

UDC 331

## THE INFLUENCE OF ENTREPRENEURIAL ACTION GROUP ON THE SMES PERFORMANCE THROUGH INTERNALIZATION OF QUADRUPLE HELIX INNOVATION ROLE

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### ABSTRACT

The purpose of this study is to know the influence of entrepreneurial action group on the performance of SMEs through internalization of quadruple-helix innovation role ( a study on creative economy-based SMEs in Palembang). The research design used is a causal research. The type of data used is primary data, i.e. questionnaire and direct interviews . The sampling methods used was purposive sampling, thus there are 95 respondents/owners of creative economy-based SMEs. Analytical techniques used to test the hypothesis was simple linear regression and multiple regression. The findings reveal that: a. There is a significant influence of Entrepreneurial Action Group on Creative Economy-based SMEs Performance, b. There is a significant influence of Entrepreneurial Action Group over the Creative Economy-Based Internalization of Quadruple Helix Innovation Role, c. There is no influence of Internalization of Quadruple Helix Innovation Role on Creative Economy-SMEs performance, d. There is a significant influence of Entrepreneurial Action Group and Internalization of Quadruple Helix Innovation Role on Creative Economy-Based SMEs performance.

### KEY WORDS

Entrepreneurial action, performance, internalization, Quadruple-Helix, innovation.

According to the Executive Summary (2006), creative industry plays an important role to build Indonesia's economy; it is evidenced by the average Gross National Product (GNP) by 7.8% per year and absorbs labor by around 7.4 million people. Since 2004-2010, the export of creative industry was getting high with the highest annual growth average by 12% and noted that the 2010's export-grade reached up to Rp 131 trillion (US\$97.27 million), and in 2025 it is being expected that creative industry will contribute 11% to GNP and 12-13% to export. The growth of creative economy-based SMEs still needs support and role from various fields to contribute to the economic development and to be able to improve competitive advantage.

According to Halim (2011), an ability to cultivate creativity and to improve innovation skill of creative industry players is truly needed to make them able to grow and compete. Creative industry business player is expected able to change his/her profit-oriented lifestyle into a customer-oriented lifestyle in order to create long-term beneficial cooperation. Good creative industry business players are those having the ability to take a challenge, to build a competition, to be able to arrange a business strategy and to have a strong will to reach business goals.

According to the Ministry of Trade (2008), creative industry is an inseparable part of a creative economy. The Creative economy is defined as supply and demand transaction system sourcing from economic activities led by industrial sector called creative industry. The government realizes that creative economy focusing on goods and service creation relying on skill, talent, and creativity as intellectual property is hope for a resurgence, competitive availability, and Indonesia's economic advantage in the world economy. Creative economy development is the form of optimism and outpouring of aspiration to realize Indonesia's vision to become a developed country. The government of Indonesia starts to see potential various subsectors of creative industry to be developed since Indonesia has

creative human resources and rich cultural heritage. In addition, creative industry is also able to give a contribution to several aspects of life.

Indonesia needs to develop creative industry since it plays important roles to improve state and local economy (The Ministry of Trade, 2008). Firstly, creative industry sector gives a significant economic contribution, among other: job vacancy increases, export escalation, and GNP contribution. Secondly, creating a positive business climate which affects other sectors. Thirdly, building nation branding and national identity through tourism, a national icon, culture, cultural heritage, and local values. Fourthly, based on the renewable resources like science and creativity. Fifthly, creating innovation and creativity which becomes the competitive advantage of nations. Sixthly, contributing positive social impacts such as life quality improvement and social tolerance.

The creative industry is the industry coming from the utilization of creativity, individual skill and talent to create provision and job vacancy through the creation and utilization of the industrial creativity (The Ministry of Trade, 2008). Creative industry categorization determined by each country is different, thus there is no mistake in categorizing creative industry since it relies on the analytical purpose and nation's potency. Indonesia's creative industry is divided into 15 sectors, i.e. advertisement, architecture, antique goods market, craft, design, fashion, video, film and photograph, interactive game, music, performing art, publishing and printing, computer and software service, television and radio, and research and development. In 2013, the Ministry of Tourism and Creative Economy (*Kementerian Pariwisata dan Ekonomi Kreatif or Kemenparekraf*) prepared budget worth to Rp 33 billion (US\$24.5 million) to encourage creative business development in Indonesia. For that matter, creative industry development in several cities in Indonesia seems to quickly grow since it has to compete with other creative industries.

The development of creative economy-based industry in Palembang is pretty much, but industrial categorization data based on the sector group of creative industrial is not available yet so the number is not clearly defined yet. The existence of creative industry ahead is still an important alternative in increasing contribution in economic and business field, society's quality life improvement, brand shaping, communication tool, cultivating innovation and creativity, and local wisdom reinforcement.

Creative economy-based SMEs commonly get a problem especially in terms of human resources, capital, and modern technology mastery. For that matter, the roles of Quadruple Helix is the main pillar playing a role to encourage the growth of creative industry and the improvement of creative industry performance. The concept of Quadruple Helix is the improvement of Triple Helix by integrating civil society and innovation as well as knowledge (Afonso, 2012). *Quadruple Helix consists four sectors, i.e. government, business, academics, and civil society.* The concept of Quadruple Helix is the improvement of Triple Helix by integrating civil society and innovation as well as knowledge (Afonso, 2012). Quadruple Helix Innovation is the collaboration of four sectors, that is: Government, Business, Academics, and Civil society playing a role to encourage the growth of innovation which surely will improve the organization performance. This study states that those roles can be internalized in creative economy-based SMEs, although the absorption of the internalization process is not as easy as turning your palm around. Pratikto (2012) and Anggraeni (2013) state that the internalization process of company's values shaped by organizational culture is perspective in nature, passing through obedience, imitation, adoption, and obedience towards scenario from up or out of related culture. However, it can be reached through learning process begun from within the role of cultural actors, started from truth, beliefs, assumptions and basic principle strongly held as the action building actualized into reality through attitude and behavior. Organizational founder, owner and leader generation has a strong cultural part of the organization.

Therefore, this study also explores how far Entrepreneurial Action group is performed by SMEs player cooperatively since generally, nowadays, SMEs player has been joined in a particular association/group or that having the same type of SMEs. Therefore, it can be said that Entrepreneurial Action Group is a series of cooperatively discontinued action to execute fixed decisions agreed by SMEs joined in the group. Naffziger et al. (1994) in Wahjudono

(2013) says that entrepreneurial action has a significant influence on the organization performance. Furthermore, Irlandia et al. (2001) also states that entrepreneurial action is an important part of a strategic combination of the action. Strategic action is focused on the competitive advantage achievement in the related industry and market context. On the other hand, entrepreneurial action tries to make use of another miss or not exploited chance as maximum as possible.

The previous study was conducted by Lindberg, Lindgren, & Packendorff (2012) on "Quadruple Helix as a Way to bridge the Gender Gap in Entrepreneurship: The Case of an Innovation System Project in the Baltic Sea Region". According to the result of explorative case study of Quadruple Helix innovation system in tourism industry, it is found that NGOs can fulfill four roles in straddling gender gap: (1) collaborative platform for SMEs led by women, (2) legitimating and connecting women in SMEs with government or academics actor, (3) developing competence and process innovation related to entrepreneurial action out of traditional Triple Helix and (4) bringing individual and society aspect towards entrepreneurial. Entrepreneurial action study which was conducted by Mathias, David W. Williams, Adam R. Smitch (2014) entitled "Entrepreneurial inception: The role of imprinting in entrepreneurial action". The result reveals how this imprint source influences entrepreneurial decision making and explains how to guide entrepreneur decision when s/he grows through his/her entrepreneurial career. This study remakes an understanding on how entrepreneurs navigate the entrepreneurial process. Another study in relation to Entrepreneurial action was conducted by Georgellis, Paul Joyce, Adrian Woods (2000) entitled "Entrepreneurial action, innovation and business performance: the small independent business". The finding reveals that entrepreneurial business is characterized by competence enabling the entrepreneur to innovate and so that successfully improve and grow, no wonder if not all small business is completed with these three competencies since their various strength and weakness appear from a lot of managerial patterns and entrepreneurial aspiration. The result also points out the importance of capacity to innovate and to make a plan ahead as a strong predictor of small business. A study on internalization was done by Sapir, Heri Pratikno, Wasiti, Agus Hermawan (2014) on Entrepreneurial Learning Model-Based Local Wisdom to Encourage Economy. The results show that the religious and local cultural values are internalized through spoken word and exemplification of creative industry pioneer which encourage society's economy. Another study related to internalization is one conducted by Mustikarini (2017) entitled "The results showed that most of the relationships mediate internalization entrepreneurial action and individual performance". The result shows that internalization mediates part of entrepreneurial action relationship and individual performance.

According to the problem illustrated above so the development of creative economy-based SMEs needs big attention from Quadruple Helix Innovation actors with a higher level of their role. Government policy ahead has to be more conducive for the growth and development of creative economy-based SMEs since creative SMEs plays a role and has an important potency to develop states and local's economic development. Creative economy-based SMEs in Palembang are chosen since they are considered able to develop Human Resources armed with science, creativity, and innovation and are able to create a job vacancy. Creativity development is a nation's competitive advantage and able to give positive social impact. Creative SMEs are also expected to lift up Palembang's economic condition and give a positive image about typical cultural and local wisdom.

The objective of this study is to find out the influence of entrepreneurial action group on SMEs performance through the internalization of quadruple helix innovation role (a study on creative economy-based SMEs in Palembang).

## **METHODS OF RESEARCH**

The research design used was a causal relationship. The frame of reference was presented in Figure 1. Type of data used was primary data, i.e. questionnaire and direct interview.

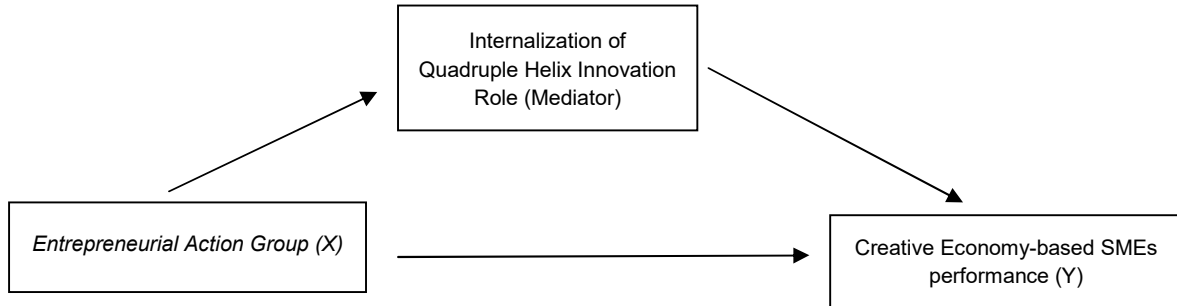


Figure 1 – Frame of Reference

The population of this study was SMEs player in Palembang listed on Ministry of Cooperatives and SMEs amounting to 124 SMEs players/owners. The reason why the population of this study only limited in Palembang is given that the development of SMEs in Palembang gives a contribution by 14% of the total of national micro-business development. Since the type of sampling methods used was purposive sampling so that the number of samples was 95 creative economy-based SMEs players/owners.

Table 1 – Research Indicator

Variable	Definition	Indicator
<i>Entrepreneurial Action Group</i> (source: Ireland et al., 2001, Hmielski 2015, and Kuratko, 2016)	Entrepreneurial strategic action (performed in a group) focusing on the competitive advantage achievement in the related industry and market context.	<i>Organizational learning in group</i> involvement intensity in a network organization (SMEs enablers) <i>Internalization in a group</i>
Creative economy-based SMEs performance (source: Walker et al., 2010; Moehersono, 2009).	performance achievement rate of a program or policy in realizing organizational target, goal, vision, and mission expressed in an organizational strategic planning	Sales Volume Marketing Area Innovation Development Business Network Improvement Enterprise Knowledge Improvement
Internalization of Quadruple Helix Innovation Role (source: Lkujiro and Hirakata takeuvchi, 1995), Bhatti, 2016, Mustikarini, 2007)	Learning process carried out by adaptation, diffusion, and imitation of particular side's role to develop innovation	Adoption Diffusion Imitation

Analysis techniques used to test H1-H4 was simple linear regression and multiple regression. Structural equations can be built based on the guidance as follows:

$$\text{Endogenous variable} = \text{Exogenous Variable} + \text{Endogenous Variable} + \text{Error}$$

This study is analyzed using Structural Equation Modeling (SEM) operated by Lisrel Program. One of the purposes of path analysis is to decide whether the model is plausible or not. A research model is said well if having a good plausible model as well. According to Hulland et al. in Ferdinand (2005), several relevance indexes and their "cut-off value" used to examine if a model accepted or rejected are:

Table 2 – Goodness of Fit Index

Goodness of Fit Index	Cut-off Value
$\chi^2$ -Chi-square	Expected small
Significance Probability	$\geq 0.05$
RMSEA	$\leq 0.08$
GFI	0 – 1
AGFI	$\geq 0.90$
CMIN/DF	$\geq 3.00$
TLI	$\geq 0.95$
CFI	0 – 1

Source: Ferdinand (2005)

The hypothesis developed in this study was as follows:

H1: Entrepreneurial Action Group has a positive influence over the SMEs performance.

H2: Entrepreneurial Action Group has a positive influence over the Internalization of Quadruple Helix Role.

H3: Internalization of Quadruple Helix Role has a positive influence over the SMEs performance.

H4: Entrepreneurial Action Group and Internalization of Quadruple Helix Innovation Role over the SMEs performance.

## RESULTS AND DISCUSSION

*Respondent Description.* Table 3 presents respondents characteristic illustration of creative economy-based SMEs players/owners according to their gender, age, educational background, length of business and enterprise group.

Table 3 – Sample Respondent Characteristics

Description	Characteristics	Total	Percentage
Gender	Male	37	38,95
	Female	58	61,05
Age	<30 years old	54	56,84
	30-40 years old	35	36,84
	>40 years old	6	6,32
Educational Background	Junior High School	8	8,42
	Senior High School	34	35,79
	Associate/Bachelor's Degree	48	50,53
	Master's Degree	5	5,26
Length of Business	<3 years old	16	16,84
	3-5 years old	32	33,68
	>5 years old	47	49,47
Enterprise Group	craft	15	15,79
	publishing and printing	16	16,84
	computer and software service	14	14,74
	Advertisement, Video, and Photograph	19	20,00
	Fashion	20	21,05
	antique goods	8	8,42
	Performing art	3	3,16

Source: Result of Data Processing, 2017.

According to the Table 3, the sample of the respondent of this study is dominated by women, less than 30 years old, their educational background is mostly Associate/Bachelor's degree, the length of business is more than 5 years, and the dominant business running is fashion. Table 4 below presents the recapitulation of respondents' answer for Entrepreneurial Action Group variable.

Table 4 – Respondents' Answer Recapitulation for Entrepreneurial Action Group

No	Class Interval	Frequency	Relative Frequency	Description
1	<16	0	0.0%	Low
2	16 - 24	76	80%	Average
3	>24	19	20%	High
-		95	100%	

Source: The result of data processing, 2017.

According to the result, it concludes that respondent assessment on Entrepreneurial Action Group item is average (80%). Table 5 below presents respondents' answer recapitulation for the variable of creative economy-based SMEs performance.

Table 5 – Respondents' Answer Recapitulation for Creative Economy-Based SMEs Performance

No	Class Interval	Frequency	Relative Frequency	Description
1	< 20	0	0.0%	Low
2	20 - 35	45	47.37%	Average
3	>35	50	52.63%	High
		95	100%	

Source: The result of data processing, 2017.

According to the result, it can be concluded that respondent assessment on SMEs performance-based creative economy is high since most of them give a high score (52.63%). Table 6 below presents a recapitulation of respondents' answer for the variable of Internalization of Quadruple helix Internalization Role.

Table 6 – Respondents' Answer Recapitulation for Internalization of Quadruple Helix Innovation Role

No	Class Interval	Frequency	Relative Frequency	Description
1	< 20	52	54,74%	Low
2	20 - 35	43	45,26%	Average
3	> 35	0	0,0%	High
		95	100%	

Source: The result of data processing, 2017.

According to the result, it can be concluded that respondent assessment on the variable of Internalization of Quadruple Helix Innovation Role is low (54.74%).

Table 7 below presents the form of Quadruple Helix roles felt by SMEs players/owners (sample of respondents).

Table 7 – The Form of Quadruple Helix at Creative Economy-Based SMEs in Palembang

No	Description	Role
1	<i>Intellectual / -</i>	Bringing SMEs into object of community outreach activity Connecting SMEs players/owners with other partners especially government Applying Science and Technology into SMEs. Providing training and development established by University's Student Activity Unit ( <i>Unit Kegiatan Mahasiswa or UKM</i> ) Realizing SMEs as University's incubator development
2	<i>Government</i>	Regulation, law, and policy setting. Performing programs launched by <i>Bekraf (Creative Economy Agency)</i> Department of Industry and Trade ( <i>Disperindag</i> ) provides training and development Cooperatives and SMEs department provides training and development Training Center for Engineering Education provides training and development Financing and development from Bank Indonesia
3	<i>Business</i>	provider of government regulation, law, policy Intellectual property safeguards provider Business' side positions SMEs as company's development partner as the form of its CSR Enterprise's side positions SMEs as the object of independent entrepreneurship Financing organization of both bank and non-bank provides development and financing provider at the same time to SMEs Training and development provided by chamber of commerce and industry (KADIN) Digital marketing or online business training and development from online shops ( <i>Bukalapak, Lazada, and etc</i> ) Training and development provided by entrepreneur association
4	<i>Civil society / user</i>	Promoting the product and service of SMEs through various media Being a potential user Information provider or product superiority data or SMEs' role Corporate image creator or branding player from SMEs competitive advantage Assessor and supporter of local wisdom developed/introduced to the product and service produced by SMEs

Source: The result of data processing, 2017.

Table 7 above also indicates that there is still potency of Quadruple helix role which is not optimum yet. Generally, those roles can be explained as follows:

- Intellectual community plays a role as the agent who shares science and technology (IPTEK) information and the agent who can develop creative industry into society. Intellectuals role has a big capacity to encourage SMEs creativity development, finalizing concept and innovation performance, and eliminating information from IPTEK and connecting SMEs with business network and other sides. The research result conducted by intellectuals can be applied for the idea development which is beneficial to creative economy-based SMEs player and for business management development; in addition, academics can implement their activity through continuous coaching to remake management for creative industry players. Intellectuals are one of the pioneers of creativity, idea, and IPTEK for the growth of creative economy-based SMEs so that will produce competitive creative industry.

- The role of government in building creativity of creative economy-based SMEs player, especially as the organization which has an authority to arrange and set law, both at central government and local government. Regulation and policy arranged should bias against creative industry development which will strengthen sustainability and competitive level of creative industry. The same goes for the development and donation to the creative economy-based SMEs. This will be more optimum if in encouraging innovation for creative industry development has been fulfilled an expectation of creative economy-based SMEs player. Development and assistance include program aid provided by government pointed to be fit in the needs of creative economy-based SMEs so able to encourage the growth of company's innovation.

- An enterprise role is as the business player, investor, new technology creator, and consumer at the same time which is able to support the sustainability of creative economy-based SMEs. Another role seems as the creator of creative product and service, a new market which can absorb product and service produced, and provide a job for the creative individual, establishing creative community and entrepreneur. i.e., as the encourager of public space building so information exchange and idea sharing are exists this at the end will increase SMEs player creativity. The role of enterprise side is embracing and connecting SMEs into the business community which will be able to change SMEs player mindset. Another role is giving management sharing in the business management referring to the innovation of various aspects which is able to support creative economy-based SMEs development.

- Civil society/user plays an important role to develop creative industry by positioning his/herself as communication media of the product resulted by creative economy-based SMEs and functioning cultural to use product resulted by the SMEs player and being a potential consumer. In addition, another civil society's role is as an ambassador who proud of the products produced by SMEs and even into the higher level moreover SMEs product embracing local wisdom. Civil society only plays a role as the encourager of the growth of SMEs' creativity.

*Confirmatory Factor Analysis (CFA):*

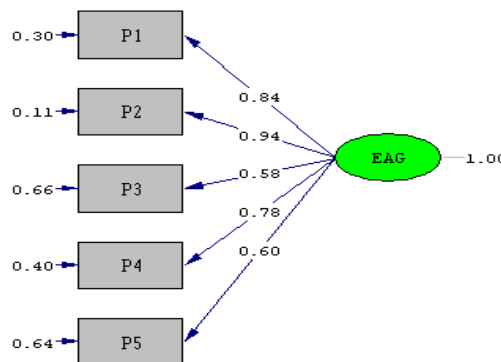


Figure 2 – Model \_1 of Exogenous Construct CFA

Figure 2 Indicates that the Model\_1 Exogenous Construct CFA no longer has loading factor less than 0.5 so that all indicators of the exogenous variable have been valid. Table 8 indicates Reliability Calculation Result with Construct Reliability of endogenous variable CFA.

Table 8 – Validity Test Result of Indicator and Exogenous Variable Construct Reliability

Dimension	Indicator	$\lambda$	Error = $1-\lambda^2$	$CR=(\sum\lambda)^2 / ((\sum\lambda)^2 + \sum Error)$
EAG (Entrepreneurial Action Group)	P1	0,84	0,30	0,869
	P2	0,94	0,11	
	P3	0,58	0,66	
	P4	0,78	0,40	
	P5	0,60	0,64	

Table 8 indicates that the value of Construct Reliability (CR) of all exogenous constructs is above 0.7. For that matter, it concludes that all dimension and research variable of Full Model has a good reliability and validity.

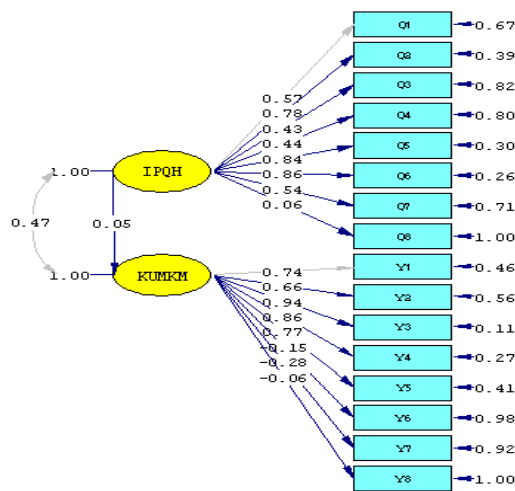


Figure 3 – Model\_1 Endogenous Construct CFA

Figure 3 indicates that there is still loading factor which is less than 0.5, i.e., Q3, Q4, Q8 for IPQH variable and Y6, Y7, Y8 for KUMKM variable. It means that Entrepreneurial Action Group indicators are not valid yet and has to be issued in the future analysis so the Model\_2 of Construct Endogenous CFA is as follows:

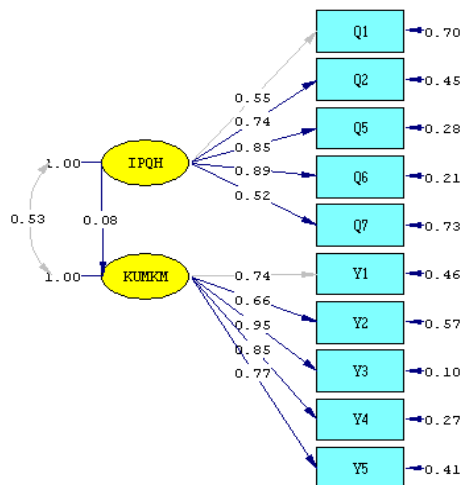


Figure 4 – Model\_2 of Endogenous Construct CFA



Figure 4 indicates that the Model\_2 of Endogenous Construct CFA have not loading factor which is less than 0.5 so all indicators of the Endogenous variable has been indicated valid. Table 9 indicates reliability calculation result with Reliability Construct of endogenous variable CFA.

Table 9 – Result of Indicator Validity Test and Endogenous Variable Construct Reliability

Dimension	Indicator	$\lambda$	Error = $1-\lambda^2$	$CR=(\sum\lambda)^2/((\sum\lambda)^2+\sum Error)$
IPQH (Internalization of Quadruple Helix Innovation Role)	Q1	0,55	0,7	0,842
	Q2	0,74	0,45	
	Q5	0,85	0,28	
	Q6	0,89	0,21	
	Q7	0,52	0,73	
KUKM (SMEs Performance)	Y1	0,74	0,46	0,897
	Y2	0,66	0,57	
	Y3	0,95	0,10	
	Y4	0,85	0,27	
	Y5	0,77	0,41	

Figure 4 and Table 9 indicate that the Model\_2 of Endogenous Construct CFA has no loading factor score which is less than 0.5 so demonstrating all indicators of endogenous variable is valid. While CR score indicates that all exogenous construct is above 0.7. Therefore, it can be concluded that all dimension and research variable of Full Model has a good reliability.

*Structural Equation Modeling (SEM)*. Full model testing was performed by considering calculation result of Goodness of Fit Statistics in LISREL software, the testing refers to the fit model available in Table 10 below.

Table 10 – Goodness of Fit Index

No	Goodness Of Fit Index	Score	Description
1	Chi-Square	726,71	Marginal Fit
	Probability	0,026	
2	RMSEA	0,021	Good Fit
3	NFI	0,81	Marginal Fit
4	NNFI	0,88	Marginal Fit
5	CFI	0,94	Good Fit
6	IFI	0,94	Good Fit
7	RMR	0,035	Good Fit
8	GFI	0,91	Good Fit
9	AGFI	0,96	Good Fit

Estimating result for SEM full model analysis based on the t-value is presented in the following Figure:

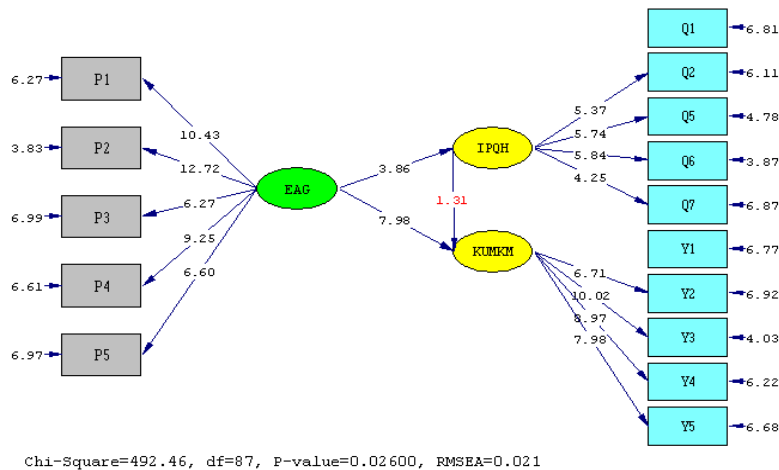


Figure 5 – Full Model Estimating Result based on the t-value

Figure 5 informs that the majority of parameters of the full model is significant (t-count value is higher than 1.96), except for the influence of IPQH variable on KUMKM variable (1.31) is not significant at 0.05% level. The result of estimating for SEM full model analysis based on the loading standard is illustrated in the following figure.

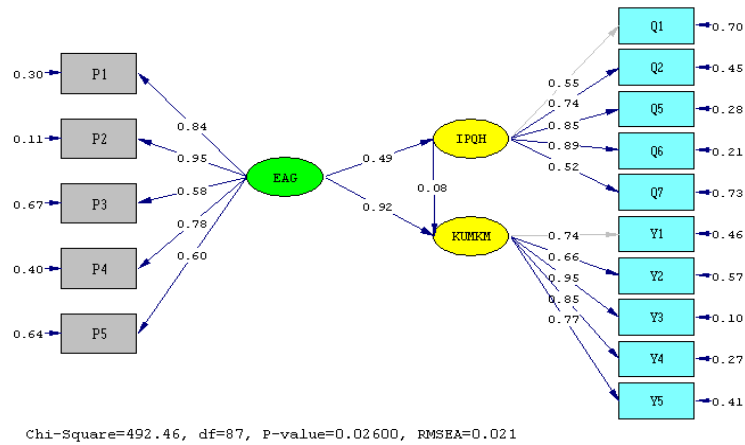


Figure 6 – Full Model Estimating Result based on the Loading Standard

According to the loading standard result above, it is got structural equation as follow.

Sub-Structural Equation:  $IPQH = 0.49 * EAG$

From the structural model can be explained that the score of EAG towards IPQH is 0.49. This means that the better the Entrepreneurial Action Group, the higher the Internalization of Quadruple Helix Innovation Role.

Structural Equation:  $KUMKM = 0.08 * IPQH + 0.92 * EAG$

That structural model explains that KUMKM is directly influenced by IPQH and EAG. This means that the better the score of IPQH and EAG, the more developed the KUMKM. The score of the direct influence of EAG on IPQH is 0.49. While the score of the influence of IPQH on KUMKM is 0.08, and EAG on KUMKM is 0.92. This reveals that EAG has a higher influence on the creative economy-based SMEs performance (KUMKM) than Internalization of Quadruple Helix Innovation Role (IPQH).

**Direct and Indirect Influence Analysis:**

Direct influence analysis is aimed to know how to strength the influence of a variable with another one directly. The result of direct influence calculation using Lisrel is as follows:

Table 11 – Direct Influence

-	EAG	IPQH
IPQH	0.49	
KUMKM	0.92	0.08

Source: Data Processing Result.

According to the Table 11, the score of the direct influence of EAG variable on IPQH is 0.49, EAG on KUMKM is 0.92 and IPQH on KUMKM is 0.08.

Indirect influence analysis is aimed to know how to strengthen the influence of one variable with another indirectly. The result of calculation of indirect influence is as follows:

Table 12 – Indirect Influence

	EAG	IPQH
IPQH		
KUMKM	0,04	

Source: Data Processing Result.

According to the Table 12 the number of indirect influence of EAG variable on KUMKM through IPQH is 0.04. EAG variable more influence on KUKM variable than IPQH variable.

This study aims to examine the influence of Entrepreneurial Action Group on Creative Economy-Based SMEs performance through Internalization of Quadruple Helix Role. According to the analysis result, thus the discussion is as follows:

*The Influence of Entrepreneurial Action Group on Creative Economy-Based SMEs performance.* The result reveals that Entrepreneurial Action Group variable has a significant influence over the creative economy-based SMEs performance. The score of the influence of EAG on KUMKM variable is 7.98; it is significant at the level of 0.05%. The result of this study supports the previous research conducted by Mustikarini (2007) in which the result states that there is a significant influence of entrepreneurial action on individual performance.

*The influence of Entrepreneurial Action Group on the Internalization of Quadruple Helix Innovation Role.* The result of the study states that the variable of Entrepreneurial Action Group (EAG) has a significant influence over the Internalization of Quadruple Helix Role (IPQH). The number of EAG variable on IPQH variable is 3.85 and the significant level is 0.05%. Entrepreneurial Action Group conducted by creative economy-based SMEs player also triggers the role of Quadruple Helix side to more increase their role. The intensity of UMKM player involvement, organizational learning spirit and internalization in a group of SMEs player more induces Quadruple Helix Innovation actors to improve their role since basically; SMEs want to make effort to improve their performance through the learning process and open minded.

*The Influence of Internalization of Quadruple Helix Innovation Role on Creative Economy-Based SMEs Performance.* The result of the study reveals that the variable of Internalization of Quadruple Helix Innovation Role has no significant influence over the creative economy-based SMEs performance. The number of the influence of IPQH variable on KUKM variable is 1.31 which is not significant at the level of 0.05%. While actually the bigger the internalization of Quadruple Helix Innovation Role, the more help to improve creative industry-based SMEs performance. For that matter, concern improvement of Quadruple Helix Innovation as the form of their social responsibility is truly needed to accelerate the growth and development of creative industry which will strengthen nation's economy.

*The Influence of Entrepreneurial Action Group and Internalization of Quadruple Helix Innovation Role of Creative Economy-based SMEs performance.* The research result supports that the variable of EAG and IPQH has a significant influence over the creative economy-based SMEs performance. In other words, the result of this study reveals that Entrepreneurial Action Group and Internalization of Quadruple Helix Innovation Role support the improvement of creative economy-based SMEs performance.

## **CONCLUSION AND SUGGESTIONS**

From the result of the study, we can conclude that: a. There is a significant influence of Entrepreneurial Action Group on Creative Economy-based SMEs performance, b. There is a significant influence of Entrepreneurial Action Group over the Creative Economy-Based Internalization of Quadruple Helix Innovation Role, c. There is no influence of Internalization of Quadruple Helix Innovation Role on Creative Economy-SMEs performance, d. There is a significant influence of Entrepreneurial Action Group and Internalization of Quadruple Helix Innovation Role on Creative Economy-Based SMEs performance. An advanced research on SMEs performance should consider Quadruple Helix actors' opinion. Advanced research development especially in terms of SMEs Performance assessment should use not only primary but also secondary data. The advanced research is also expected to extend the coverage of Indonesia's SMEs performance research through advanced research and to decide a study on a particular business or SMEs enterprise conducted by Quadruple Helix sides.

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