

How to Make Business Success in SMEs?

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Abstract. This research aims to determine the role of religiosity in moderating the influence of human capital, product innovation, and business motivation on business success. This type of research is quantitative. The sampling method uses a saturated sample by making the population the research sample, totaling 60 respondents. The data used is primary data resulting from filling out questionnaires by respondents. Data analysis uses the multiple linear regression method with IBM SPSS version 25. The results of this research show that human capital has a negative effect on business success. Meanwhile, Product Innovation and Business Motivation have a significant positive effect on business success. Apart from that, Religiosity can moderate the influence of human capital and business motivation on business success. However, religiosity is unable to moderate the influence of product innovation on business success.

Keywords : Human capital, product innovation, business motivation, business success, and religiosity.

1 Introduction

Indonesia has many creative industries, one of which is the batik creative industry. Batik has been a distinctive Indonesian culture since ancient times and is still preserved today. Since UNESCO designated batik as a cultural heritage, Indonesians have become increasingly fond of wearing batik clothing (Amanah, 2014). Many private and public institutions have required their employees to wear batik, and even schools require their students to wear batik uniforms. This has made batik increasingly integrated into Indonesian society.

In Semarang Regency, batik is one of the CCI (Commodity Channel Index) products, especially in the fashion and craft industry sector (Kurniati, 2014). The batik that is characteristic of Semarang Regency is Gemawang Village batik (Umam, 2016). This batik is found in Gemawang, Semarang Regency. The number of batik industries in this area is indeed relatively small, very far when compared to Pekalongan batik and Solo batik. However, with the potential of marketing management carried out by Gemawang Village batik entrepreneurs, now some of their marketing has reached the international market. On the other hand, Gemawang batik businesses are able to produce natural dyes for batik making that are not available in batik businesses in other areas. A more complete picture can be seen in the following table:

Table 1. Data on Batik MSMEs in Semarang Regency in 2023

Name's Batik	Product	Number of employees	Turnover (Rp) In Million
Gemawang Batik	- Synthetic color stamped batik	16 People	20 – 30
	- Natural color stamped batik		
	- Natural color hand-drawn batik		
Batik Lawung Ageng	- Natural color hand-drawn batik	17 People	9 – 13
	- Batik coloring services		
	- Natural dyes (indigo leaves, and mahogany leather)		
Nilawang Batik	- Natural dyes (indigo leaves and mahogany leather)	11 People	5 – 7
	- Natural and synthetic colored hand-drawn batik		
	- Natural and synthetic colored stamped batik		
	- Batik coloring services		
Losari Batik	- Natural dye hand-drawn batik	8 People	10 – 15
Tincori Batik	- Natural color hand-drawn batik	23 People	30 – 50
Karya Sejahtera	- Natural color stamped batik		
	- Natural dye (indigo leaves)		

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Source: Documentation of Gemawang Village batik UMKM

The table above reveals many stories about the journey of Gemawang batik to maintain its sustainability. It all began with the belief of the Gemawang community that their area was once a renowned batik artisan region in Semarang Regency. Then, with the support of batik training provided by the Losari Institute in Yogyakarta, Gemawang batik businesses now exist and are still operating today. Surprisingly, of the 125 people who ran batik businesses through the training, only five have become successful entrepreneurs. This phenomenon is interesting to examine further. The data also reveals another difference from batik businesses in other regions: Gemawang batik is capable of producing natural dyes, specifically indigo paste. Even renowned batik cities like Pekalongan and Solo use indigo dye from the Gemawang region. This isn't because they can't produce indigo, but because the soil in other regions is difficult to grow indigo trees. Even if it could, the price of indigo paste there would be prohibitively high. The good quality of the indigo paste produced is also a strong reason why batik cities like Pekalongan use indigo paste from the Gemawang area.

The success of Gemawang batik is undoubtedly influenced by various factors, one of which is human capital. Various studies have also shown that a strong foundation for determining whether a business will succeed lies in human capital. Hermansyah (2022) explains the dimension of human capital when someone has the knowledge and experience in running a business, thus encouraging progressive attitudes and actions in developing and maintaining business sustainability. Human capital can also influence surrounding elements such as product innovation. To be able to compete in today's creative industry, entrepreneurs must have a distinct advantage in their business. Product innovation is the answer to maintaining business continuity and helping dominate the level of business success (Alkachvi & Handayani, 2019). Furthermore, business motivation is needed within entrepreneurs, so that when their business is already running and faced with several obstacles along the way, entrepreneurs do not easily give up.

Previous research revealed a research gap in Susilo & Agustino's (2022) study, which revealed that human capital has a significant and positive influence on business success. A similar finding was also found in Atmaja & Purnamawati's (2020) study, which found that human capital has a positive and significant influence on business success. However, Khikmah & Zuhriyah's (2017) study revealed that human capital has no effect on business success. Susilo & Agustino (2022) also revealed that innovation, with indicators such as following technological advances, marketing, and new product innovation, has a positive and significant influence on business success. This contrasts with research conducted by Antari et al. (2022), which found that product innovation has no significant influence on business success.

Due to inconsistencies in previous research, this study added a business motivation variable. Ardiyanti & Mora (2019) described high business motivation as encouraging entrepreneurs to actively participate in achieving business success. Furthermore, the authors added a moderating variable to measure the strength of the relationship between the independent and dependent variables. This moderating variable is religiosity. Fatekhah (2020) explains that religiosity can influence and guide a person in making decisions and behaving. Because religiosity is a fundamental belief for every human being, it is not surprising that religiosity is often associated with business success.

2 Literature review

2.1 Resource Advantage Theory

Resource Advantage Theory is a general theory that describes the competitive process. According to Peranganing (2015), Resource Advantage Theory places greater emphasis on developing an organization's internal resources to balance the competitive process. Resource advantage lies in a company's ability to innovate, then leverage it through available resources. To maintain business continuity, innovation is crucial, ensuring that the business aligns with changing market segments, meets requirements, and is competitive.

This theory aligns with Islamic understanding, which prohibits monopolistic trade practices. As the Prophet Muhammad (peace be upon him) said, "Whoever practices monopoly is guilty." (Narrated by Muslim). Therefore, competitors have the right to operate their businesses to the best of their ability, as the best course of action is to focus on their own internal development. This way, market competition will proceed conductively in accordance with Islamic business ethics.

2.2 Gemawang Batik MSME

Gemawang batik is a local craft that arose from the community's limited understanding of batik. Gemawang batik features a distinctive motif, a coffee plant, depicting the primary crop of the Gemawang area's plantations. According to local legend, Gemawang was once a renowned batik center in the 1800s. However, it disappeared when Mount Ungaran erupted.

Gemawang batik began to emerge again after a batik training workshop held in Gemawang village in 2006 by the Losari training institute in Yogyakarta. It began with a batik business owner from Yogyakarta named Mrs. Suryantoro, who frequently collected indigo leaves from Gemawang village as a natural dye for batik. The Gemawang village government then asked Mrs. Suryantoro to hold a batik training workshop for the local community. Approximately 125 people participated in the training. From this training, the Gemawang community began to engage in handicraft activities and batik-making businesses.

Many people have failed in the process of starting this business, and some even went on hiatus, only to become active again in 2013. As of 2023, five batik entrepreneurs in Gemawang Village are still active, and each has employees to help expedite the batik-making process. For more details on these five entrepreneurs, see Table 1.

2.3 Business Success

According to Trekman (in Susilo & Agustino, 2022), business success is the level of achievement of a business in achieving its business goals. A business is considered successful when the profits earned are sufficient to meet needs or improve the well-being of life. Furthermore, the business can survive in an era of intense competition, thereby ensuring a healthy lifestyle. Therefore, it is necessary to have driving elements to ensure the business's survival. This well-being is what every business owner desires and is the primary reason why the business must continue to exist, survive, and achieve success. The indicators of business success in this study are increased turnover, customer satisfaction, an increase in the workforce, expansion of business premises, expansion of marketing areas, and a positive company image .

2.4 Human Capital

Atmaja & Purnamawati (2020) define human capital as a dimension of a person's intellectual capital gained from various knowledge and experiences. Susilo & Agustino (2022) consider human capital a source of competitive advantage within a company, ensuring business sustainability. It's rare and inimitable, as each individual possesses unique strengths. Therefore, a company with superior human capital will be more secure in running its business. Human capital is one of the company's internal strengths for maintaining business sustainability.

Human capital is not only about intellectual capacity, but also about health (Farah & Sari, 2014) . Furthermore, businesses also need economic value. To achieve this economic value, human resource productivity is essential. This can be achieved through improvements, enhancements, and efficiency between the results achieved and the resources used. Wahyuningsih (2019) explains that productivity is closely related to the relationship between output and input. Companies manage the best possible use of existing resources to provide goods and services. Indicators of human capital include knowledge, experience, competence, creativity, health, and productivity.

Human capital is the most important element in business success. This aligns with research by Susilo & Agustino (2022) , which demonstrated a positive and significant influence of human capital on business success. This means that the higher the level of human capital, the easier it is for a business unit to achieve business success. Hermansyah (2022) also demonstrated a positive and significant influence of human capital on business success. Proven, effective utilization of human capital through continuous development maintains business stability and increases the potential for business success. Conversely, low human capital can be detrimental to a business unit. This is evidenced by research by Khikmah & Zuhriyah (2017) , which found no effect of human capital on business success.

2.5 Product Innovation

Companies in improving business performance are greatly influenced by innovation, from this innovation can increase a company's competitive advantage (Noerchoidah et al., 2022) . The purpose of this innovation is to improve the quality of both products and services offered to consumers. According to Uliana (in Al Rasyid & Tri Indah, 2018) , product innovation relates to new products or innovations aimed at marketing contexts with goods, services, or ideas that have never existed before. Antari et al. (2022) argue that if there is no product innovation, then the company will be left behind because the products marketed are no longer suitable for current needs. So, product innovation can be interpreted as creating something new in a product with the aim of improving product quality or perfecting existing products, and adding value to the product so that it becomes a competitive advantage developed through ideas resulting from the latest market research so that the product is able to align with today's consumer needs. The indicators of product innovation in this study are new innovations, product modifications, product quality, product price, and product variants.

Research results that demonstrate that product innovation has a positive and significant impact on business success are (Dahmiri & Kholik, 2023) . Furthermore, other studies have also found a positive and significant impact on business success, as found by (Kusuma, 2019) and (Alkachvi & Handayani, 2019) . This indicates that

business units that consistently develop business innovation tend to be more resilient than those that do not. Although there is also research conducted on product innovation, whether it improves or worsens, it does not affect business success (Antari et al., 2022) .

2.6 Business Motivation

Ardiyanti & Mora (2019) explain the meaning of business motivation as a driving force for someone to always be enthusiastic in running their business, so that the entrepreneur is able to survive, be creative, innovative, and dare to take risks to achieve a business goal. Therefore, business motivation is very important amid the ups and downs of a business due to various problems faced. The problems faced by small and medium industries tend to be internal problems of the business unit (Gemina et al., 2016) . A person will not get business motivation if that person does not want to take action or just remains silent even though they have received a lot of support from both internal and external factors. This means that a person must have a high ambition in achieving their business goals. In this study, the authors used business motivation indicators: self-confidence, independence, future-oriented, courage to take risks, responsibility, never give up, and always learning.

Research by Gemina et al. (2016) demonstrated a positive and significant influence between business motivation and business success. High business motivation is followed by business capabilities such as knowledge, skills, innovation, and emotional well-being, which contribute to business success. Similar research findings were also demonstrated by research by Almaidah & Endarwati (2019) , who found that business motivation showed a positive and significant impact on business success. They explained that continuously increasing motivation serves as capital to drive business success. However, some disagree with the belief that business motivation is a cause of business success. This depends on the indicators used, whether they align with what is needed or not. Therefore, business motivation may also have no effect on business success (Ardiyanti & Mora, 2019) .

2.7 Religiosity

Religiosity is a religious aspect that has been internalized by a person and is embedded in their daily life due to a high level of belief in their God (Muzaro`ah, 2017) . Religiosity can also be interpreted as an attitude that exists within humans and that will encourage humans to behave according to the beliefs and religious laws that they have believed in (Rahmawati, 2016) . According to (Desiyanti & Kassim, 2020) a person is said to have a religious attitude when viewed from the extent to which the person is able to realize knowledge, beliefs, and implementation of religious understanding in their life. So religiosity is a form of synergy between religious knowledge that someone has understood with beliefs, feelings, and behavior in carrying out activities both visible, collective, and activities that do not appear.

A person's level of religiosity will vary depending on several factors experienced by each individual. To achieve religious purity, several stages must be passed that lead to a religious nature. Fauzan (in Fatekhah, 2020) explains the stages or dimensions of religiosity, namely: (1) Faith or monotheism, (2) adherence to religious law, (3) behavior in accordance with religious teachings, (3) knowledge, and (4) appreciation. In this study, the indicators of religiosity are: accepting religious truth, practicing religious teachings, feeling supervised by religion, having broad religious insight, always accepting and thinking positively, always using religious concepts.

The moderating relationship between religiosity and product innovation and business success has rarely been examined in previous studies. This is crucial for businesses to pay close attention to the local culture. Given the strong religious culture of the Gemawang Village community, it is crucial to develop products that uphold their religious beliefs. Rachmadani (2021) demonstrated the moderating effect of religiosity on product quality and consumer loyalty, leading to business success. This means that product innovation must be supported by a strong religiosity to ensure the product is satisfying and generates consumer purchasing interest. Another study by Fatekhah (2020) found that religiosity, as a moderating factor, failed to strengthen the relationship between product innovation and business success. This is because business actors, both Muslim and non-Muslim, share similar business development perspectives. Therefore, this hypothesis needs to be reexamined.

Research by Marpaung et al. (2021) shows that religiosity strengthens the motivational relationship in carrying out employee performance. Someone who fully realizes their faith will possess a strong motivational force. This motivation is needed by business units to achieve success. Similar results were also demonstrated in research by Finka et al. (2022) , which found that religiosity can moderate business motivation in developing their businesses, thus achieving business success.

2.8 Hypothesis Formulation

From the theoretical basis, the hypothesis in this study is formulated, namely:

H1 : Human capital has a positive and significant influence on business success.

- H2 : Product innovation has a positive and significant effect on business success.
 H3 : Business motivation has a positive and significant influence on business success.
 H4 : Religiosity is able to moderate the relationship between human capital and business success in a positive and significant manner.
 H5 : Religiosity is able to moderate the relationship between product innovation and business success positively and significantly.
 H6 : Religiosity is able to moderate the relationship between business motivation and business success in a positive and significant way.

2.9 Thinking Framework

Based on the hypothesis proposed, the research framework model can be described as follows

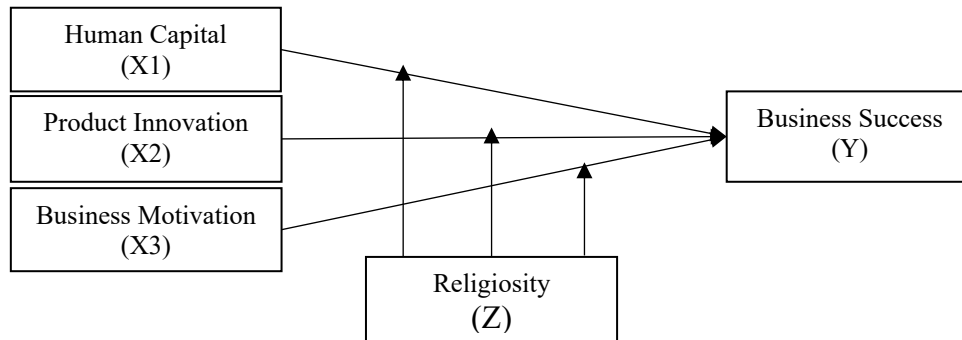


Figure 1. Research Model

3 Method

This research is quantitative, with a population of 60 Gemawang batik entrepreneurs in Semarang Regency. The sampling method used saturated sampling, meaning the entire population was used as the research sample. Data collection techniques were carried out by filling out questionnaires by predetermined respondents. Analysis or testing of the data was carried out through several stages. The initial stage was to test the validity and reliability. After being declared valid and reliable, the second stage was the classic assumption test, which consisted of a multicollinearity test, a heteroscedasticity test, and a normality test. The third stage was multiple linear regression analysis. Multiple linear regression is a method for testing the effect of more than one independent variable on the dependent variable, using IBM SPSS version 25 (Ghozali, 2018). Mathematically, the regression equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 Z + \beta_5 X_2 Z + \beta_6 X_3 Z + \varepsilon$$

Information:

- Y : Business Success
 $\beta_0 - \beta_5$: Coefficient
 X1 : Human capital
 X2 : Product Innovation
 X3 : Business motivation
 Z : Religiosity
 e : Error term d.

4 Results and Discussion

4.1 Validity Test Results

Test To show whether a questionnaire statement is valid, it is necessary to conduct a validity test which will then obtain the results from the calculated r and then compared with the r_{table} . The formula for determining the r_{table} itself is, degree of freedom (df) = n - 2 or more complexly the number of respondents minus 2. This study has a sample of 60. Thus, the r_{table} in this study is at 58 according to the formula above. The alpha uses a two-way significance of 0.05 or 5%, so that the r_{table} is found to be 0.2542. The following are the results of the validity test regarding each statement item used in this study:

Table 3 Validity Test Results

Variables	Item	r count	r table	Information
Human Capital	X1.1	0.678	0.254	Valid
	X1.2	0.774		Valid
	X1.3	0.648		Valid
	X1.4	0.570		Valid
	X1.5	0.698		Valid
Product Innovation	X2.1	0.862	0.254	Valid
	X2.2	0.860		Valid
Business Motivation	X3.1	0.672	0.254	Valid
	X3.2	0.599		Valid
	X3.3	0.651		Valid
	X3.4	0.756		Valid
	X3.5	0.689		Valid
	X3.6	0.633		Valid
	X3.7	0.537		Valid
Business Success	Y.1	0.647	0.254	Valid
	Y.2	0.717		Valid
	Y.3	0.688		Valid
	Y.4	0.757		Valid
	Y.5	0.590		Valid
	Y.6	0.635		Valid
Religiosity	Z.1	0.643	0.254	Valid
	Z.2	0.722		Valid
	Z.3	0.746		Valid
	Z.4	0.821		Valid

Source: SPSS 25 Output, 2024

As can be seen in the table above, all items have a calculated r value > 0.254 . Therefore, it can be said that all statements used are valid.

4.2 Reliability Test Results

Reliability testing has provisions indicated by the Cronbach's Alpha value. If the Cronbach's Alpha (α) value is > 0.60 , the data can be considered reliable (Nugraha, 2022) .

Table 4 Reliability Test Results

Variables	Cronbach Alpha	N of Items	Information
Human Capital	0.697	5	Reliable
Product Innovation	0.651	2	Reliable
Business Motivation	0.723	7	Reliable
Business Success	0.716	6	Reliable
Religiosity	0.691	4	Reliable

Source: SPSS 25 Output, 2024

The table above shows that each variable has a Cronbach's Alpha of more than 0.60. The Cronbach's Alpha for the human capital variable (X1) is 0.697, the product innovation variable (X2) is 0.651, the business motivation variable (X3) is 0.723, the business success variable (Y) is 0.716, and the religiosity variable (Z) is 0.691. Therefore, it can be concluded that all data in the form of statements used are reliable.

4.3 Multicollinearity Test Results

The correlation between the independent variables used was tested using a multicollinearity test. If the variables used exhibit symptoms of multicollinearity, the relationship between them will be disrupted. To determine whether these symptoms are present, the tolerance value of the test results is examined. This study used the Variance Inflation Factor (VIF). If the tolerance value is > 0.10 or the VIF is < 10 , it is considered that there are no symptoms of multicollinearity between the independent variables (Nugraha, 2022)

Table 5 Multicollinearity Test Results

Table 5 Multicollinearity Test Results								
Coefficients ^a								
Model		Unstandardized		Standardized	t	Sig.	Collinearity Statistics	
		Coefficients		Coefficients			Tolerance	VIF
	B	Std. Error	Beta					
1	(Constant)	1,314	3,282		.400	.690		

Human Capital	.216	.158	.171	1,362	.179	.547	1,829
Product Innovation	.446	.248	.172	1,794	.078	.932	1,073
Business Motivation	.190	.130	.212	1,467	.148	.411	2,433
Religiosity	.518	.163	.410	3,179	.002	.517	1,935

a. Dependent Variable: Business Success

Source: SPSS Output 25.2024

It can be seen in the table above, that all independent variables used do not experience symptoms of multicollinearity. Because they have a tolerance value of > 0.10 and a VIF value of < 10 . Where the human capital variable has a tolerance value of 0.547 and a VIF value of 1.829, the product innovation variable has a tolerance value of 0.932 and a VIF value of 1.073, the business motivation variable has a tolerance value of 0.411 and a VIF value of 2.433, the religiosity variable has a tolerance value of 0.517 and a VIF value of 1.935 .

4.4 Heteroscedasticity test Results

The method used in this test is the Glejser test. This method involves regressing the absolute residuals to determine whether the regression model indicates heteroscedasticity. A significance value > 0.05 indicates no heteroscedasticity. A significance value < 0.05 indicates heteroscedasticity (Nugraha, 2022) .

Table 6 Heteroscedasticity Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	-1,724	1,807		-.954	.344
Human Capital	-.024	.087	-.046	-.279	.781
Product Innovation	-.145	.137	-.133	-1,060	.294
Business Motivation	.081	.071	.213	1,129	.264
Religiosity	.144	.090	.271	1,606	.114

a. Dependent Variable: Abs_RES

Source: SPSS 25 Output, 2024

Based on the table output above, the significance value of the human capital variable is $0.781 > 0.05$, the product innovation variable is $0.294 > 0.05$, the business motivation variable is $0.264 > 0.05$, and the religiosity variable is $0.114 > 0.05$. It can be concluded that all independent variables do not experience heteroscedasticity.

4.5 Normality Test Results

The method used in this normality test is the Kolmogorov-Smirnow test. This test determines whether the data used is normal. This will minimize bias in the sample used in the population. The test criteria for data distribution are normally distributed if the significance value is > 0.05 (Nugraha, 2022) . The following are the results of the data normality test in this study:

Table 7 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		60
Normal Parameters ^{a,b}	Mean	.0000000
	Standard Deviation	1.51842748
Most Extreme Differences	Absolute	.058
	Positive	.058
	Negative	-.056
Test Statistics		.058
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: SPSS 25 Output, 2024

The table above shows the residual value of Asymp. Sig. (2-tailed) of 0.200, which means the test results are considered normal because it has a significance value > 0.05 .

4.6 Results of Multiple Regression Analysis

This test shows the strength of the relationship between the independent variables and the dependent variable. The coefficient of determination is represented by numbers 1 and 0. The higher the coefficient of determination, the greater the influence of the independent variable on the dependent variable (Nugraha, 2022) . The following are the results of the R² test for this study:

Table 8 Results of the Determinant Coefficient Test (R²)

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.693 ^a	.480	.452	1,634

a. Predictors: (Constant), Business Motivation, Product Innovation, Human Capital

Source: SPSS 25 Output, 2024

Looking at the table above, the value of the determinant coefficient in R Square is 0.480, which means that the value is half of the number 1. So the ability of the independent variable to influence the dependent variable is only 48%, the remaining 52% is influenced by other variables used from outside this study.

4.7 F TEST

The basis of this test is that if the significance value is <0.05, then there is a simultaneous influence of the independent variable on the dependent variable (Nugraha, 2022) . Then, compare the results of the F test with the F_{table}. The formula for the F_{table} is known as:

$$\begin{aligned}
 F_{\text{table}} &= F(k; n - k) \\
 &= F(3; 60 - 3) \\
 &= F(3; 57) \\
 &= 2.77
 \end{aligned}$$

Information:

k = Number of independent variables

n = Sample

Table 9 F-Test Results (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	137,847	3	45,949	17,206	.000 ^b
	Residual	149,553	56	2,671		
	Total	287,400	59			

a. Dependent Variable: Business Success

b. Predictors: (Constant), Business Motivation, Product Innovation, Human Capital

Source: SPSS 25 Output, 2024

Based on the table output above, the variables human capital, product innovation, and business motivation simultaneously or jointly influence the variable business success. As can be seen from the F test results, the significance value is $0.000 < 0.05$ and the calculated F value is $17.206 > F_{\text{table}} 2.77$.

4.8 MRA TEST

After discussing the influence of independent variables on dependent variables, the next step is to analyze the influence of moderating variables on both the independent and dependent variables. Using the Moderated Regression Analysis (MRA) test, with a significance value of <0.05, the moderating variables are able to strengthen the relationship between the independent and dependent variables. The following data shows the results of the Moderated Regression Analysis test:

Table 10 MRA (Moderated Regression Analysis) Test Results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	96,602	28,975		.002
	Human Capital	4,981	1,209	.4365	.000
	Product Innovation	-3,439	2,376	-.1330	.154
	Business Motivation	-5,264	1,065	-.5873	.000
	Religiosity	-4,477	1,622	-.3542	.008
	X1*Z	-.330	.075	-.8754	.000

X2*Z	.236	.146	2,264	1,615	.112
X3*Z	.333	.062	13,446	5,326	.000

a. Dependent Variable: Business Success

Source: SPSS 25 Output, 2024

From the table above, the following information can be concluded:

- 1) The significant value of X1*Z (Human Capital*Religiosity) is $0.000 < 0.05$ with a calculated t of -4.414. This means that religiosity (Z) is able to moderate the influence of human capital (X1) on business success (Y) negatively and significantly.
- 2) The significant value of X2*Z (Product Innovation*Religiosity) is $0.112 > 0.05$ with a calculated t of 1.615. Therefore, it is stated that religiosity (Z) is not able to moderate the influence of product innovation (X2) on business success (Y) positively and significantly.
- 3) The significant value of X3*Z (Business Motivation*Religiosity) is $0.000 < 0.05$ with a calculated t of 5.326. It is stated that religiosity (Z) is able to moderate the influence of business motivation (X3) on business success (Y) positively and significantly.

4.9 Discussion

To achieve business success, many strategies need to be implemented. Among them, entrepreneurs must have product innovation. Because the higher the product innovation, the higher the business success. (Atmaja & Purnamawati, 2020), (Susilo & Agustino, 2022), and (Hermansyah, 2022). Especially in facing the ever-growing competition in the creative industry, innovation is essential to stay ahead of the curve. As explained by Kusuma (2019), businesses that consistently innovate their products are better able to face competition and tend to have a greater chance of success. Furthermore, entrepreneurs also need business motivation, as research conducted by Almaidah & Endarwati (2019), Gemina et al. (2016), Aini & Widyafendhi (2019), and Muslih (2021) shows that high business motivation will also increase business success.

This contrasts with human capital. This study shows that human capital cannot prove its positive influence on business success. Therefore, batik entrepreneurs in Gemawang Village still need to further improve their skills. This is in line with research by Hermansyah (2022), which explains that good human capital, which will continue to develop, will facilitate business success.

Similarly, with the moderating variable of religiosity in this study, religiosity was unable to moderate the product innovation variable. This is similar to the research by Heriningsih & Sudaryati (2019), which concluded that business motivation arises from experience, not from a person's religiosity. However, on the other hand, religiosity is also essential for human capital and business motivation. A person with a high level of religiosity is able to create a healthy business environment, such as instilling the value of honesty in business.

5 Conclusion

Based on the analysis conducted, several conclusions can be drawn. First, product innovation and religiosity individually (partially) have a positive and significant influence on business success. However, human capital has no effect on business success. Second, the moderating variable of religiosity moderates the effects of human capital and business motivation on business success.

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