business performance in the city of Bandung. However (Iyortsuun et al., 2019) states that the relationship between entrepreneurial spirit and business results is still very distant. De Mol et al. (2020) found that the average team spirit does not significantly affect the quality of business ideas. According to Taneo et al. (2022), the government plays an important role in improving SME performance by enacting policies to improve infrastructure and energy services, encouraging formal SME registration, and increasing access to finance for SMEs. Likewise, the relationship between government support and business performance. Nugroho (2019) found that government support did not significantly affect the company's financial performance.

Our research makes several contributions to the review of *entrepreneurial passion*, MSMEs, and the broader entrepreneurship literature. The first is to focus on a better understanding the influence of the three passion domains of identity-based entrepreneurship on company performance. The second contribution is using government support and variables *learning capability* as a moderator to better understand the conditions under which entrepreneurial passion has a positive impact on performance. The third contribution understands the relationship between entrepreneurial passion and performance recovery after facing a pandemic where the performance measurement of MSMEs is adjusted to post-pandemic indicators. The fourth contribution is the selection of creative industry-based MSMEs in the Jember Regency as research objects. The main focus on developed countries in entrepreneurship research questions the generalizability of entrepreneurship theory and findings. The context of Jember Regency is significantly different from developed countries in terms of economic, financial, and infrastructure development. This study aims to analyze the influence of *entrepreneurial passion*, that is, *passion for inventing, developing, and founding* on MSME actors on the recovery of the performance of Creative MSMEs in Jember and the role of government support and *learning capability* in moderating the relationship.

## THEORETICAL REVIEW

### *Personality-job fit theory*

*Personality-fit job theory* is defined as a theory regarding the level of harmony between individuals and work (Wong & Tetrick, 2017). *Personality-fit job theory* is a form of organizational psychology that postulates that the personality traits of individuals will reveal insights about their adaptability in an organization. *Personality-job fit theory* supports the concept that the match between an individual's personality traits and the tasks they perform, and this person-job fit determines individual success in their chosen career (MacKenzie, 1995). This theory can explain the relationship between factors of *entrepreneurial passion* on the results of the entrepreneur's work on his business.

### **Entrepreneurial Success Model The Giessen Amsterdam**

Frese et al. (2000) proposed an interdisciplinary model for determining entrepreneurial success, ie *The Giessen-Amsterdam model of entrepreneurial success*. They assume that entrepreneurial success depends on the entrepreneur's actions. These actions stem from the goals and strategies that entrepreneurs develop as their business mission and vision. This model can be used both at the individual and company levels (depending on the size of the company). On an individual level, when an entrepreneur starts a business, he or she hires very few employees. He or she is usually the originator of all the goals and strategies that strongly impact the business. Individuals from businesses in pursuit of their own goals. Frese et al. (2000) mention that the success of entrepreneurial ventures depends on factors such as personality, human resources, goals, strategies, and environment. According to this model, individuals have different personality dispositions, and unique personality factors assist them in achieving their entrepreneurial goals. The environment consists of factors that are beyond the control of the entrepreneur.

Entrepreneurs continue to seek support from various institutions to deal with this environment. This model is most suitable for the current research to explain the phenomena observed, including the relationship between entrepreneurial personality, government support, *learning capability*, and business performance.

#### ***Entrepreneurial Passion – Passion for Inventing, Developing, and Founding***

Cardon et al. (2009) introduced a framework for *entrepreneurial passion* based on the specific role of the entrepreneur. *Entrepreneurial passion* is "intense positive feelings that are consciously experienced by business actors when engaging in entrepreneurial activities associated with a meaningful and prominent role for entrepreneurial self-identity" (Cardon et al., 2009). Based on the categorization of entrepreneurial activities, Cardon et al. (2009) suggest three distinct entrepreneurial role identities: creating, developing, and finding passion.

*Passion for inventing* is the spirit of MSME entrepreneurs in developing new ideas, innovative solutions, and new products where entrepreneurs try to identify, find, explore, and pursue opportunities in the market. *Passion for developing* is the entrepreneurial spirit of MSME in maintaining, growing, and expanding their business, where this type enjoys activities such as increasing sales, hiring new employees, and adding external investors. *Passion for development* is the spirit of MSME entrepreneurs in establishing new businesses to be commercialized and exploiting existing opportunities (Cardon et al., 2009).

#### **Government Support**

In the context of SMEs, government support acts as a catalyst by providing financial assistance in the form of capital injections for business operations and start-ups and training requirements for SMEs (Mbali et al., 2019). This assistance program is needed considering the important role of SMEs globally, especially in developing countries, in terms of economic growth. In addition, government involvement is seen as an external resource that contributes to the success of SMEs, including financial and non-financial assistance (Set, 2017). According to Nguyen et al. (2018), government support includes tax exemptions, tax reductions, loans with preferential interest rates, trading activities, personnel training, and technology.

#### ***Learning Capability***

*Learning capability* has been described as performance management directed at promoting and supporting the learning process (Fang et al., 2011). This concerns the resources required by the company used in diagnosing employee training needs, evaluating business activities that are less contributing, and the process of transmitting information and knowledge learned among employees.

#### **MSME performance**

Business performance or growth can be measured both quantitatively and qualitatively. According to Gupta et al. in Lusimbo & Muturi (2016) quantitatively, company performance can be measured by added value, increased revenue, total assets, and business volume. While qualitatively, the company's performance can be measured through market position and product quality. Performance is generally used for some or all of the company's actions in a certain period. Performance, in particular, can be interpreted as determining certain measures that can measure the

success of a business in generating profits. In addition, performance improvements reflect how managers or business owners carry out their business processes. So it can be concluded that the better the company's performance, the better the business processes are in producing quality products (Rini & Iramani, 2021).

### **Dimensional Influence Entrepreneurial Passion on MSME Performance**

Based on *the personality-job fit theory*, Individual personality traits will reveal insights about organizational adaptability. Likewise, according to *The Giessen-Amsterdam model of entrepreneurial success*, the success of a business is determined by the manager's personality. The influence of managers' actions on business performance has often been discussed in the literature on strategic management and entrepreneurship (Priestnall et al., 2020). This may be more accurate in SMEs, a context where managers often become owners of firms and play a more prominent role in decision-making (Chittoor et al., 2019). Consistent with the literature discussing the impact of individual characteristics on the behavior of MSME managers and their implications for SME performance, the literature regarding *passion* Entrepreneurship also emphasizes the relationship between *passion* with their cognition and behavior (Cardon et al., 2009) and their impact on the firm success (Strese et al., 2018).

Researchers previously argued that role identity allows business actors to create a sense of 'who they are,' which can shape their cognition and behavior (Powell & Baker, 2017). The findings show that entrepreneurs take strategic actions consistent with their identity (Fauchart & Gruber, 2011). In starting and running a business, entrepreneurs must engage in several activities, and the degree of their involvement with these activities varies based on *their passion* (Cardon et al., 2013). For example, businessmen with *a passion for founding* Those who are high show a higher positive influence when they are involved in activities related to setting up a company.

Despite the significant contributions over the last few years to develop an understanding of *passion* identity-based entrepreneurship (Strese et al., 2018), several issues limit understanding of this domain. First, research on *passion* Identity-based entrepreneurs mostly focuses on the positive effects of each domain, and in the process, they ignore the negative effects of the domains. The lack of attention to understanding the conditions under which positive or negative morale influences firm results is surprising, given the differential effects of the three domains (Stenholm & Renko, 2016).

Based on previous theory and research, several hypotheses were proposed, including:

**H1:** *Passion for inventing* significant positive effects on the performance of creative MSMEs

**H2:** *Passion for developing* significant positive effects on the performance of creative MSMEs

**H3:** *Passion for founding* significant negative effects on the performance of creative MSMEs

### **Effect of Moderating Government Support on the Relationship between Entrepreneurial Passion Dimensions and MSME Performance**

The COVID-19 pandemic has disrupted the resilience and performance of MSMEs. Under these conditions, the market fails to allocate resources optimally. In this condition, the role of government is very crucial. According to Porter (1985), the proper function of government is to act as a catalyst, that is, to strengthen or even encourage businesses to improve their competitive performance. Even in conditions without a crisis, according to several studies, the role of the government is an important variable for building resilience and business performance. According to Taneo et al. (2022), the government plays an important role in improving SME performance by enacting policies to improve infrastructure and energy services, encouraging formal SME registration, and increasing access to finance for SMEs. The purchase of SME products by civil servants helps solve liquidity problems in SMEs during the pandemic, as highlighted by (Fernandes, 2020). The government of Saudi Arabia is also making efforts to increase the number of MSMEs (Nurunnabi, 2020). However, the influence of government support as a moderating variable between dimensions of *entrepreneurial passion* and the performance of SMEs is still largely unknown. We suggest that this relationship needs to be tested. Therefore we hypothesize:

**H4:** Government support strengthens influence *passion for inventing* to performance MSMEs

**H5:** Government support strengthens influence *passion for developing* to performance MSMEs

**H6:** Government support strengthens influence *passion for funding* on performance MSMEs

### **Effect of Moderation Learning Capability on the Relationship between Entrepreneurial Passion Dimensions and MSME Performance**

*Learning capability* has been described as the quality of company management directed at supporting learning processes (Fang et al., 2011), which includes the resources required by companies used in diagnosing employee training needs, evaluating futile business activities, and the process of transmitting information and knowledge that learned among employees. *Learning capability* is an important resource that increases efficiency, innovation, and firm performance (Santos-Vijande et al., 2012). *Learning capability* supports companies in increasing productivity, sensing market opportunities, adjusting business activities, minimizing costs, and delivering new products to the market. This determines the potential of SME companies to survive, innovate and thrive in the market. (Sok et al., 2013). Hooi (2020) found that openness, experimentation, and managerial commitment have improved the performance of MSMEs. However, the influence of *learning capability* as a moderating variable between dimensions of *entrepreneurial passion* and the performance of SMEs is still largely unknown. We suggest that this relationship needs to be tested. Therefore we hypothesize:

**H7:** *Learning capability* strengthens influence *passion for inventing* to MSME performance

**H8:** Learning capability strengthens influence passion for developing MSME performance  
**H9:** Learning capability strengthens influence passion for funding to MSME performance

### RESEARCH METHODS

This study uses a quantitative approach with explanatory methods. According to Sugiyono (2017: 6), explanatory research is a research method that intends to explain the position of the variables studied and the influence between one variable and another. The independent variables in this study are a passion for inventing, passion for developing, and passion for founding. The moderating variable is government support and learning capability, while the dependent variable is the performance of MSMEs. The population in this study are all creative industry-based SMEs in Jember Regency. The sampling technique used in this study is *purposive sampling*. The sample criteria consisted of (1) respondents who are MSME managers based on creative industries registered with MSME Cooperatives and Services in Jember and (2) respondents spread across Sumber Sari, Kaliwates, and Patrang sub-districts which are three major sub-districts in Jember. The number of samples for this study was set at 280, obtained from the total number of indicator variables used multiplied by 10 (28 indicators  $\times$  10 = 280) (Hair et al., 2014). In distributing the questionnaires, the researcher determined the MSME samples to be visited and asked MSME owners to fill out the online questionnaire that had been provided. The questionnaire contains 30 questions using a 5 Likert scale. The collected data were then analyzed using *the structural Equation Model-Partial Least Square* (SEM-PLS). PLS is used for causal-predictive analysis in the high complexity and low theoretical support conditions (Ghozali, 2021, p. 31). First, we test *the outer model*, namely the validity and reliability test. Second, testing is carried out *inner model*, namely R-Squares and hypothesis testing. Figure 1 illustrates the conceptual framework of this study.

Figure 1. Research Conceptual Framework

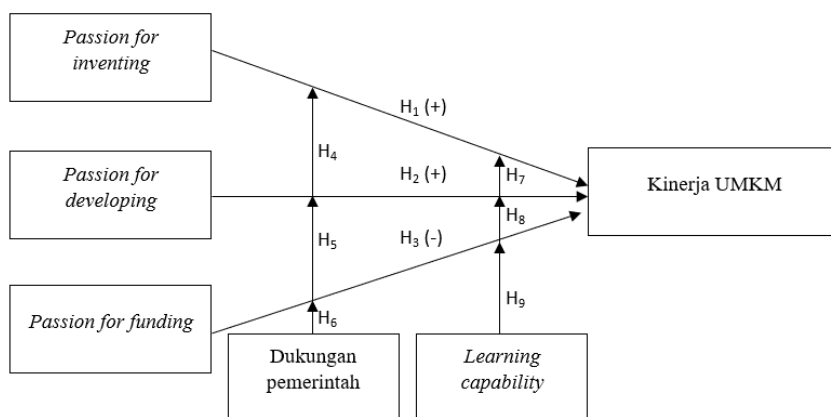




Table 1 below summarizes the operational definitions of the variables and their indicators.

**Table 1. Operational Definition and Indicators**

<b>Variable</b>	<b>Operational definition</b>	<b>Indicator</b>	<b>Source</b>
<i>Passion for Inventing</i>	The spirit of MSME entrepreneurs in developing new ideas, innovative solutions, and new products where entrepreneurs try to identify, find, explore, and pursue opportunities that exist in the market	<ol style="list-style-type: none"> <li>1. Likes to find new ways to solve market needs</li> <li>2. Looking for new ideas for the products/services offered</li> <li>3. Motivated to seek continuous product/service improvement</li> <li>4. Likes to scan the environment for new opportunities</li> <li>5. Finding new solutions to problems in business processes</li> </ol>	Cardoon (2009)
<i>Passion for Developing</i>	The spirit of MSME entrepreneurs in maintaining, growing, and expanding their business where this type enjoys activities such as increasing sales, hiring new employees, and adding external investors.	<ol style="list-style-type: none"> <li>1. Likes to find new people to participate in developing the business</li> <li>2. Always maintain and develop the company</li> <li>3. Strive to continue to increase sales</li> <li>4. Trying to continue to add external funding</li> </ol>	Cardoon (2009)
<i>Passion for Founding</i>	Passion for developing is the spirit of MSME entrepreneurs in establishing new businesses to be commercialized and exploiting existing opportunities.	<ol style="list-style-type: none"> <li>1. Excited to set up a new company</li> <li>2. Feel energized when you have company</li> <li>3. Always wanted to set up a new business</li> <li>4. Identify himself as the founder of the business</li> </ol>	Cardoon (2009)
Government support	Government support is an effort provided by the Jember Regency government to ease the	<ol style="list-style-type: none"> <li>1. Financial aid facility</li> <li>2. Product marketing assistance facilities</li> </ol>	Taneo, etc. (2022).

Variable	Operational definition	Indicator	Source
	difficulties of MSMEs in Jember during the pandemic.	3. Provision of job training 4. Policies for purchasing MSME products	
<i>Learning Capability</i>	The quality of company management, which is directed at encouraging and supporting the learning process within the company	1. Knowledge sharing ability 2. There is participatory decision making 3. Commitment to effective learning 4. The urge for experimentation and openness 5. Efforts toward knowledge transfer 6. New idea support from employees	Fang, dkk (2011).
MSME performance	Achievements or achievements of MSMEs in a certain time	1. Sales increase 2. Growth in the number of subscribers 3. Increase in workforce 4. Market growth and marketing 5. Business profit/profit growth	Lusimbo & Muturi (2016)

Source: Previous research

## RESULTS AND DISCUSSION

### 1. Research result

#### a. Descriptive Analysis Results

Based on the data collection that has been done, data regarding the identity of 280 respondents has been obtained. From the data of respondents who were used as the research population, a general description of gender, age, level of education, and type of business of MSME actors can be obtained.

**Table 2. Characteristics of Respondents**

Information	Category	Amount	%
Gender	Male	136	48,6
	Female	144	51,4
Age	21-30	142	50,7

Information	Category	Amount	%
	31-40	66	23,6
	>40	72	25,7
Education	SMA	182	65
	Diploma	20	7,1
	S1	68	24,3
	S2	10	3,6
MSME sector	Culinary	192	68,6
	Fashion	24	8,6
	Handicrafts	16	5,7
	Media/Photography	16	5,7
	Printing	24	8,6
	Advertising/Event Organizer	8	2,9

Source: processed data, 2023

Based on the Table above, more respondents are female than male, although there is not much difference in the number. Most creative industry SMEs are dominated by young people (21-30 years). This is because young people have higher enthusiasm and creativity than other ages. Many creative MSME actors are also carried out by young teenagers, most of whom are university students. Apart from being motivated by economic needs, they do business to explore their creativity and business skills. Based on the level of education, high school graduates dominate because they have a passion for entrepreneurship and have enough knowledge and skills to open up their jobs. The majority of respondents are MSME actors in the culinary subsector, and this is because the culinary industry sector has a *low entry barrier*, and the public demand is still high.

**b. Evaluation of Measurement Models(Outer Model)**

*Outer models* test the validity and reliability to obtain accurate calculations with measuring tools such as convergent validity, composite reliability, and discriminant validity. The research results show that the value *loading factor* for all research indicators is more than 0.5, so it is declared valid. The AVE value for all research indicators is also more than 0.5 so that it meets the convergent validity criteria. According to the value proposed for *composite reliability* and Cronbach's alpha must be > 0.7 to declare the indicator reliable. The results showed that all research constructs had composite reliability, and Cronbach's alpha value was more than 0.7, so they met the reliability test criteria (Gupta & Arora, 2020). The results of the factor loading, AVE index, composite reliability, and Cronbach's alpha can be seen in Table 3.

**Table 3. Output Composite Reliability dan Convergent Validity**

Construct	Item	Factor Loading	AVE	Composite Reliability	Cronbach's Alpha
<i>Passion for Inventing</i> (PI)	PI_1	0,800	0,562	0,864	0,800
	PI_2	0,801			
	PI_3	0,784			
	PI_4	0,780			
	PI_5	0,761			
<i>Passion for Developing</i> (PD)	PD_1	0,814	0,578	0,871	0,813
	PD_2	0,820			
	PD_3	0,798			
	PD_4	0,785			
	PD_5	0,760			
<i>Passion for Founding</i> (PF)	PF_1	0,746	0,669	0,890	0,834
	PF_2	0,823			
	PF_3	0,883			
	PF_4	0,814			
Government Support (DP)	DP_1	0,873	0,840	0,955	0,938
	DP_2	0,931			
	DP_3	0,943			
	DP_4	0,918			
<i>Learning Capability</i> (LC)	LC_1	0,837	0,657	0,920	0,896
	LC_2	0,742			
	LC_3	0,818			
	LC_4	0,830			
	LC_5	0,815			
	LC_6	0,819			
MSME Performance (KU)	KU_1	0,912	0,755	0,939	0,917
	KU_2	0,910			
	KU_3	0,913			
	KU_4	0,733			
	KU_5	0,861			

Sumber: Output SmartPLS, 2023

### c. Evaluation Inner Model

The inner model measures the relationship between the structural model and the inner relation. Table 4 below shows the effect of the latent variables in the model, and the test is carried out by comparing the t-statistic value with the t-value in Table (1.64).

**Table 4. Path analysis output**

Path Charts	Path Coefficient	T Stat	P Values	Description
PI -> KU	0,834	2,644	0,004**	H1 is accepted
PD -> KU	0,607	1,928	0,027*	H2 is accepted
PF -> KU	0,114	1,425	0,077	H3 is rejected
PI*DP -> KU	0,018	0,045	0,482	H4 is rejected

Path Charts	Path Coefficient	T Stat	P Values	Description
PD*DP -> KU	0,071	0,176	0,430	H5 is rejected
PF*DP -> KU	0,061	0,768	0,221	H6 is rejected
PI*LC-> KU	0,327	1,916	0,041*	H7 accepted
PD*LC -> KU	0,304	2,388	0,020*	H8 accepted
PF*LC -> KU	0,012	0,160	0,436	H9 is rejected

Sumber: Output SmartPLS, 2023

Path analysis output shows that the four hypotheses are accepted, namely H1, H2, H7, and H8, with t-statistic values greater than 1.64 and p-values less than 0.05. Meanwhile, the five hypotheses were rejected, namely H3, H4, H5, H6, and H9, where the t-statistic values were less than 1.64, and the p-values were greater than 0.05.

d. R-Square (R<sup>2</sup>)

R-Square is used to measure the predictive power of structural models. R-squares values 0.67, 0.33, and 0.19 shows a strong, moderate, and weak model (Chinet al.,1998 in Ghozali and Latan, 2015). The results of calculating R-squares are presented in Table 4.15 below.

Table 5. R-Squares Calculation Results

	R Square	R Square Adjusted
Y MSME performance	0,671	0,641

Sumber: Output SmartPLS, 2023

The results of the R-Squares in Table 5 show that the value R-Squares on the dependent variable is 0.671. This value indicates that the independent variable used influenced the MSME performance variable of 67.1%, and other variables outside the variables in this study influenced the rest.

2. Discussion

The first hypothesis test analysis results show that the construct of *passion for inventing* has a significant positive (O=0.834) effect on the construct of MSME performance recovery. Construct *passion for inventing* has a t-statistic value of 2,644, greater than 1,64, and value-values of 0.004 smaller than  $\alpha = 0.05$ . Therefore, the first hypothesis states that *passion for inventing* it significantly positively affects the recovery of MSME performance in the Jember Regency. When *passion for inventing* increases, the recovery of performance after the Covid-19 pandemic will also be even better. The attention and effort of passionate entrepreneurs in creating (*inventing*) focused on activities fundamental in the exploration process (e.g., developing new products, improving existing products). The fit between entrepreneurial activities associated with *the entrepreneurial passion* for innovating products, services, or processes with activities related to creative MSME activities positively affects the recovery of MSME performance. The excitement that MSME players feel when they

find new ideas and methods for products or services during a pandemic drives their sales and overall business performance. The results of this study are following the research of Strese et al. (2018), Oluwatosin & Adegbuyi (2021), Adomako & Ahsan (2022), and Megracia (2021).

The analysis of the second hypothesis test shows that the construct *passion for developing* has a significant positive ( $O=0.607$ ) effect on the construct of MSME performance recovery. Construct *passion for developing* has a t-statistic value of 1,964, greater than 1,64, and values-values of 0.027 smaller than  $\alpha = 0.05$ . Therefore, the second hypothesis states that *passion for developing* it significantly positively affects the recovery of MSME performance in the Jember Regency. This means that if the enthusiasm of MSME players develops their products, services, and processes, the recovery of post-Covid-19 pandemic performance will also increase. The results of this study are following research (Lee et al., 2021); (Adomako et al., 2019); Oluwatosin & Adegbuyi (2021); Adomako & Ahsan (2022); and Megracia (2021).

The analysis of the third hypothesis test shows that the construct *passion for founding* has a positive effect ( $O = 0.114$ ) but is not significant to the construction of MSME performance recovery in Jember Regency. Construct *passion for founding* has a t-statistic value of 1.425, less than 1.64, and a p-value of 0.077 is greater than  $\alpha=0.05$ . Therefore, the third hypothesis, which states that *passion for founding* has significant negative effects, is not proven.

*Passion for founding* does not significantly affect the recovery of the performance of creative MSMEs in Jember Regency, meaning that the enthusiasm of MSME actors in developing their business does not significantly affect the recovery of performance after the Covid-19 pandemic. The results of this study are not following the research (Lee et al., 2021); (Adomako et al., 2019); Oluwatosin & Adegbuyi (2021); Adomako & Ahsan (2022); and Megracia (2021).

The analysis of the fourth hypothesis test shows that the construct *passion for inventing* with the moderation construct, government support has a negative effect ( $O=-0.018$ ) but is not significant to the construction of MSME performance recovery in Jember Regency. Construct *passion for inventing* with moderation, government support has a t-statistic value of 0.045, less than 1.64, and a p-value of 0.482, greater than  $\alpha=0.05$ . Therefore, the fourth hypothesis, which states that government support can strengthen influence *passion for inventing* on the recovery of MSME performance, was rejected. That is, government support cannot strengthen influence *passion for inventing* on the recovery of MSME performance.

Government action and coordination allow companies to thrive with limited resources (Smallbone & Welter, 2001). However, based on the results of this study, the business atmosphere conditioned by the local government could not strengthen the enthusiasm of MSMEs in Jember Regency to explore new opportunities in the market to restore their business performance after the Covid-19 pandemic. This study's results align with research by Pramaishella et al. (2018), who found that government support did not determine the performance of MSMEs.

The analysis of the fifth hypothesis test shows that the construct *passion for developing* with the moderation construct, government support has a positive effect ( $O = 0.071$ ) but is not significant to the construction of MSME performance recovery

in Jember Regency. Construct *passion for developing* with moderation, government support has a t-statistic value of 0.176, less than 1.64, and a p-value of 0.430, greater than  $\alpha=0.05$ . Therefore, the fifth hypothesis, which states that government support can strengthen influence *passion for developing* the recovery of MSME performance, was rejected.

The government can assist in various ways in the progress of SMEs, including external financing support, training and development, technical assistance, and tax incentives. Aggregate market competitiveness and a favorable business atmosphere progressively affect SME sustainability. The government can ensure them by offering an efficient regulatory framework and practical implementation. However, based on the results of this study, government support conditioned by the local government was not able to strengthen the enthusiasm of MSMEs in the Jember Regency to explore new opportunities in the market to restore their business performance after the Covid-19 pandemic. This study's results align with research by Pramaishella et al. (2018), who found that government support did not determine the performance of MSMEs.

The analysis of the sixth hypothesis test shows that the construct of *passion for founding* with the moderation construct, government support, has a negative effect ( $O=-0.061$ ) but is not significant to the MSME performance recovery construct in Jember Regency. Construct *passion for founding* with moderation, government support has a t-statistic value of 0.768, less than 1.64, and a p-value of 0.221, greater than  $\alpha=0.05$ . Therefore, the sixth hypothesis was rejected, which states that government support can strengthen influence *passion for founding* the recovery of MSME performance.

The analysis of the seventh hypothesis test shows that the construct *passion for inventing* with the moderation construct *learning capability* has a positive ( $O=0.327$ ) and significant effect on the construction of MSME performance recovery in Jember Regency. Construct *passion for inventing* with moderation *learning capability* has a t-statistic value of 1.916 greater than 1.64 and a p-value of 0.041 less than  $\alpha=0.05$ . Therefore, the seventh hypothesis, which states that *learning capability* can strengthen influence *passion for inventing* on the recovery of MSME performance, is accepted.

The analysis of the eighth hypothesis test shows that the construct *passion for developing* with the moderation construct *learning capability* has a positive ( $O=0.304$ ) and significant effect on the construction of MSME performance recovery in Jember Regency. Construct *passion for developing* with moderation *learning capability* has a t-statistic value of 2.388, greater than 1.64, and a p-value of 0.020 less than  $\alpha=0.05$ . The eighth hypothesis, which states that *learning capability* can strengthen and influence *passion for developing* the recovery of MSME performance, is accepted.

The results of the ninth hypothesis test analysis show that the construct *passion for founding* with the moderation construct *learning capability* has a positive effect ( $O = 0.012$ ) but is not significant to the construction of MSME performance recovery in Jember Regency. Construct *passion for founding* with moderation *learning capability* has a t-statistic value of 0.160, less than 1.64, and a p-value of 0.436 is greater than  $\alpha=0.05$ . Therefore, the ninth hypothesis was rejected, which states that

*learning capability* can strengthen and influence *passion for founding* the recovery of MSME performance. This means that the capability of MSMEs to study cannot strengthen the influence of the enthusiasm of MSME actors to establish a business on the recovery of MSME performance.

### CLOSING

Based on the results of previous research and discussion, the elements of *entrepreneurial passion*, that is,, *passion for inventing* and *passion for developing*, significantly positively affected the recovery of the performance of creative MSMEs in Jember Regency after the Covid-19 pandemic. However, *passion for founding* did not significantly affect the recovery of creative MSMEs' performance in Jember Regency after the Covid-19 pandemic. Government support could not strengthen relations *with a passion for inventing, passion for developing, and passion for founding* the recovery of MSME performance. *At the same time, learning capability* can strengthen the relationship between *passion for inventing* and *passion for developing* towards the recovery of MSME performance. Sadly, *learning capability* cannot strengthen the *passion for founding* relationship to the recovery of MSME performance.

The results of this study provide theoretical and practical implications. The theoretical implication is that this study expands on previous research studies by examining the *entrepreneurial passion* dimension on the performance of MSMEs after the Covid-19 pandemic by including government support and *learning capability*, which has never been done. The practical implication is that creative industry SMEs in Jember should maintain and even increase their enthusiasm to seek new opportunities and develop the products, processes, and services they offer to improve their business performance, balanced with the capability to continuously learn and update knowledge and competencies.

This research has several limitations. First, the results of this study are based on subjective measurements based on the perceptions of the most senior managers of each SME. Although such perceptual data have been used extensively in strategy research and especially management research, the drawbacks of this approach should not be overlooked. Second, the sample in this study involved creative industry-based MSMEs consisting of different types of businesses, so this might influence the research results.

Future research is expected to classify creative industry MSMEs based on the type of business and use sampling techniques more representative of creative industry MSMEs in all areas of Jember, such as cluster sampling. When the insignificant findings from this study are presented with the significant findings from previous research, this shows that the influence of *passion for founding* and government support on the performance of MSMEs is complex and is still open for further research. Another hypothesis can be proposed in further research to find an insignificant effect between *passion for founding* and government support on the performance of MSMEs.

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