

## The Influence of Family Business Creativity on Business Competition

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### ABSTRACT

*In the era of globalization and evolving market dynamics, family businesses play an important role in the economy. The sustainability of family businesses often depends on their ability to innovate and compete effectively. Creativity is considered the key to gaining an edge in tough business competition. To analyze the influence of family business creativity on business competition. This research uses quantitative methods with a descriptive verification approach to collect and analyze data. Quantitative data was obtained through questionnaires distributed to family members involved in the family business. The object of this research is a company owned by Geulis Umbrella Craftsmen in Tasikmalaya City. These family companies were chosen to see business creativity in facing market competition. The results of this study show that business creativity has a major influence on family business competition, with competition as a significant mediator in this relationship. It is hoped that this research's implications will provide insight into the importance of business creativity in helping family businesses compete in traditional and modern markets.*

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### 1. INTRODUCTION

In the era of globalization, business competition is increasingly fierce in the face of enormous pressure to not only survive but also to develop and innovate. Business creativity is one of the main keys to maintaining existence in the face of challenges that continue to arise. At the same time, creativity has a significant influence on a company's competitiveness (Husna Usviya Rahmah, 2017). One factor that enriches the understanding of business creativity is through a family lens, where cultural values and family heritage can make a significant contribution to the innovation and competitiveness of a business. The importance of exploring and understanding the influence of family business creativity on business competition is becoming increasingly relevant in the current business context. Increased talent and creativity from previous generations can easily adapt to the family business development process (Ari Susanti, Utomo Wibisono, 2018).

Family is not just a social entity but also a solid foundation for developing new ideas and implementing innovative strategies in the business world. Family businesses, as one of the driving forces of the economy, must respond quickly to the impact of increased knowledge through innovation and creativity to economic changes that continue to develop (Trisninawati and Dina Mellita, 2020). Over time, managing a family business has had a significant impact on the business's ability to adapt, survive, and thrive. Family businesses not only develop from an economic point of view but also contain complex social, cultural, and emotional dimensions. Every action

taken in a family business cannot be separated from the relationships between family members (Gunawan Adi Prayogo et al, 2019). The dynamic relationships between family members who share heritage values and business traditions will form an environment that creates unique opportunities for creativity and innovation. Over time, many family companies have succeeded in maintaining their existence by relying on cultural characteristics and business creativity. Business creativity can be encouraged to carry out innovation processes that enable companies to increase their commercial competitiveness (B Lena Nuryanti S and Jajang Nurjaman, 2018). Therefore, this potential looks promising because there is still little comprehensive understanding of how family business creativity concretely influences business competition. In Tasikmalaya City, there are many family businesses in various business fields, one of which is the guy's umbrella business.

Creativity is a topic not only for entrepreneurs who are just starting but also for businesses and business activities in general. Creativity is an important source in creating competitiveness for all organizations that care about growth and change (Hadiyati, 2012). Fontana (2009) defines business/organizational creativity as a combination of expertise, creative/imaginative abilities and skills (creative-thinking skills), and motivation. Meanwhile, competition is a situation where a business fights and competes to achieve competitive advantage results and desired goals such as consumers, market share, survey rankings, or required resources. From the definition above, it can be concluded that competition is an effort to win and gain the best position to gain a competitive advantage (Rambe & Nawawi, 2022).

Payung Geulis is a family business that relies heavily on creativity to keep up with the times. Geulis umbrella businesses that are made traditionally must be able to compete with imported products that have been made in a modern way. By continuing to apply traditional concepts, the umbrella Geulis family business in Tasikmalaya City must be able to make good innovations to keep up with market competition. Geulis umbrella craftsmen must continue to innovate creatively as a commodity that continues to exist amidst the invasion of other economic commodities (Agus Nero Sofyan et al, 2018). By continuing to pay attention to creativity and innovation in making Geulis umbrellas, we can remain competitive in traditional and modern markets so that this family business will be able to survive in the face of market competition. Creativity is considered very important in attracting consumers' attention to get more attention in the market (Adijati Utaminingsih, 2016). Carrying out innovation in the long term will increase the company's superiority (Adhe Ira Riany, Dahmiri, 2020). The Geulis umbrella business can combine knowledge and experience from one generation to the next, this can create maintenance of traditions and learning from the past to improve product marketing. The Geulis umbrella family business will be more responsive to market trends and more innovative in developing products because creativity in Geulis umbrella designs can be a significant differentiation factor, capable of attracting customers to look for unique and interesting products.

This research aims to analyze the role and influence of business creativity in the family context on the dynamics of business competition. This research will dig deeper to understand how factors such as the value of the Umbrella Geulis family business and the dynamics of family relationships influence creativity in family companies, as well as how this creativity influences business competitiveness. By contributing a deeper understanding of the role of family business creativity in the context of business competition and the potential of providing practical guidance for family companies in enhancing their creativity and maintaining competitive advantage.

## 2. RESEARCH METHOD

The research method used is quantitative with a descriptive verification approach. The sampling technique used in this research was a questionnaire. A questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents. The samples taken were family businesses in the field of handicrafts in Tasikmalaya City and the number of samples used was 10 Payung Geulis family businesses. The variables used in this research consist of the independent variable, namely business creativity, and the dependent variable, namely business competition. The steps involved in the data collection process are as follows: 1) Evaluate the questionnaire and instruments using validity and reliability evaluation, 2) Send the questionnaire to respondents, and 3) Collect the necessary data. 4) Additional data showing the return of questionnaires that have been filled out by respondents analyzed extensively and interpreted following the research objectives. Data obtained from the field will be analyzed using descriptive methods using several SPSS (Statistical Program for Social Science) statistical analysis techniques. Research instrument test: The analytical tool used is a regression model which is based on a combination of indicator variables. To obtain reliable and valid data, the validity and reliability of the instrument were tested on 30 respondents. Data analysis techniques: The analysis techniques used in testing hypotheses use quantitative analysis, obtained from questionnaires which are processed using descriptive statistical analysis.

### 3. RESULT AND DISCUSSIONS

#### 3.1 Descriptive Statistics Test Results

Descriptive statistical measurements of this variable need to be carried out to see a general picture of the data such as the average value (mean), the highest value (max), the lowest value (min), and the standard deviation of each variable, namely family business creativity (X) and business competition. (Y). regarding the results of descriptive statistical tests for this research can be seen in the following table:

Statistics Descriptive					
	N	Minimum	Maximum	Mean	Std. Deviation
Business Creativity Family	30	38	50	42.97	4.131
Business competition	30	36	50	42.40	3.682
Valid N (listwise)	30				

Based on the results of the descriptive statistical tests above, the distribution of data obtained by researchers can be described as:

- 1) In the Family Business Creativity Variable (X), from this data it can be described that the minimum value is 38 while the maximum value is 50. The average value for business creativity is 42.97 and the standard deviation of this data is 4.131
- 2) In the Business Competition Variable (Y), from this data it can be described that the minimum value is 36 while the maximum value is 50, the average value of Successor Candidate Desires is 42.40 and the standard deviation of this data is 3,682.

#### 3.2 Simple Linear Analysis Results

A simple linear regression test is used to create a regression equation model so that model testers can predict the size of the dependent variable using independent variable data of known magnitude and to test the truth of the hypothesis.

Variables Entered	Variables Removed	Method
Business Creativity Family	.	Enter

- a. All requested variables entered.
- b. Dependent Variable: Business competition

First part output (variable entered/removed): the table above explains the variables entered and the method used. In this case, the variables entered are the family business creativity variable as the independent variable and business competition as the dependent variable and the method used is the enter method.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 <sup>a</sup>	.384	.362	2.941

- c. Predictors: (Constant), Business Creativity

The table above explains the magnitude of the correlation/relationship value (R), which is 0.620. From this output, a coefficient of determination (R Square) of 0.384 is obtained, which means that the influence of the independent variable (Family Business Creativity) on the dependent variable (Business Competition) is 38.4%.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	151.015	1	151.015	17.460	.000 <sup>a</sup>
	Residual	242.185	28	8.649		
	Total	392.200	29			

- a. Predictors: (Constant), Family business creativity
- b. Dependent Variable: Business competition

From the results of these data, it is known that the calculated F value = 17,460 with a significance level of  $0.000 < 0.05$ , so the regression model can be used to predict the family business creativity variable or in other words there is an influence of the family business creativity variable (x) on the business competition variable (y)

Coefficients						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	18.667	5.705		3.272	.003
	Family Business Creativity	.552	.132	.620	4.178	.000

- a. Dependent Variable: Business competition

Based on this table, it is known that the constant (a) value is 18.667, while the family business creativity value is 0.552, so from these results the regression equation that can be written is:

$$Y = a + bx + e$$

$$Y \text{ (Desire of Prospective Successor)} = 18.667 + 0,552X + e$$

This equation can be interpreted as:

- 1) A constant of 18,667 means that the value is consistent variable participation was 18,667
- 2) The regression coefficient The regression coefficient is positive, so it can be said that there is direction of influence variable X to Y is positive.

Decision-Making in Simple Regression Test Results

- 1) Based on the significance value: from the coefficient table, a significant value of  $0.000 < 0.05$  is obtained, so it can be concluded that the family business creativity variable (X) affects the business competition variable (Y).
- 2) Based on the t value: it is known that the calculated t value is  $4.178 > t$  table. so it can be concluded that the family business creativity variable (X) influences the business competition variable (Y).

In search of the table

$$T_{\text{tabel}} = (@/2 : n-k-1)$$

$$= (0,05/2 : 30-1-1)$$

$$= (0,025 : 28) \text{ (seen in the t-value distribution data table)}$$

$$= 2,048$$

#### 4. CONCLUSION AND RECOMMENDATION

Based on data collection and processing, and discussions that have been carried out, business creativity has a crucial role in shaping the competitive advantage of the Payung Geulis Family Business in Tasikmalaya City. Business creativity in a family context not only fosters product and service innovation, but also fosters daily strategies and communications between members family, and collaborative project development. Creativity can also be a significant differentiator in improving a company's core business. Additionally, research shows that family, values, and business-related knowledge can enhance business creativity. In terms of the dynamics of family businesses, business creativity in the family context can produce an increasingly competitive spirit. Interaction and innovation between family members can produce unique business strategies that are difficult for competitors to imitate. Apart from that, business creativity can also strengthen relationships within the family, ensure business continuity, and handle business negotiations better.

Suggestions that can be given for future research that will examine the same problem are to conduct more in-depth research regarding variables that may have a significant impact on family business creativity, such as family organizational structure, leadership style, or the impact of generational differences within the family. And further highlights case studies centered on family businesses that have successfully integrated creativity into their

strategy. This case study can provide practical advice and useful examples for other family businesses.

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