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The role of community agreeableness and digital intelligence to improve SME's innovation performance

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ABSTRACT

The purpose of this study is to discuss how the role of community, sharing of knowledge between organizations, and digital intelligence on the performance of innovations is conceptualized to develop community capacity. Digital economic distribution can develop many SMEs in several regions in Central Java. As an entrepreneurial trend, innovation has a very important role for SMEs because it must have the ability to use digital technology properly. Efforts to Improve Performance Held by Renewing SMEs for Communities that have the same goal are called Community Agreeableness. Benefits of creating a community are a place to share knowledge and improve knowledge and skills within the SME community supported by digital intelligence. While the method used is a kind of quantitative explanatory research. The sample in this study amounted to 175 SMEs in Central Java who have used digital technology for online marketing and have used at least 1 year. The types of data in this study were obtained from primary data. Primary data were obtained directly from the main sources either from individuals, namely a questionnaire in the form of google which was distributed via WhatsApp personally to each respondent. Data collection methods are used through questionnaires and will then be analyzed with Partial Least Square (PLS) statistical analysis techniques. The results showed that community approval had a positive and significant effect on knowledge sharing between organizations, community approval was positively and significantly related to collaboration skills, knowledge sharing between organizations had a positive and significant effect on innovation performance, collaboration skills had a positive and significant effect on innovation performance, and digital intelligence is able to moderate the relationship between sharing knowledge between organizations and innovation performance. Hence, increasing the capacity of the community plays an important role in improving innovation performance in SMEs.

***Keywords**: Community Agreeableness, Inter Organizational Knowledge Sharing, Collaboration Skills, Digital Intelligence, and Innovation Performance*

1.0 INTRODUCTION

Currently, every change that is happening is not something usual, especially in the current business era 4.0. With this change, everything in the world must be able to keep up with the existing developments such as in the SME business both in terms of innovation and technology creations. In this highly volatile and highly competitive knowledge economy, the capacity of companies to innovate has been highlighted as an important strategic asset and a major source of competitive advantage (Jiménez-Jiménez & Sanz-Valle, 2008). The business sector, which is growing from year to year, is able to make businessmen play a very important role in driving their business. Business competition is currently getting tougher because it is actuated by the role of digital technology that can make it easier for people to do activities, especially in doing business. Therefore, this research focuses on the SME business in order to maintain stability and sustainability in the business by increasing innovation performance. Based on previous research, it is stated that innovation has been known as a key contributor to competitive advantage in companies (Zhou, 2006). Innovation performance shows the quality of the innovation process needed to achieve a highly competitive organization (Mazur & Inkow, 2017). Innovation is the main key in business development in this 4.0 era, so they are required to be able to adapt and keep up with existing changes.

Substantial practitioner-oriented literature suggests that in order to survive and thrive in increasingly fierce competition in the market, innovation is the only solution (Kim & Maubourgne, 2005). Therefore, a 'capacity building' was created as a concept that has various meanings, models, modalities and methods (Hawe et al., 2007) which is conceptualized at the community level so that it becomes a concept of 'community capacity building' which includes the efforts to improve innovation performance through community agreeableness, inter organizational knowledge sharing, collaboration skills, and supported by other abilities called digital intelligence. The concept of community capacity building originates from a collection of characteristics and resources that can be combined to increase the ability of a community to recognize, evaluate and overcome problems in business (Bush et al., 2002). The SME business community carries out various business activities such as collaborating and sharing knowledge by adopting information technology as a supporting tool in business activities. Innovative SMEs involve a higher relationship of trust and could collaborate and exchange information with other companies (Cooke et al., 2005).

The role of community is very important in improving innovation performance because the community is used as a forum for SMEs players as a means of gathering, communicating and interacting with one and another. Thus, in the community it will allow knowledge sharing and collaboration between members by adopting the latest technology in order to support their business activities. The development of concept of knowledge sharing can be seen from how much knowledge is shared with other SMEs and also how much knowledge is collected from other SMEs or in other words how the intensity of sharing and collecting knowledge in the community occurs so that there is a reciprocal relationship. Sharing of knowledge has a positive influence on the performance of SMEs through innovation (Kim, 2018). In addition, the ability to collaborate is also an important component in improving innovation performance. Collaborative ability requires collaborative relationships to include direct participation by two or more companies in designing, producing, and marketing a product (Polenske, 2004). In collaboration and knowledge sharing, it is also necessary to have supporting media to relate all aspirations and updates for business development and innovation through online media or the use of digital technology. Online channels allow for the exchange of very explicit and focused knowledge creation. For example, business people may be proactive and creative in online communities when discussing company offerings, customizing products with the help of customization tools or competing with better ideas (Mahr & Lievens, 2012). Therefore, in addition to the community that plays a role, the ability to use digital technology by SMEs is also very important. Digital intelligence is believed to increase innovation if they frequently use the latest applications, social media, and websites to find information and all the needs for business development which will also increase the 'digital fluency' of business people. Both can be practiced together by increasing the intensity of involvement in the community which is balanced by training at any time in operating digital technology so that they can develop digital intelligence for SMEs that can affect innovation performance. In addition, strengthening

community capacity building can be done by working together, being able to solve problems, and being able to make group decisions, and collaborating effectively to identify goals (Simmons, 2011).

2.0 LITERATURE REVIEW

In the era of knowledge-based economy and business model 4.0, the involvement of a company in a business community is important to improve innovation performance. The business community is a group consisting of a number of people who share business values in each individual. They can interpret these values into a business group where they can interact with each other for the progress of their business. Basically, in a business community there will be a company's dependence on external stakeholders which increases over time and companies create value through managing relationships with stakeholders in the market, society, and in their business networks (Boesso & Kumar, 2009). Some of the main concepts that will be developed include community agreeableness, inter organizational knowledge sharing, and digital intelligence as a moderator. This concept will make it easier for an organization to share and collect knowledge regarding its business activities with community members by adopting digital technology as a medium in the community. This inter-concept building is based on previous research that organizational engagement can be a predictor of attitudes and behavior in sharing knowledge and other organizational activities (Hwang et al., 2018).

2.1 Community Agreeableness and Inter Organizational Knowledge Sharing

Agreeableness comes from one of the traits or personality of an individual which is a construct in employee environmental performance with the definition that agreeableness is cooperative, caring, polite, and trustworthy, cooperative, sympathetic, helpful, and courteous (Luthans, 2008). With these characters, agreeableness tends to be more open and easier to agree with one another. The nature of agreeableness was developed in a corporate context and focused on the community. When raised at the company level, agreeableness is a characteristic of a company that likes cooperation, tolerance, and especially agreement in the entrepreneur community. Thus, when companies that have joined the community become one and agree with each other, an agreement can affect how they share knowledge between companies.

Senge (1998) stated that knowledge sharing occurs when an individual has a willingness to share and obtain knowledge from others, so as to build competencies. When all company members have agreed with other companies through cooperation, tolerance, sympathy and trust, they will easily share their knowledge with other companies. As in the IOKS aspect, which consists of knowledge donating and knowledge collecting (Hooff and Weenen, 2004), the company will easily donate to other companies and also collect some information from other companies. The relationship between community agreeableness and inter organizational knowledge sharing is based on previous research that organizational engagement can be a predictor of employee attitudes and knowledge sharing behavior (Hwang et al., 2018). According to these findings, it can be interpreted that the attachment to a community has become a driving force for knowledge sharing. Vries and Matzler (2008) have confirmed that teams with members who have a high score on the agreeableness scale are more likely to share knowledge than those whose members have lower scores. It has been proven that the higher community members agree, the level of knowledge sharing is higher too. Hence, according to previous research, an agreement (agreeableness) in the community can influence a company to share knowledge (IOKS).

H1: Community agreeableness has a significant effect on inter organizational knowledge sharing.

2.2 Community Agreeableness and Collaboration Skill

An association or community consisting of several companies must have the same goal (Colquitt, Pine, and Wesson, 2017). Each company will prioritize the alliance struggle, which reflects a strong desire to be accepted into a relationship in an association as a means of expressing the company's excellence or ability. This definition means that every company wishing to join an association will prioritize how the company can be accepted into an association and community where community agreeableness is needed, namely the

ability to agree that must be achieved in a company. Polenske (2004) defined that collaborative relationships include direct participation by two or more actors in designing, producing, and or marketing a product. The ability to agree in every company that is part of an association will create a collaboration between companies because they have the same goal to create work and innovation by means of cooperation, mutual sympathy, tolerance, and mutual trust (Luthans, 2008). Based on the previous research which states that collaborative innovation involves a decision between two or more companies to pool their resources to achieve mutually compatible innovation goals (Miles et al., 2006), it can be interpreted that a collaboration is formed when there are several companies which are joined in one community so that they can gather existing resources to improve innovation performance. In addition, every company that has a willingness to share its resources, always involves other companies to participate and add to the company's channel. Based on the results of the previous studies, to create collaboration skills, it is also necessary to have the ability to agree in the corporate community.

H2: Community agreeableness has a significant effect on collaboration skill.

2.3 Inter Organizational Knowledge Sharing and Innovation Performance

The existing literature on knowledge sharing is primarily focused on sharing capabilities such as organizational culture, technological capabilities, and direct impact on economic indicators such as individual performance, organizational performance, productivity, product improvement, innovation, competitive advantage and organizational effectiveness (Gupta et al., 2000). Thus, sharing knowledge can affect the company's performance in innovating and creating products according to developed technology. Innovation performance is the ability of a company to launch new products or lines (ranges) to the market (Chen & Huang, 2009). When a company is going to launch anything new, it requires knowledge sharing because by sharing knowledge between companies, they can share and exchange information as well as provide and gather knowledge to improve innovation performance.

Based on Nahapiet and Ghoshal's (1998) research, innovation is formed from the exchange of knowledge and experience between parties who find the meaning of communication. In addition, the research by Li et al. (2014) empirically validates the direct causal relationship between knowledge sharing and innovation performance. This is based on the findings of Kim (2018) that knowledge sharing has a positive effect on SME performance through innovation. Based on the results of previous studies, creating an innovation performance needs to be supported by the willingness of companies to share knowledge.

H3: Inter organizational knowledge sharing has a significant effect on innovation performance

2.4Collaboration Skill and Innovation Performance

Collaborative activities have a positive influence on product and service innovation (Belderbos et al., 2004; Lasagni, 2012; Nieto & Santamaria, 2007). Collaboration is the ability of two or more companies to work together and strengthen each other in order to create creations and innovations. According to this definition, the most important things that have an influence on companies in innovating are what new products are issued, what kinds of services are provided, how their marketing are, and what a new work process looks like to create innovation. In creating products, services, markets and work processes, it is necessary to have the ability to collaborate between companies by sharing resources to make products and design new work processes, active participation of each company, and broad company channels to achieve target or target markets. Companies involved in collaborative relationships with partners to innovate is an access to complementary resources, knowledge transfer and means of sharing (Faems et al., 2005). From this research, it can be concluded that collaboration is needed to innovate because it is an access to improving innovation performance. As a result, collaboration between companies can affect the development process of products, services, markets, and work processes as well as outputs (Filieri, 2013).

H4: Collaboration skill has a significant effect on innovation performance

2.4 The Moderating Role of Digital Intelligence

Van Dijk (2006) introduced the notion of digital skills together with Steyaert (2000). Van Dijk (2006) distinguishes between strategic skills, which refer to the ability to use technology to achieve certain goals, and to build one's social status; information skills, which refer to finding, selecting and processing information using multiple sources and operational skills, which are more practical and refers to the ability to work with computer software and hardware, which is the most basic skill. In this study, the role of Digital Intelligence moderates the relationship between Inter Organizational Knowledge Sharing and Innovation Performance. In an effort to improve, innovation performance is supported by sharing knowledge. The more companies are willing to share their knowledge, the more likely it is that innovation performance will increase. However, in creating new innovations today, technology is very influential and very much needed in the efforts to improve innovation performance because with the role of digital intelligence, companies will learn how to manage their business by controlling websites, using applications, acquiring skills in operating technology, and responding to any cultural changes that exist in business.

H5: Digital Intelligence moderates the relationship between Inter Organizational Knowledge Sharing and Innovation Performance.

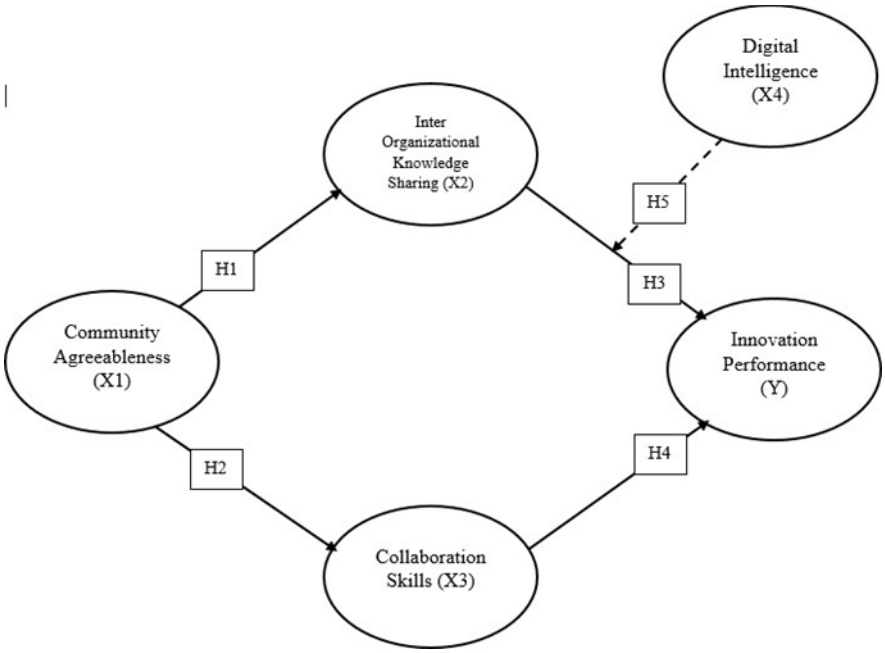

Figure 1. Research Framework

3.0 METHODOLOGY

3.1 Population, Sample, and Data Collection

The data collection method is obtained from primary data sources and secondary data where primary data is obtained directly through a questionnaire that discusses community agreeableness, inter organizational knowledge sharing, collaboration skills, innovation performance, and digital intelligence by measuring indicators or statements in the questionnaire using 5 Likert scales consisting of strongly disagree (STS), disagree (TS), neutral (N), agree (S), and strongly agree (SS). This is based on the theory according to Likert (1932) which states that the Likert scale uses several statement items to measure individual behavior by responding to 5 choice points in every 5 statement items, namely SS, S, N, TS, STS or 5, 4, 3, 2 , 1. Meanwhile, secondary data is obtained from research journals and web organizations, especially SMEs in Central Java, which is one of the economic magnets and has quite a number of SME players engaged in the

creative industry. This is due to the fact that Central Java Province has a large enough potential in the development of SMEs and has the potential to be used as a population whose quantity is unknown by the criteria of SMEs and who are members of the Muslim fashion entrepreneur community who use digital technology. Sampling used in this study is non-probability sampling, which is sampling where the chances of each respondent being selected are not the same or unknown (Rahi,2017). The method used is purposive sampling, which the samples were the assessment of certain criteria in conducting the research (Rahi, 2017). The samples taken in this study were 200 SMEs in the field of Muslim fashion that use digital technology (social media) such as Facebook and Instagram as a business tool with a minimum use of 1 year. The locations were in the cities of Semarang, Grobogan, Salatiga, Rembang, Jepara, and Kendal. Determination of the distribution of areas was based on the location of residence and currently, there are many fashion businesses such as hijab and Muslim clothing that exist both in small cities and in big cities.

3.2 MEASUREMENT

3.2.1 Community Agreeableness

The development of the concept of community agreeableness is developed from a big five personality construct that is enhanced at the community level which has 4 indicators which are the development from Luthans (2008), namely the ability to agree that is achieved in a company or organization by encouraging cooperation between companies, sympathy, tolerance, and trust in business associations.

3.2.2 Inter Organizational Knowledge Sharing

Inter organizational knowledge sharing has 7 indicators developed from the dimensions of IOKS variables, namely knowledge donating and knowledge collecting obtained from the research of Van Den Hooff and De Leeuw Van Weenen (2004). Knowledge donating is a company's willingness to share or donate the company's knowledge to other companies. Hence, the indicator is sharing knowledge with other companies without being asked, sharing knowledge and asking to follow, sharing information without being asked, sharing experiences and success stories. Sharing of knowledge is done, for example, by exchanging knowledge about business and its development and sharing the latest business information. Meanwhile, knowledge collecting is a company's willingness to collect knowledge from other companies. Thus, the indicator is gathering knowledge from other companies, gathering information from other companies, gathering or seeking experiences and success stories from other companies. Experience and success stories, for example, SMEs, have attended seminars or workshops on business ventures and they get knowledge from these activities that can be shared.

3.2.3 Collaboration Skill

Collaboration skills are the ability in companies to work together and strengthen each other in order to create creation and innovation (Polenske, 2004) which can be measured through collaborative abilities, resource sharing, participation, and channels.

3.2.4 Innovation Performance

Innovation performance has some indicators developed from several researchers, namely Chen and Huang (2009) and Pavitt et al. (1997) which state that innovation performance is the ability of a company to launch new products, new services, new markets, and new work processes.

3.2.5 Digital Intelligence

The concept of digital intelligence measurement is developed from the theory of Adams (2004) and Gardner (1999) which states that digital intelligence is intelligence that involves an understanding of how to use websites, mobile phone applications, to respond the cultural changes, and skills.

4.0 RESULT

4.1 Statistical Analysis and Hypotheses Testing

This study uses Partial Least Square (PLS) to analyze and evaluate the validity and reliability of the construct of the model using Smart PLS. Smart PLS conducted to test the Outer Model and Inner Model. Smart PLS is the most common implementation of the path model. PLS is an alternative method of SEM that can be used to solve relationship problems between complex variables with a data sample size of 100 to 200 (Hair et al., 2010). The measurement model (outer model) is tested by testing internal consistency reliability (Cronbach alpha and composite reliability), convergent validity (indicators of reliability and AVE), and discriminant validity (FornellLarcker, Cross Loading, and HTMT). The structural model test (inner model) is evaluated using the R- square for the dependent construct, the Stone-Geisser Q-square test for Q2 predictive relevance, the significance test of the structural path parameter coefficient. The first step is to assess the measurement model using confirmatory factor analysis, to estimate the reliability and validity of theoretical constructs. Then, the second step is to estimate the structural model test of the associations (paths) between the hypotheses in the research model.

4.2 Measurement Model (Outer Model)

The outer model test is conducted to see the validity and reliability of an indicator and variable in the study. It can be seen based on 3 categories, namely (1) Convergent Validity which consists of an outer loading value with a value of> 0.4 and an AVE value> 0.4. (2) Internal consistency as seen based on the Cronbach's alpha value > 0.7 and composite reliability with criteria> 0.7. (3) Discriminant Validity as seen based on the Fornell-Lacker value, where the root of AVE square (diagonal) value is greater than all other variable values and HTMT (heterotrait-monotrait ration of correlations) is less than 1. Based on the provisions, the indicators and variables in this research can be said to be valid and reliable.

Table 1. Measurement Evaluation Model

Latent Variable	*Indicators*	*Convergent Validity*		*Internal Consistency Reliability*		*Descriminant Validity*
		Loadings	*AVE*	*Composite Reliability*	*Cronbanch Alpha*	HTMT
		>0.40	>0.40	>0.70	>0.70	<1
Community Agreeableness	CA.1	0.683	0.632	0.872	0.804	YES
	CA.2	0.869				
	CA.3	0.761				
	CA.4	0.853				
InterOrganizational Knowledge Sharing Collaboration Skills	IOKS.1	0.474	0.429	0.838	0.777	YES
	IOKS.2	0.675				
	IOKS.3	0.717				
	IOKS.4	0.747				
	IOKS.5	0.742				
	IOKS.6	0.569				
	IOKS.7	0.614				
	CS.1	0.766	0.645	0.879	0.816	YES

	CS.2	0.831				
	CS.3	0.841				
	CS.4	0.772				
	IP.1	0.859				
	IP.2	0.848				
	IP.3	0.856	0.735	0.917	0.880	YES
Innovation Performance	IP.4	0.866				
Moderating Effect 1	*Inter Organizationa Knowledge Sharing*Digit Intelligence→I novation Performance*	1.124	1.000	1.000	1.000	YES
	DI.1	0.529				
	DI.2	0.815	0.622	0.864	0.797	YES
	DI.3	0.885				
Digital Intelligence	DI.4	0.872				

Table 2. Fornell-Larcker Criterion

	Community Agreeableness	*Collaboration Skills*	*Digital Intelligence*	*Inter Knowledge Sharing*	*Organization*	*Innovation Performance*	*Moderating Effect 1*
Community Agreeableness	0,795						
Collaboration Skills	0,579	0,803					
Digital Intelligence	0,309	0,445	0,789				
Inter Organization Knowledge Sharing	0,406	0,570	0,520	0,655			
Innovation Performance	0,252	0,507	0,646	0,606		0,857	
Moderating Effect 1	0,013	0,108	-0,091	0,173		-0,078	1,000

4.3 Structural Model (Inner Model)

Inner model testing, conducted to determine the relationship between variables, are contained in the 5 hypotheses in this study. The inner model test results can be seen based on the path coefficient with the category p-value <0.05 and t-statistic> 1.96 and it can be seen how much influence the variable has based on the Original Sample (O) value. The results of hypothesis testing can be seen in Table 3 which shows the 5 hypotheses in this study have significance. Community agreeableness has a strong (O = 0.406) and significant influence on inter organizational knowledge sharing and t values 6,048> 1.96 with p values showing 0.000 <0.05. Community agreeableness has a strong (O = 0.579) and significant effect on collaboration skills with p-values of 0.000 <0.05 and t-statistic of 12.107> 1.96. Inter organizational knowledge sharing has a strong (O = 0.333) and significant influence on innovation performance with p-values of 0.000 <0.05 and t-statistic of 4.308> 1.96. Collaboration skills have a strong (O = 0.155) and significant effect on innovation performance with p-values 0.023 <0.05 and t-statistic 2.287> 1.96. Meanwhile digital intelligence as a moderator variable has a positive and significant influence to strengthen the relationship between inter organizational knowledge sharing on innovation performance with path coefficients (O = -0,104) and t values 2.279> 1.96 with p values showing 0.023 <0.05.

Testing of the indirect effect (mediation effect) was also carried out in this study which can be seen based on the value of the specific indirect effect. The indirect effect on the community agreeableness variable on innovation performance through inter organizational knowledge sharing has a path coefficient (O) of 0.135 with a t statistic of 3.672> 1.96 and a p value of 0.000 <0.05. This means that inter organizational knowledge

sharing mediates the effect of community agreeableness on innovation performance. The indirect effect on the community agreeableness variable on innovation performance through collaboration skills has a path coefficient (O) of 0.090 with a t statistic of 2.274> 1.96 and a p value of 0.023 <0.05. This means collaboration skills mediate the effect of community agreeableness on innovation performance.

Table 3. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Community Agreeableness → Int Organizational Knowledge Sharing	0,406	0,423	0,067	6,048	0,000
Community Agreeablene →Collaboration Skills	0,579	0,586	0,048	12,107	0,000
Inter Organizational knowled sharing →Innovation Performance	0.333	0,337	0,077	4,308	0,000
Collaboration Skills →Innovati Performance	0.155	0,158	0,068	2,287	0,023
Digital Intelligence →Innovati Performance	0.393	0,394	0,057	6,900	0,000
Moderating Effect 1 → Innovati Performance	-0.104	-0,101	0,045	2,279	0,023

Table 4. Mediation Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Community Agreeableness → Int Organizational Knowled Sharing → Innovation Performanc	0,135	0,141	0,037	3,672	0,000
Community Agreeableness Collaboration Skills → Innovati Performance	0,090	0,092	0,039	2,274	0,023

These findings indicate that all hypotheses are accepted and the relationship between variables has a strong influence, so to improve the innovation performance of SMEs, it is necessary to have a community to agree with each other and as a forum for sharing knowledge and collaboration, which is also supported by the use of digital technology as a means of sharing and communicating business by SMEs.

5.0 DISCUSSION AND CONCLUSION

The results showed that the existence of community agreeableness, inter-organizational knowledge sharing, and digital intelligence will improve innovation performance in SMEs. The business community currently has an important role in business progress, especially in business 4.0, SMEs can develop their potential through the business community. In addition to adding company channels, they can find out the importance of knowledge management for SMEs in maximizing HR performance and the performance of SMEs. In this ever-developing era, it is very necessary to join the business community to get all the latest information from community members so that the business that is carried out continues to develop along with the times. In addition, the influence of the business community can improve innovation performance for SMEs because with forums, physical and non- physical facilities can have a big impact on the development of SME

innovation. SMEs players who are members of a community make the community a means to collaborate and trust each other so that they can easily share their experiences and knowledge. When SMEs are opened to each other in the community and want to share, they can create new ideas to develop their business. The agreeableness of SMEs is a positive attitude that makes it easier for SMEs to get network and relationship with many SMEs that have the potential to join in a community. With the existence of a community, it has become a forum and means for SMEs to share knowledge, experiences, information, and success stories.

Collaboration is an important activity for SMEs who are members of the community. With their availability to work together and trust each other, they are more active in the community and have a willingness to participate in every activity to collaborate. Thus, the more SMEs often meet to communicate and collaborate frequently, the better their ability to collaborate to create all new innovations. The results of this study indicate that SMEs who are members of a community have the ability to collaborate with each other in order to expand channels, share resources, and participate actively. Collaborative innovation involves decisions between two or more companies in pooling their resources to achieve compatible innovation goals (Miles et al., 2005). The results of this study support previous studies regarding the involvement of SMEs in communities that uphold the openness of SMEs to agree on achieving goals through the ability to collaborate with one another. Collaboration is used as a benchmark for SMEs to test their abilities when they join a community. Every SME has different resources, so they realize that sharing resources is important to them.

Currently, the community is used as a facility to continue communicating and in particular to share knowledge, experiences, information and business stories. The higher level of intensity in sharing is able to develop new ideas for business development. Knowledge sharing has a big influence in improving innovation performance. In addition, it is also due to the existence of a community that has become a gathering facility for SME players so that everything is easier to be done in improving innovation performance. The results showed that SMEs, who often share knowledge with other SMEs, gain new innovations and information from the results of sharing to create their innovations as SME actors. This can be seen from how many new products can be launched, the level of new services provided, how many innovations in the product distribution are, and what kind of work process or new steps that are taken while doing business. The results of this study support previous studies on the performance of innovations carried out in SMEs. The exchange of knowledge and experience is an important element in communication. SME parties interpret the importance of communication when they share knowledge and experiences. That is what is used as their benchmark in creating new innovations. When SME community comes together to share knowledge, experiences, and other stories, it has a good impact in advancing the SME business. Their willingness and sincerity to share can come up with new ideas.

Efforts to improve innovation performance are influenced by the ability to collaborate between SMEs. The meeting of SMEs with one another is also the meeting of differences between one and another in terms of owned resources, different capabilities and skills, and company channels. Therefore, it is important for SMEs to have the ability to collaborate to create all new products, services, market and work process innovations. The results showed that SMEs who have good innovation power are due to their ability to collaborate with other SMEs. The combination of each advantage possessed by SME becomes an amalgamation of what they have. From this, they are able to increase their innovation in products, markets, services and work processes at any given time. The results of this study support previous studies that collaboration has an important role in improving innovation performance. This is because innovation is obtained not only from the ideas of an individual, but also obtained from the pooling of ideas from several people who are able to create something new which can be called collaboration.

Today's SME entrepreneurs believe the importance of using digital tools for their business development. They use an online system to support their innovation development. Through the use of websites and applications, they can find out market information, trendy fashion products, and other information. In addition, the digital tools used are also used as a chat place for SMEs to share knowledge and information. Therefore, the role of digital intelligence can strengthen the relationship between inter organizational knowledge sharing and innovation performance. The results show that SMEs who use digital technology

have used it as a fast business medium to be able to connect directly with their customers. In addition, SMEs use digital technology as intermediaries to communicate with each other online with the aim of sharing business knowledge and information. The results of this study support previous studies on the importance of digital intelligence in business. SME players are facilitated by the presence of digital technology. They can open chat rooms indirectly with their stakeholders, especially customers, which is also facilitated by digital technology. Customers can order or buy products practically. In using websites, for example, a company profile can be in the form of blogs that have chat forums and for the mobile applications, for example the use of social media, such as WhatsApp, Facebook and Instagram, owners can access some business information that can be developed to launch new products, new services, market expansion, and new work processes.

5.1 Managerial Implication

The results of the study provide recommendations to SME actors related to internal efforts improve innovation performance by joining an organization or entrepreneur community where new people meet, who can be used as new channels for SMEs in learning to understand and collaborate. In addition, always be active in the community to seek information and knowledge regardless of the distance because it can be done online and utilizing digital technology. The ability to collaborate is also important for improving innovation performance, which can be improved by sharing resources and exchanging resources owned by each SME. This is because every SME must have different strengths and resources, and every SME must have complementarity with each other if they are in a community. Paying attention to business development is also important, especially now that accessing the internet is very easy to do so that it can support business activities as well as support innovation development. To achieve success in business, SMEs should create a website about their respective businesses so that they can be widely recognized by the public, not only in regional areas. They need it as a market expansion strategy supported by the use of social media such as Facebook and Instagram which are often used by the current generation.

6.0 Limitation and Future Research

This study only focuses on one area, namely SMEs in Central Java in the field of Muslim fashion. For the future agenda, it should be done in areas and fields that are broader in scope. In filling out the questionnaire, the respondent's answer data were partly incomplete and did not meet the criteria. Hence, it is better if the respondent should be given an understanding before filling out the questionnaire and through the google form, the criteria are given a brief and easy to understand description. Moreover, the sentence structure and writing in the questionnaire statement for respondents should be readjusted so that the responses obtained are precise and appropriate. In this research, the questionnaire only uses a closed questionnaire. For the future research agenda, an open questionnaire should be added so that the answers obtained from the respondents have a wider coverage. This research can still be developed for further research agendas by developing models and affirming the relationship between variables.

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