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Do Demographic Characteristics and Managerial Competency Influence Business Performance nn The Creative Industry at West Sumatera?

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Abstrak. Penelitian ini bertujuan untuk menganalisis pengaruh karakteristik biografis dan kompetensi manajerial terhadap kinerja industri kreatif Sumatera Barat. Sampel berjumlah 263 manajer usaha industri kreatif Sumatera Barat. Teknik pengambilan sampel menggunakan *proportionate stratified random sampling*, dimana sampel yang diperoleh dialokasikan secara proporsional di 6 Kabupaten antara lain: Padang Pariaman, Pesisir Selatan, Agam, Tanah Datar and Sawah Lunto Sijunjung. Metode penelitian adalah survei dan teknik pengumpulan data menggunakan kuesioner. Teknik analisis data S*tructural Equation Model* (SEM) dan PLS. Hasil penelitian menunjukkan bahwa karakteristik biografis tidak berpengaruh signifikan terhadap kinerja, kompetensi manajerial berpengaruh positif dan signifikan terhadap kinerja pada industri kreatif Sumatera Barat.

Kata Kunci: kinerja, industri kreatif karakteristik demografis, kompetensi manajerial

Abstract. *This research aims to analyze the influence of biographical characteristics and managerial competence on the performance of the West Sumatra creative industry. The sample consisted of 263 creative industry business managers in West Sumatra. The sampling technique used proportionate stratified random sampling, where the samples obtained were allocated proportionally in 6 districts, including: Padang Pariaman, Pesisir Selatan, Agam, Tanah Datar and Sawah Lunto Sijunjung. The research method is a survey and data collection techniques using questionnaires. Structural Equation Model (SEM) and PLS data analysis techniques. The research results show that biographical characteristics do not have a significant effect on performance, managerial competence has a positive and significant effect on performance in the creative industries of West Sumatra.*

Keywords**:** *business performance, creative industries, demographic characteristics, managerial competency*

INTRODUCTION

The creative industry plays an essential role in supporting the economy in Indonesia. Based on the Ministry of Tourism and Creative Economy publication, it was recorded that in 2019 the creative economy sub-sector contributed IDR 1,153.4 trillion to GDP or 7.3% of the total National GDP, 15.2% of the workforce, and 11.9% of exports (Kemenko Bidang Perekonomian, 2022). The primary foundation in the creative industry is "people," which will give birth to creativity through ideas and intellect that will never run out and even develop from time to time. The creative industry is transforming the economy's structure from natural resource-based to human resources. Indonesia's large population, supported by cultural diversity as well as natural beauty and reliable tourism, will further encourage the advancement of the Creative Industry sector. Good management and support from the government (Government), industry (Business), and intellectuals, also known as the Triple Helix, will accelerate the development of the creative industry and increase the contribution of the creative industry to the Indonesian economy, as in developed countries: Australia, England, Singapore, and others.

One of the creative industry sectors developing in West Sumatra is handicrafts, such as embroidery, and weaving, which are cultural characteristics made from generation to generation and have a historical value related to the customs of West Sumatra. This craft is unique, distinctive and has high artistic value with marketing areas throughout Indonesia, Malaysia, Singapore, the Netherlands and others. More in-depth research is needed from all aspects so that this industry can survive amidst the shocks of highly competitive environmental

factors. Competent managers in this business are needed to project plans, implement, manage, and control managerial processes so that their performance shows significant developments from time to time. (Ncube & Chimucheka, 2019) concluded that managerial competence significantly affects to business performance. Managerial competence is a general competency possessed by successful and effective managers. Managerial performance is highly dependent on a set of competencies possessed by managers. Assessment of managerial competencies is essential to determine skill gaps and assist organizations in developing effective training and development programs to improve operational efficiency and effectiveness (Bhardwaj & Punia, 2013). Individual characteristics such as age, education, job class, and ownership did not significantly influence performance.

The study Thakur (2015) shows that demographic characteristics influence employee performance as evidenced by the variation in performance achievement between different demographic categories such as age, gender, and academic qualifications, so the study recommends that demographic factors be taken into consideration to manage employee performance. Amegayibor (2021) shows that age, education, and service years influence employee performance. Meanwhile, sex, department, and work experience do not affect employee performance. This research aims to analyze the influence of biographical characteristics and managerial competence on the performance of the West Sumatra creative industry

Literature Review

Demographic Characteristics and Business Performance

The issue of differences in productivity caused by differences in Demographic Characteristics has been raised for a long time, as many have stated that men have better productivity than women. Older people don't have the same mobility as young people, so their performance tends to be stable and even decreases with age. Demographic characteristics include age, gender, and marital status, which are easily studied and obtained from personal records (Robbins, 2001). Individual characteristics are measured using demographic characteristics such as gender, education level, work category, and experience. Smith et al.'s., (1983) in (Chadrakumara, 2018). Demographic characteristics such as age, gender, and marital status are related to productivity, absenteeism, turnover, and job satisfaction (Robbins, 2001). Business timeframe and work experience significantly influence performance (Adegite, S.A; Ilori, M.O; Irefin, I.A; Abereijo, I.O; Adermi, 2007). Research conducted by (Chandrakumara & Senevirathne, 2009) revealed that gender, power distance, and future value orientation significantly impacted performance. Other individual characteristics such as age, education, job class, and ownership were insignificant in influencing performance. Likewise, cultural values (individualism/collectivism, masculinity, being present/, past orientation, and avoiding uncertainty) are not significant in determining performance. Research by Adegite et al. (2007) concluded that business time and work experience significantly affect performance.

Managerial Competency and Business Performance

Competency is a characteristic in a person related to effective reference criteria or superior performance in work situations (Spencer & Spencer, 1993). This competency is determined by motives, traits, self-concept, knowledge, and skills that determine and differentiate between people with superior or average performance. Because this variable is difficult to measure, (Spencer & Spencer, 1993) further develop these competencies into six groups of competencies that can predict superior performance, each consisting of 2-5, including achievement and action competencies, helping and human service, impact and influence, managerial competence, cognitive competence and personal effectiveness competency. This research will focus on managerial competency. Managerial competency is the ability to manage and give orders that influence the development of others or improve teamwork and cooperation. Formed from the synergy of character, motives, self-concept, knowledge, and skills that are implemented as attitudes or behavior at work (Spencer & Spencer, 1993). Managers must possess competencies that include communication skills, teamwork, proactiveness, vision, self-management, results in orientation, strategy orientation, ambition, persistence, decision-making, risk-taking, and creativity (Bhardwaj & Punia, 2013). Managers must possess eight competencies: analytical skills,

decision-making, knowledge, adaptation, performance, leadership, and communication (Khoshouei et al., 2013). Ramlall (2006) researched the United States and concluded that human resource competency influences performance. Love & Mcgee, (2014) in the United States researched Distinctive competencies and competitive advantage at small independent retailers. The research show a positive relationship between competency and performance. Research (Hawi et al., 2015) showed that all the managerial competencies (leadership, problem-solving, strategic competency, and customer focus) were positively correlated. A study (Goh, 2004) found the impact of competency utilization is the strongest on sales profitability, followed by company growth and organizational effectiveness.

METHOD

This research consist of three variables: demographic characteristics, managerial competency, and performance, and type of verification research. The unit of observation is the manager of the creative industry, especially embroidery, and woven at West Sumatra. Data collection used a Likert Scale questionnaire, with a grade of 1 to 5. (Strongly Agree, Agree, Undecided, Disagree, and Strongly Disagree) Using the Theory of (Robbins, 2001), Demographic Characteristics are measured by Age, Gender, Work Experience, Education, and marital status. Managerial competency using the theory of (Spencer & Spencer, 1993): Achievement orientation, Teamwork, and cooperation, Analytical thinking, Initiative, Developing Others, Self Confidence, Directiveness/ Assertiveness, Information Seeking, Team Leadership, and Conceptual Thinking. Company Performance use indicator from (Trinh, 2015): More than two years of existence, Growth of market share, Workplace Safety and a good atmosphere among staff, Market expansion abroad, Marketing a new product or service, Employee benefits long term, Existing Utilities, Contribution to the improvement of the environment social.

The population of this research is managers of the creative industries of West Sumatra, especially the woven, and embroidery at the district in the province of West Sumatra. The total population is 468 (Source: Cooperative and SMEs Office of West Sumatra, 2020). Because the population is large and spread out, a sampling technique was carried out using the stratified simple random method (grouping samples in each business unit at the district level). The sample size was obtained using the (Levin & Rubin 1998) formula. The calculation results obtained a sample size of 263 managers allocated to creative industry business units in the West Sumatra district. Sample allocation can be seen in Table 1.

Table 1
Sample Allocation

No	City and District	Amount	Sample
	City		
1	Solok	8	5
2	Padang	13	9
3	Padang Panjang	18	12
4	Payakumbuh	6	4
5	Pariaman	7	5
6	Bukittinggi	186	116
	District		
7	Agam	125	62
9	Padang Pariaman	8	4
10	Tanah Datar	45	20
11	Pesisir Selatan	12	6
12	Sijunjung	40	20
	Amount	468	263

Source: processed data

The data analysis method used is the Structural Equation Model (SEM), using the PLS program as a calculation tool. The PLS approach was carried out by evaluating the measurement and structural models. There are three types of tests in evaluating the measurement model: individual item reliability tests, internal consistency tests, and discriminant validity tests. Structural model evaluation is carried out by looking at the value of R2 and the significance of the path coefficient. The higher the R2 value indicates, the higher the variance percentage of endogenous variables influenced by the exogenous variables. PLS does not assume the normality of the data distribution and uses a nonparametric test to determine the significance level of the path coefficient. The t (t-value) generated by running the Bootstrapping algorithm on smart PLS is used to determine whether or not the proposed hypothesis is accepted. The hypothesis will be supported at a significance level of 0.05 if the t-value exceeds the critical value of 1.645.

RESULT

Respondents to this study were leaders in the West Sumatran creative industry,

particularly the embroidery, weaving, and embroidery business units in six cities and five districts in West Sumatra, including city of Padang, Pariaman, Padang Panjang, Bukittinggi, Solok, Payakumbuh, Agam District, Padang Pariaman, Tanah Datar, Pesisir Selatan, Sijunjung. The total number of respondents was 263 people.

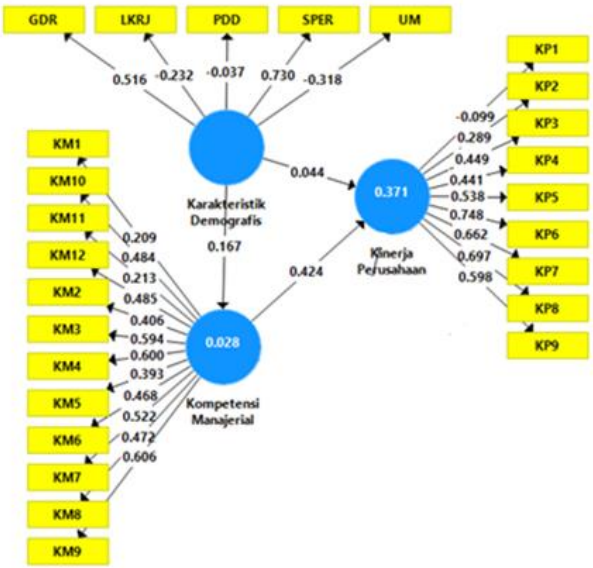
Description of Respondent

The composition of respondents is based on age. The majority of respondents (66.2%) are aged 31-50 years, which shows that most creative industry managers are held by young people who strongly desire to improve managerial competency and performance. This age is also considered a suitable age to become a leader. The composition of respondents is based on gender. Women lead 67.7% of creative industry businesses because this product category is a fashion product whose consumers are women. Female managers also understand more about fashion trends, benefits, uses, and advantages of products, so it is more suitable if women manage this business. Most respondents (25.5%) have worked for 1-5 years. In this relatively new working period, there is usually a great desire to improve knowledge, skills, and experience to impact business performance. Most of the respondents (55.9%) have a high school education. The level of higher education (D3, S1, and S2) is 27.8%, and only 16.4% have junior and elementary education, meaning HR manages the creative industry, especially weaving and embroidery. Embroiderers are educated people who will impact better quality business management. Most of the respondents (87.8%) were married, and only a small proportion (12.2%) were single and widowed.

The composition of this respondent shows that most creative industry business managers/managers are people who already have family responsibilities, so they are more active, serious, and responsible at work. Family considerations tend to direct people to work well because the consequences of failure are not only felt by oneself but all family members. The research results show that every district/city in West Sumatra has embroidery and embroidery crafts. Still, their distribution varies depending on the region's potential and the availability of human resources, so there are regions that make this commodity a superior product. Embroidery and embroidery crafts developed in Agam District, Bukittinggi, Payakumbuh, Padang Panjang, and Pariaman. Meanwhile, weaving crafts developed in Tanah Datar, Sawah Lunto, and Limapuluh Kota.

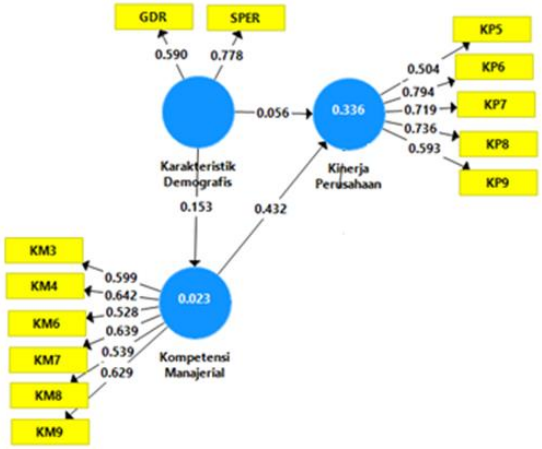
Individual Item Reliability Test

Individual item reliability tests are conducted to see which indicators are good at measuring the variables they measure (the reliability of each indicator). A high factor loading value indicates that the indicator does explain the variable it measures. Indicators with a factor loading < 0.50 are removed from the model when carrying out this test. The test results can be seen in Figure 1. From the output path diagram in Figure 1, there are several indicators whose loading factor is <0.5 (rounded off), so they must be excluded from the model. The indicators excluded from the model include the variable Demographic Characteristics indicators: LKRJ, PDD, and ME. Managerial Competency indicator KM1. KM2, KM5, KM11, and KM 12 on the variable Company Performance indicators KP1, KP2, KP3, and KP4. After removing the indicator, the model is tested again, and the output path diagram can be seen in Figure 2. From the results of stage 2 testing, all constructs become reliable after removing the unreliable indicators because the loading factor is > 0.5 (rounded).



Source: processed data

Figure 1
Individual Item Reliability Test



Source: processed data

Figure 2
Output Path Diagram (Testing Phase 2)

This test is conducted to test the reliability of a set of indicators in measuring the variables it measures. The composite reliability value obtained from the SmartPLS estimation results is the value seen. The recommended value is > 0.70. The composite reliability value of the research model after removing indicators that have a factor loading < 0.50 can be seen in Table 2. Table 2 shows that the composite reliability value of the managerial competency variable, Company Performance, is greater than 0.70. In contrast, the Demographic Characteristics variable has a value of 0.661, below 0.7 but still close to 0.7. This means that the internal consistency of the five variables is fulfilled.

Table 2
Quality Criteria

Description	Composite Reliability
Demographic Characteristic	0.661
Managerial Competency	0.768
Business Performance	0,805

Source: processed data

A discriminant validity test was conducted to see how big the difference between variables was. The value seen in this test is the average variance extracted (AVE) value obtained as a result of estimation, the value of which must be > 0.50. The next requirement that must also be met is that the square root value of the AVE for each variable must be greater than the correlation value of the other variables. The results of the discriminant validity test show that all indicators on the five variables are valid. Based on the stages of testing the measurement model, it can be concluded that the research model has fulfilled all testing stages so that the structural model test phase can be carried out. The structural test of the model is used to determine whether the proposed hypothesis is accepted.

Hypothesis testing was carried out using the Bootstrapping algorithm on smart PLS to determine whether or not the proposed hypothesis was accepted. The hypothesis will be supported at a significance level of 0.05 if the t-value exceeds the critical value of 1.645 (table t).

Table 3
Hypothesis Test

Hypothesis	T Statistics	Critical Value	Description
Demographic Characteristics -> Business Performance	0,905	1,645	Not Supported
Managerial competency -> Business Performance	7,965	1,645	Supported

Source: processed data

Hypothesis 1: Demographic Characteristics Influence Business Performance

The test results show that the statistical t-value is at 0.905. The statistical T value is smaller than the critical value (1.645), so this hypothesis is insignificant, meaning that demographic characteristics do not affect company performance. This finding is not in line with research conducted by Adegite et al, (2007) which stated that demographic factors such as age, gender, and years of service affect performance. However, this research is in line with Robbins (2001), which states that no important differences between men and women affect their performance. Demographic characteristics in this research are measured by G (Gender) and SP (Marriage Status) indicators. Gender/Gender does not affect company performance, meaning that whoever leads the business, male or female, has no significant impact on business performance. Success in leading a business is not determined solely by gender alone. According to Robbins, (2001), there is no significant difference in work

productivity between men and women. There were no consistent differences between men and women in problem-solving skills, analytical skills, competitive drive, motivation, sociability, or learning ability. Women are more willing to obey authority, and men are more aggressive and more likely than women to have any hope of success, but these differences are small.

Specifically, in the creative industry of West Sumatra, research results show that Women manage 67.7% of these businesses because the products sold are women's equipment. So, knowledge about fashion trends, product benefits, how to treat, uses, and advantages of products are needed. Usually, the owner also doubles as a waiter, so it's easier to describe to visitors about a product. However, research results show that whoever leads a business, whether male or female, has no difference in performance. Likewise, with marital status, research results show no difference between marital status and performance because whether married, single, or widowed, there is no difference in their role in managing a business. Although some expert opinions state that marriage imposes increased responsibility so that work can be more active, this research shows that differences in marital status do not affect performance because whatever the status is, the responsibility to advance the business remains the same.

Hypothesis 2. Managerial Competency Influences Business Performance

The test results show that the statistical t-value is at 7.965. The statistical T value is greater than the critical value (1.645), so this hypothesis is significant and positive, meaning that Managerial Competency affects Business Performance. Managerial Competency (X) has a positive influence on the level of business performance in the creative industries of West Sumatra. The higher the Managerial Competency, the better the organizational performance. The magnitude of the influence of managerial competency, which directly affects employee performance, is 33.8%. The results of this study support the theory of (Spencer & Spencer, 1993), which states that competency formed from motivation, character, self-concept, and skills will influence behavior and predict employee performance. The results of this study also support the findings of Laguna et al, (2012), James & Richie C (2005), Bucur, (2013), and Hawi et al, (2015), But this research counters the findings of Aam Rachmat Mulyana et al, (2022), Wijaya & Irianto (2018)

Competency is the ability that exists within a person to carry out a job that will distinguish achievement between an individual and other individuals. Competency is like an iceberg, visible on the surface: skills and knowledge, and stored on the surface: motives, traits, and self-concept. Competencies that appear on the surface are relatively easy to upgrade, while hidden competencies are rather difficult and take a long time to change. The managerial competency used in this research refers to the theory of Spencer and Spencer (1993), which consists of the dimensions: Impact and Influence, Achievement orientation, Teamwork and cooperation, Analytical thinking, Initiative, Developing Others, Self Confidence, Directiveness/ Assertiveness, Information Seeking, Team Leadership, Conceptual Thinking. The Impact and influence dimension is the managers' attitude in influencing employees to behave in the way they want. Some indicators used as measuring tools are the ability to respect employees and always be careful in what they say so that employees don't get offended by their words. The dimension of Achievement orientation is the ability of managers to obtain an achievement or to influence their employees to be oriented toward achievement so that work becomes more effective and efficient.

The Teamwork and cooperation dimension emphasizes the managers' role in improving teamwork to form a solid team. The analytical thinking dimension focuses on managers' efforts to think analytically and systematically by considering the consequences of all actions. The initiative dimension emphasizes the role of managers in seeing opportunities that might be achieved. Developing others emphasizes the efforts of managers to develop existing capabilities in employees, for example, providing direction, encouragement, and training to employees. The self-confidence dimension is an effort to increase employees' confidence. Directiveness is providing direction so that employees work according to predetermined standards and try to find solutions to their problems. Information seeking is an effort to find information needed in business development. The team leadership dimension emphasizes the leadership attitude of managers in influencing subordinates and the conceptual thinking dimension emphasizes the

ability to identify problems that occur in the field quickly. Creative Industry managers have well implemented these dimensions, so they impact overall organizational performance. According to Mwesigwa & Naslima (2014), competent managers will have a superior performance that will also impact organizational performance.

Managerial competencies possessed by creative industry managers in West Sumatra can improve performance significantly because the majority of creative industry players in this area have high school and university education levels, so they have sufficient managerial knowledge to manage a business. The average age that is mature enough is supported by good work experience, giving creative industry players a high work attitude and motivation to manage their businesses. Managerial competencies that are properly applied will improve individual performance and will ultimately improve business performance.

CONCLUSION

The results of this research reveal that there is no influence of demographic characteristics on business performance, but managerial competence has a positive and significant influence on business performance in the creative industries of West Sumatra. Competencies formed from motivation, character, self-concept and skills will influence behavior and predict employee performance.

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