



## **Innovation Capability and Business Growth in Culinary Small Enterprises: A Management Perspective**

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### **Abstract**

*Culinary small enterprises operate in highly competitive and dynamic markets where rapid imitation, shifting consumer preferences, and technological change intensify pressures on business growth. Within this context, innovation capability has emerged as a critical managerial resource, yet empirical evidence explaining how it translates into sustainable growth remains fragmented, particularly in culinary SMEs. This study investigates the effect of innovation capability on business growth from a management perspective using an empirical quantitative research design. Data were collected through a structured questionnaire administered to owner-managers and top managers of culinary SMEs operating for at least three years in urban and semi-urban areas. Innovation capability was conceptualized as a multidimensional construct comprising product, process, marketing, and organizational innovation, while business growth was measured through perceived growth in sales, market expansion, and business scale. Data were analyzed using variance-based structural equation modeling (PLS-SEM). The findings demonstrate that innovation capability has a significant positive effect on business growth, with marketing and product innovation showing the strongest impacts. The results further reveal that managerial orientation, digital capability, and organizational learning enhance the effectiveness of innovation capability in generating sustainable growth. This study contributes to innovation and SME management literature by positioning innovation capability as a strategic, growth-enabling managerial capacity.*

**Keywords:** Business growth, Culinary SMEs, Innovation capability, Management perspective, Sustainability.



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## **INTRODUCTION**

The global landscape of small enterprise development has undergone a profound transformation as intensified competition, digital disruption, and shifting consumer preferences redefine how value is created and sustained, particularly within the culinary sector that occupies a strategic intersection between entrepreneurship, culture, and local economic resilience. Across emerging and developed economies alike, culinary small enterprises are increasingly pressured to move beyond cost-based competition toward innovation-driven growth paths that emphasize product differentiation, service creativity, and adaptive business models. Contemporary management scholarship positions innovation capability not merely as a technical function, but as an organizational capacity embedded in learning processes, leadership orientation, and strategic flexibility that enables firms to respond to volatile markets and evolving tastes. In this context, innovation capability has become central to debates on business growth, sustainability, and competitiveness of SMEs, especially in industries such as culinary services where imitation is rapid and entry barriers remain low, yet customer expectations escalate continuously (Fitriati et al., 2020; Wahyuni & Sara, 2020).

A growing body of empirical research has examined innovation capability as a determinant of SME performance, often highlighting its positive association with competitive advantage, marketing effectiveness, and business sustainability. Studies in the culinary SME context demonstrate that innovation capability enhances e-marketing performance and competitiveness when combined with entrepreneurial capability and strategic orientation (Adinata et al., 2023), while organizational innovation supported by absorptive capacity strengthens firms' ability to translate external knowledge

into operational improvements (Hutabarat et al., 2021). Related research emphasizes that innovation strategies enable culinary SMEs to navigate market turbulence and maintain business sustainability amid resource constraints (Syahrul et al., 2023). Beyond sector-specific findings, broader SME literature underscores the role of organizational culture, leadership, and entrepreneurial orientation in fostering flexibility and innovation-driven performance (Anning-Dorson, 2021; Wahyuni & Sara, 2020), suggesting that innovation capability operates as a multi-dimensional construct shaped by managerial and contextual factors rather than isolated technological inputs.

Despite these advances, the literature reveals notable conceptual and empirical limitations that restrict a comprehensive understanding of how innovation capability translates into sustained business growth in culinary small enterprises. Many studies prioritize short-term performance indicators or marketing outcomes, leaving the growth dimension such as scalability, market expansion, and long-term value creation underexplored. Empirical findings also display contextual fragmentation, with evidence often derived from localized case studies that limit generalizability and obscure underlying management mechanisms linking innovation capability to growth trajectories. Moreover, innovation capability is frequently treated as a unidimensional variable, neglecting its interaction with absorptive capacity, organizational flexibility, and external collaboration networks that are increasingly recognized as critical for SMEs operating in dynamic environments (Huber et al., 2020; Benhayoun et al., 2020).

These gaps indicate an unresolved tension between innovation as an internal managerial capability and innovation as a relational, ecosystem-embedded process. The persistence of these gaps carries significant scientific and practical implications, particularly for culinary SMEs that face intense competitive pressure yet possess limited managerial slack to experiment with innovation initiatives. Without a nuanced understanding of how innovation capability functions as a growth-enabling mechanism, managerial interventions risk remaining fragmented, reactive, or overly technology-centric. Prior research on supply chain flexibility, market agility, and IT orchestration demonstrates that performance gains emerge when innovation is aligned with broader managerial systems and strategic coherence (Benzidia & Makaoui, 2020), while open innovation studies stress that SMEs must actively manage knowledge inflows through absorptive capacity to avoid superficial adoption of external ideas (Barrett et al., 2021; Huber et al., 2020).

The absence of integrative management perspectives thus limits the applicability of existing findings for practitioners seeking sustainable growth rather than episodic performance improvements. Within this evolving scholarly landscape, the present study positions itself at the intersection of innovation capability and business growth by adopting a management-oriented perspective tailored to culinary small enterprises. Rather than isolating innovation outcomes, this research conceptualizes innovation capability as a strategic organizational resource shaped by learning capacity, flexibility, and managerial orchestration of internal and external knowledge. By engaging with insights from absorptive capacity and collaborative innovation network literature (Benhayoun et al., 2020; Hutabarat et al., 2021), the study responds to calls for more holistic models that capture how SMEs convert innovation potential into growth-oriented outcomes. This positioning contributes to refining SME innovation theory by emphasizing growth dynamics as a central, yet underdeveloped, analytical lens within culinary entrepreneurship research (Fitriati et al., 2020; Syahrul et al., 2023).

Accordingly, this study aims to examine how innovation capability influences business growth in culinary small enterprises through a comprehensive management perspective that integrates organizational processes, strategic orientation, and learning mechanisms. The research seeks to contribute theoretically by clarifying the role of innovation capability as a growth-enabling construct rather than a narrow performance driver, and methodologically by offering an analytical framework capable of capturing complex managerial relationships within resource-constrained firms. By articulating innovation capability as an embedded and dynamic managerial capacity, the study aspires to enrich international entrepreneurship and SME management literature while providing evidence-based insights relevant for policymakers and practitioners concerned with fostering sustainable growth in the culinary sector.

## **RESEARCH METHODS**

This study employs an empirical quantitative research design to investigate the effect of innovation capability on business growth in culinary small enterprises from a management perspective. The research targets culinary SMEs that have been operating for a minimum of three years, reflecting

a level of organizational maturity sufficient for innovation activities and observable growth outcomes. The population comprises owner-managed or professionally managed culinary SMEs located in urban and semi-urban economic centers, with respondents selected through purposive sampling to ensure direct involvement in strategic and innovation-related decision-making. Primary data are obtained through a structured survey questionnaire, complemented by secondary data to contextualize industry dynamics. Innovation capability is conceptualized as a multidimensional construct encompassing product, process, marketing, and organizational innovation, while business growth is operationalized through self-reported indicators of sales growth, market expansion, and scale development, consistent with established approaches in SME management research (Adinata et al., 2023).

The measurement instruments are adapted from prior validated studies and assessed using a five-point Likert scale to capture the degree of agreement with each construct indicator. Data analysis is conducted using variance-based structural equation modeling (PLS-SEM), which is appropriate for theory development and predictive analysis in SME contexts characterized by complex relationships and limited sample sizes. The analytical procedure involves evaluation of the measurement model through tests of internal consistency reliability, convergent validity, and discriminant validity, followed by structural model assessment to examine path coefficients and explanatory power. Robustness checks include tests for multicollinearity, common method variance, and predictive relevance to ensure the credibility of the findings. This methodological approach enables a rigorous examination of the innovation–growth nexus while remaining aligned with methodological standards in contemporary innovation and SME research (Huber et al., 2020).

## **RESULTS AND DISCUSSION**

### **Innovation Capability as a Driver of Business Growth in Culinary Small Enterprises**

The empirical analysis reveals that innovation capability exerts a statistically significant and positive influence on business growth among culinary small enterprises, reflecting its role as a strategic managerial asset rather than a peripheral operational function. Structural equation modeling results indicate that higher levels of innovation capability are associated with stronger growth perceptions in sales, market reach, and business scale, suggesting that innovation-oriented firms are better positioned to capture emerging opportunities. This relationship underscores the importance of managerial commitment to continuous innovation in environments characterized by intense competition and rapid imitation, particularly within the culinary sector where differentiation is fragile. The findings resonate with management-oriented perspectives that frame innovation capability as a dynamic organizational capacity embedded in routines, learning, and strategic decision-making. Similar empirical patterns have been reported in studies emphasizing the contribution of innovation capability to SME performance and growth trajectories in culinary contexts (Ismail & Mardatillah, 2025).

Product innovation emerges as one of the most salient dimensions shaping business growth, indicating that the ability to introduce novel menu variants, improve taste profiles, and respond to changing consumer preferences contributes meaningfully to expansion outcomes. Respondents reporting frequent experimentation with products tend to demonstrate stronger growth perceptions, reflecting a proactive stance toward market sensing and responsiveness. This pattern aligns with research highlighting product innovation as a key mechanism through which small culinary businesses achieve competitive advantage and customer retention. Empirical evidence suggests that even incremental product modifications can generate cumulative growth effects when aligned with market demand and brand positioning. Prior studies similarly emphasize that product-focused innovation enables culinary SMEs to differentiate themselves in saturated markets and sustain growth momentum (Hatammimi & Thahara, 2022; Sholahuddin & Yuliana, 2026).

Process innovation also demonstrates a significant contribution to business growth, particularly through improvements in production efficiency, service delivery speed, and quality consistency. Firms that invest in refining operational processes appear more capable of scaling their activities without proportionate increases in cost, which is critical for growth in resource-constrained settings. The statistical significance of this dimension indicates that innovation capability extends beyond visible market offerings and encompasses internal managerial practices. Such findings reinforce the view that growth-oriented innovation requires alignment between front-end creativity and back-end operational effectiveness. This interpretation is consistent with studies emphasizing that process innovation

enhances SME performance by strengthening organizational reliability and customer satisfaction (Lutfi et al., 2020; Widajanti et al., 2022).

Marketing innovation further amplifies the innovation–growth relationship, particularly through the adoption of digital platforms and customer engagement strategies. The analysis indicates that culinary SMEs leveraging innovative marketing approaches experience higher perceived growth, reflecting enhanced visibility and market penetration. This finding gains relevance in light of technological shifts that have redefined how small businesses interact with consumers. Marketing innovation enables firms to translate creative offerings into tangible market outcomes by aligning value propositions with digitally mediated customer journeys. The result supports arguments in contemporary marketing theory that technological integration and human-centric marketing practices are essential for SME growth in the digital era (Kotler et al., 2021; Zhang & Chen, 2022).

Organizational innovation, encompassing changes in managerial structures, knowledge-sharing routines, and decision-making processes, also shows a meaningful association with business growth. Firms characterized by flexible organizational arrangements and collaborative cultures tend to report stronger growth outcomes, suggesting that internal adaptability enhances innovation exploitation. This dimension highlights the managerial foundations of innovation capability, emphasizing that growth is facilitated when organizational systems support experimentation and learning. The findings corroborate resource-based perspectives that view organizational innovation as a mechanism for leveraging intangible assets. Empirical support for this view has been documented in studies linking knowledge sharing and organizational flexibility to SME competitiveness and growth (Hermina et al., 2023; Wibowo et al., 2024).

To illustrate the relative contributions of each innovation dimension, Table 1 presents the standardized path coefficients derived from the structural model, offering a comparative view of their effects on business growth. The table indicates that product and marketing innovation exhibit the strongest direct effects, followed by process and organizational innovation, reflecting the market-facing orientation of growth in culinary SMEs. These coefficients provide quantitative support for the argument that innovation capability is multidimensional and unevenly leveraged across firms. The empirical pattern suggests that growth-oriented strategies prioritize innovations directly perceived by customers while still relying on internal improvements to sustain expansion. Similar structural patterns have been observed in quantitative SME studies employing variance-based modeling approaches (Iqbal & Indarwati, 2023; Taleb et al., 2023).

**Table 1. Structural Path Coefficients between Innovation Capability Dimensions and Business Growth**

<b>Innovation Dimension</b>	<b>Path Coefficient</b>	<b>t-value</b>	<b>Significance</b>
Product Innovation	0.312	4.87	Significant
Process Innovation	0.221	3.65	Significant
Marketing Innovation	0.338	5.12	Significant
Organizational Innovation	0.198	3.21	Significant

The dominance of market-facing innovation dimensions reflects the competitive realities of the culinary industry, where customer perception and experience play decisive roles in growth outcomes. Innovation capability manifests most visibly through offerings and communication strategies that directly influence purchase decisions. Internal innovations, while less visible, provide the structural support necessary to sustain these outward-facing initiatives. The balance between external and internal innovation dimensions highlights the integrative nature of innovation capability as a managerial construct. This interpretation aligns with studies emphasizing that innovation-driven growth emerges from the interaction between market responsiveness and organizational readiness (Ismail & Mardatillah, 2025; Widajanti et al., 2022).

The empirical findings also suggest that innovation capability functions as a mediating mechanism linking entrepreneurial resources to growth outcomes. Firms with access to knowledge, networks, and technological tools appear better able to convert these resources into growth when

supported by strong innovation capability. This observation reinforces arguments that resources alone are insufficient without managerial capacities to deploy them effectively. Innovation capability thus operates as a transformation mechanism that enhances the productivity of entrepreneurial inputs. Such a mediating role has been highlighted in prior empirical models examining SME performance and innovation dynamics (Taleb et al., 2023; Lutfi et al., 2020). Digital readiness emerges as a contextual factor shaping the effectiveness of innovation capability, particularly in marketing and process domains. Firms facing digital constraints report weaker innovation growth linkages, suggesting that technological gaps limit the exploitation of innovative ideas.

This finding resonates with research on the digital divide, which emphasizes disparities in access and capability as barriers to SME innovation outcomes. Innovation capability appears contingent upon the availability of digital infrastructure and managerial competence in leveraging technology. Comparable conclusions have been drawn in studies examining innovation capability in developing economy contexts (Iqbal & Indarwati, 2023; Zhang & Chen, 2022). Overall, the results demonstrate that innovation capability constitutes a central driver of business growth in culinary small enterprises when conceptualized as a multidimensional managerial capacity. Growth outcomes are shaped by the firm's ability to integrate product, process, marketing, and organizational innovations into a coherent strategic orientation. The empirical evidence reinforces management theories that emphasize dynamic capabilities as foundations of sustained growth under competitive pressure. By situating innovation capability within a quantitative growth model, the findings extend existing SME literature toward a more integrative and managerial understanding of innovation-driven expansion.

### **Managerial Mechanisms and Contextual Conditions Shaping Innovation–Growth Relationships**

The second set of findings focuses on the managerial mechanisms through which innovation capability is transformed into observable business growth, emphasizing that innovation outcomes are not automatic consequences of creative activity but are contingent upon how managerial processes structure, coordinate, and exploit innovative efforts. Quantitative results indicate that firms with stronger managerial coordination and strategic clarity report significantly higher growth impacts from similar levels of innovation capability. This pattern suggests that innovation capability functions as a latent potential that requires effective managerial orchestration to materialize into economic value. Growth differentials among culinary SMEs are thus less attributable to innovation presence alone and more to differences in managerial interpretation and execution of innovation strategies. This interpretation is consistent with management scholarship that frames innovation as an outcome of deliberate organizational design and leadership choices rather than isolated creative acts (Hermina et al., 2023; Widajanti et al., 2022).

Entrepreneurial orientation emerges as a critical managerial condition that strengthens the relationship between innovation capability and business growth. Firms characterized by higher risk-taking propensity, proactiveness, and competitive aggressiveness demonstrate stronger path coefficients linking innovation to growth outcomes. The statistical interaction effects reveal that innovation capability yields greater growth dividends when embedded within an entrepreneurial strategic posture. This finding indicates that managerial willingness to act on innovative ideas determines whether innovation becomes a growth engine or remains an underutilized resource. Similar empirical patterns have been documented in SME research emphasizing the complementary role of entrepreneurial orientation in enhancing innovation-driven performance (Taleb et al., 2023; Sholahuddin & Yuliana, 2026).

Knowledge management and learning routines also appear as decisive managerial mechanisms shaping innovation effectiveness. The analysis shows that culinary SMEs engaging in systematic knowledge sharing, experimentation, and reflective learning report stronger growth impacts from innovation capability. These routines facilitate the internal diffusion of ideas and reduce implementation friction, allowing innovations to be refined and scaled more efficiently. Growth advantages arise not from innovation novelty alone but from the organization's capacity to absorb feedback and adapt practices over time. This finding aligns with resource-based and knowledge-based views that position learning processes as central to sustained competitive advantage in small firms (Hermina et al., 2023; Widajanti et al., 2022). The role of digital capability further conditions how innovation capability translates into growth, particularly in marketing and customer engagement activities. Empirical results

suggest that firms with higher digital readiness experience amplified growth effects from marketing innovation compared to digitally constrained counterparts.

Digital tools enable faster experimentation, broader market reach, and more precise customer targeting, increasing the economic returns of innovative initiatives. Innovation capability without sufficient digital support appears less scalable, limiting its growth impact. These results corroborate studies highlighting digital infrastructure and skills as enablers of innovation effectiveness in SMEs (Iqbal & Indarwati, 2023; Zhang & Chen, 2022). Open innovation practices represent another managerial lever influencing the innovation–growth relationship. Firms engaging in collaboration with suppliers, customers, and external partners demonstrate stronger growth outcomes associated with innovation capability. External knowledge inflows complement internal creativity by expanding idea pools and reducing uncertainty associated with innovation decisions. The quantitative evidence indicates that collaborative firms are better positioned to commercialize innovations and access new markets. This pattern reflects broader findings that open innovation enhances SME competitiveness by extending resource boundaries and accelerating learning cycles (Wibowo et al., 2024; Ismail & Mardatillah, 2025).

Table 2 summarizes the moderating effects of key managerial and contextual variables on the relationship between innovation capability and business growth, illustrating how internal and external conditions shape innovation payoffs. The interaction coefficients reported in the table demonstrate that entrepreneurial orientation and digital capability exhibit the strongest moderating effects, followed by knowledge management practices and open innovation engagement. These results provide empirical clarity on why similar levels of innovation capability generate divergent growth outcomes across firms. The table reinforces the argument that innovation capability must be analyzed within its managerial context to understand its true economic significance. Comparable analytical approaches have been adopted in SME innovation studies employing interaction-based modeling techniques (Taleb et al., 2023; Iqbal & Indarwati, 2023).

**Table 2. Moderating Effects on the Innovation Capability–Business Growth Relationship**

<b>Moderating Variable</b>	<b>Interaction Coefficient</b>	<b>t-value</b>	<b>Significance</b>
Entrepreneurial Orientation	0.284	4.31	Significant
Digital Capability	0.301	4.76	Significant
Knowledge Management	0.219	3.58	Significant
Open Innovation Practices	0.243	3.94	Significant

The prominence of entrepreneurial orientation as a moderator reflects the strategic agency of owner-managers in culinary SMEs. Innovation initiatives generate growth only when managers are willing to commit resources, accept uncertainty, and move decisively in competitive markets. This strategic behavior transforms innovation capability from a passive attribute into an active growth driver. The empirical results support theoretical arguments that entrepreneurship and innovation are mutually reinforcing processes within small firm contexts. Similar conclusions have been reached in empirical studies examining entrepreneurial leadership and innovation performance in culinary and creative industries (Sholahuddin & Yuliana, 2026; Hatammimi & Thahara, 2022). Digital capability’s strong moderating effect highlights the structural transformation of culinary markets under technological change. Innovation efforts in marketing and service delivery gain traction when supported by digital platforms that reduce transaction costs and expand customer access.

Firms lacking digital competence struggle to convert innovation into scalable growth despite creative potential. This finding underscores the managerial challenge of aligning innovation strategy with technological capability. Prior research on Marketing 5.0 emphasizes that technology-mediated value creation has become central to growth strategies in human-centric yet digitally enabled markets (Kotler et al., 2021; Zhang & Chen, 2022). Knowledge management and open innovation operate as complementary mechanisms that enhance innovation efficiency rather than substituting for internal

creativity. The findings suggest that firms integrating internal learning with external collaboration achieve more consistent growth outcomes. These mechanisms reduce redundancy, accelerate problem-solving, and improve market alignment of innovations. Innovation capability becomes more productive when embedded within networks of shared knowledge and trust-based collaboration. Empirical support for this networked view of SME innovation has been widely documented in sustainability- and competitiveness-oriented studies (Wibowo et al., 2024; Ismail & Mardatillah, 2025).

The results indicate that managerial mechanisms and contextual conditions critically shape the magnitude and consistency of innovation-driven growth in culinary small enterprises. Innovation capability alone does not guarantee superior growth outcomes without supportive strategic orientation, digital readiness, and collaborative learning structures. Growth emerges from the alignment between innovative potential and managerial execution within a specific environmental context. These findings extend empirical understanding of innovation capability by embedding it within a broader management framework.

### **Strategic Implications and Sustainability-Oriented Outcomes of Innovation Capability**

The third set of findings extends the empirical discussion toward the strategic and sustainability-oriented implications of innovation capability for culinary small enterprises, emphasizing growth quality rather than growth magnitude alone. Quantitative results indicate that firms with higher innovation capability not only report superior short-term growth but also demonstrate stronger expectations of long-term viability and strategic resilience. This pattern suggests that innovation capability contributes to the formation of sustainable growth paths by enabling continuous adaptation to market volatility. Growth driven by innovation appears less dependent on price competition and more anchored in differentiated value creation. These results align with sustainability-oriented SME research that links innovation capability to enduring competitive advantage (Wibowo et al., 2024; Widajanti et al., 2022). Strategic alignment emerges as a key explanatory mechanism connecting innovation capability with sustainable business growth.

Firms that integrate innovation objectives into broader strategic planning processes report more stable and predictable growth outcomes. The empirical evidence indicates that innovation capability yields diminishing returns when pursued in an ad hoc or fragmented manner. Strategic coherence allows firms to prioritize innovation initiatives that reinforce long-term positioning rather than short-lived experimentation. This finding reinforces management perspectives that view innovation as a strategic process embedded in organizational intent and resource allocation (Kotler et al., 2021; Hermina et al., 2023). Business growth supported by innovation capability also demonstrates a stronger relationship with competitive advantage durability. Respondents indicate that innovation-driven differentiation is more difficult for competitors to replicate, particularly when rooted in organizational routines and accumulated experiential knowledge.

This durability strengthens firms' ability to maintain growth momentum amid increasing competitive pressure in the culinary sector. Quantitative associations suggest that innovation capability enhances not only growth outcomes but also the defensibility of those outcomes over time. Prior empirical studies similarly highlight that innovation-based advantages are more sustainable than cost-based strategies in SME contexts (Hatammimi & Thahara, 2022; Widajanti et al., 2022). Customer-centric innovation further reinforces sustainable growth trajectories by aligning innovation outputs with evolving consumer values and expectations. The analysis shows that firms emphasizing customer experience innovation report higher growth stability and repeat purchase behavior. This pattern reflects the transition from transactional growth models toward relational growth strategies grounded in long-term customer engagement. Innovation capability enables firms to interpret customer feedback as strategic input rather than operational noise. These findings resonate with contemporary marketing theory that positions human-centric innovation as a cornerstone of sustainable business performance (Kotler et al., 2021; Ismail & Mardatillah, 2025).

The results also indicate that innovation capability supports organizational resilience by enhancing firms' capacity to absorb external shocks. Firms with stronger innovation capability report greater confidence in responding to market disruptions, supply chain instability, and demand fluctuations. This resilience contributes indirectly to sustained growth by reducing vulnerability to environmental uncertainty. Innovation capability functions as a buffering mechanism that allows firms to reconfigure resources and strategies when confronted with change. Similar interpretations have been

advanced in studies examining innovation as a resilience-enhancing capability in small enterprises (Wibowo et al., 2024; Iqbal & Indarwati, 2023). Table 3 presents descriptive and inferential indicators linking innovation capability to sustainability-oriented growth outcomes, including growth stability, competitive advantage durability, and strategic resilience.

The table illustrates that innovation capability exhibits stronger associations with long-term-oriented indicators than with short-term sales expansion alone. These results empirically substantiate the argument that innovation capability shapes the qualitative dimensions of growth. The statistical patterns highlight innovation capability as a strategic investment rather than a purely operational tool. Comparable measurement approaches have been used in empirical SME research focusing on sustainability and strategic performance (Widajanti et al., 2022; Wibowo et al., 2024).

**Table 3. Innovation Capability and Sustainability-Oriented Growth Outcomes**

<b>Growth Outcome Dimension</b>	<b>Path Coefficient</b>	<b>t-value</b>	<b>Significance</b>
Growth Stability	0.287	4.12	Significant
Competitive Advantage Durability	0.305	4.68	Significant
Strategic Resilience	0.271	3.97	Significant

The prominence of competitive advantage durability underscores the strategic value of innovation capability in protecting growth outcomes over time. Innovation-driven differentiation creates barriers rooted in tacit knowledge, organizational culture, and experiential learning. These barriers reduce the likelihood of rapid imitation, which is common in culinary markets. The findings suggest that innovation capability strengthens the temporal dimension of competitive advantage. Empirical support for this view has been documented in studies examining long-term competitiveness of culinary and creative SMEs (Hatammimi & Thahara, 2022; Sholahuddin & Yuliana, 2026). Strategic resilience emerges as a particularly relevant outcome in environments characterized by uncertainty and rapid change. Innovation-capable firms appear more adept at reconfiguring offerings, processes, and market approaches when conditions shift.

This adaptive capacity mitigates growth volatility and supports continuity of operations. Innovation capability thus contributes to dynamic stability rather than rigid consistency. Such interpretations are consistent with management literature emphasizing adaptability and learning as foundations of sustainable firm performance (Hermina et al., 2023; Widajanti et al., 2022). Although the study relies on quantitative analysis, the interpretation of sustainability-oriented outcomes benefits from analytical reasoning commonly used in case-oriented research. Patterns observed across firms suggest that growth trajectories are shaped by combinations of innovation practices and strategic choices rather than isolated variables. This configurational understanding echoes methodological insights from case study scholarship, which emphasizes contextual richness in explaining organizational outcomes.

Quantitative regularities gain explanatory depth when interpreted through a strategic lens attentive to managerial agency. Such integrative reasoning aligns with methodological perspectives articulated in organizational research design literature (Yin, 2018). Overall, the findings demonstrate that innovation capability supports not only business growth but also the sustainability and strategic quality of that growth in culinary small enterprises. Growth outcomes are strengthened when innovation is aligned with customer-centric strategies, resilience-building practices, and long-term competitive positioning. The empirical evidence advances innovation management theory by highlighting sustainability-oriented pathways through which innovation capability generates enduring value. This analysis reinforces the relevance of innovation capability as a central construct in explaining resilient and strategically grounded SME growth. The results provide a comprehensive foundation for theoretical refinement and evidence-based managerial guidance in culinary entrepreneurship.

## **CONCLUSION**

The findings of this study demonstrate that innovation capability constitutes a central managerial determinant of business growth in culinary small enterprises, operating through multiple and



interrelated dimensions encompassing product, process, marketing, and organizational innovation. Empirical evidence confirms that innovation capability not only exerts a direct positive influence on growth indicators such as sales expansion, market reach, and business scale, but also generates differentiated growth outcomes depending on managerial orientation, digital readiness, knowledge management practices, and engagement in open innovation. Growth advantages are shown to emerge most strongly when innovation capability is actively orchestrated by entrepreneurial leadership and supported by digital and collaborative infrastructures, indicating that innovation functions as a strategic capacity rather than an isolated operational activity.

These results extend existing SME and innovation management literature by empirically validating innovation capability as a dynamic, multidimensional construct whose effectiveness depends on contextual and managerial alignment. Beyond immediate growth effects, the study reveals that innovation capability contributes substantively to the sustainability and strategic quality of business growth in the culinary sector. Firms with strong innovation capability exhibit greater growth stability, more durable competitive advantages, and enhanced strategic resilience in the face of environmental uncertainty and market volatility. Innovation-driven growth is shown to rely on customer-centric value creation, learning-oriented organizational routines, and adaptive strategic alignment, reinforcing the view that sustainable SME growth is grounded in long-term capability development rather than short-term performance optimization. Collectively, these conclusions advance a management-oriented understanding of innovation capability as a foundational mechanism for resilient and sustainable growth, offering both theoretical enrichment for innovation and entrepreneurship scholarship and practical guidance for managers and policymakers seeking to strengthen the competitive positioning of culinary small enterprises.

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