

Can Holistic Empowerment and Digital Platform Arouse Creative Economy Innovation?

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Abstract

Although many studies investigated the relationship between digital platform capabilities and innovation performance, finding research that simultaneously links the two constructs to holistic empowerment and innovation still needs to be completed. This study examined the relationship between Creative Industry Holistic Empowerment and Digital Platform Capability, Holistic Innovation Capability, and Innovation Performance through a questionnaire survey of 260 creative entrepreneurs in East Java. The results of the PLS-SEM high-level analysis show that the Holistic Empowerment of Creative Industries has a strong impact on digital platform capabilities, and there is a strong partial mediating role of holistic innovation capabilities on the effect of digital platform capabilities on innovation performance. So, it is important for every creative Industry to holistically empower its resources in order to be able to master digital platforms, which ultimately have an impact on innovation and performance. Subsequent research is directed at directly relating the holistic empowerment of the creative Industry to innovation and performance, as well as focusing research subjects on one of the creative economy sub-sectors so that the benefits from research are more striking.

Keywords

Creative Economy, Innovation Performance, Holistic Innovation Capability, Digital Platform Capability, Holistic Empowerment

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Introduction

After the slump due to the COVID-19 pandemic, the Creative Economy (Ekraf) sector has proven capable of being at the forefront of the momentum of national economic revival (Kemenparekraf, 2021). Meanwhile, the East Java Creative Economy was declared a national economic locomotive (Disperindag-Jatim, 2018), even this optimism was manifested in various innovative facilities such as the

Creative Economy Portal or Porekraf and the Millennial Job Center which provide space and opportunities for young freelancers (Prasetyo, 2022). Nevertheless, there are still many challenges that must be faced. The intensive application of advanced technology leads to a digital transition (Kostić, 2018), making every creative Industry in this digital economy era operate in an environment that easily

changes quickly with increasingly fierce competition pressures (Anjaningrum, 2021).

The innovation competition is the main form of competition faced by the Creative Economy sector (Anjaningrum & Rudamaga, 2019). Ministry of Tourism and Creative Economy (Menparekraf) also encouraged creative entrepreneurs to innovate using digital platforms (Rukendi, 2021). Digital platforms can be influential in implementing innovative business models (Bartczak, 2021). The same thing was also expressed by (Jun et al., 2021), (Khattak, 2022), (Benitez et al., 2022), (Guo et al., 2023), (Wan et al., 2023), which explained that the existence of a high digital capability platform makes the innovation performance of SMEs even higher.

However, digital platform hegemony also provides challenges for the creative industry. SMEs need help in leveraging and developing a strong Digital Platform Capability (DPC) due to limited resources, experience, and funds, which hinder innovation opportunities (Jiang et al. 2023). That is a challenge in itself, empowering the East Java Creative Economy to recover the national economy.

However, psychological empowerment affects innovative behavior (Tanoto & Sutarhanji, 2019). Industry and government need to know how to develop and enhance innovation with a more holistic approach. The industry develops its innovation potential in earnest if the innovation process is carried out properly and product innovations are as expected. The government and business must use a multidimensional approach, to develop continuous innovation, consider all important dimensions in a company, and carefully observe the contextual relationships between the measured factors (Lianto et al., 2021).

Psychological empowerment impacts innovation and enables the early

development of SME performance (Rababah, 2017). Effective entrepreneurship for holistic empowerment (Khan et al., 2022) and the link between empowerment and entrepreneurship in a collective society are proven strong (Wood et al., 2021). Based on Perkins & Zimmerman's empowerment theory, the Empowerment Model is a training and implementation model specifically designed to address many identified barriers (Moran, Gibbs, & Mernin, 2017). Meanwhile, technology empowerment enables insightful decision-making, aspirations, and work to perform optimally. The digitization of information, learning content, and data is critical to realizing this instant access to relevant Knowledge.

Digitalization is necessary to ensure that knowledge workers and seekers are empowered with the right technology to navigate knowledge productively (Pillai, 2019). So that holistically empowering company resources with technological support will produce high innovation. However, it will be a challenge if applied to creative economy-based MSMEs – often referred to as Creative Industries – in East Java, Indonesia, which have many limitations in terms of resources.

This background raises 5 QRs: (1) Does Creative Industry Holistic Empowerment have a major impact on Digital Platform Capability? (2) Does Digital Platform Capability greatly impact Innovation Performance? (3) Does Digital Platform Capability greatly impact Holistic Innovation Capability? (4) Does Holistic Innovation Capability greatly impact Innovation Performance? (5) Is there a mediation role of holistic innovation capability on the impact of digital platform capability on innovation performance?

There are two major contributions from the results of this study. The first provides empirical evidence of the relationship between Creative Industry Holistic Empowerment, Digital Platform Capability, Holistic Innovation Capability,

and Innovation Performance, which is a development of the well-known strategic management theory, Resource-based view of the Firm (RBV), which claims that the main key in achieving competitive advantage and high performance is on the resource. Holistically empowered resources, with the support of Digital Platform Capability, will trigger holistic innovation capabilities and ultimately impact high innovation performance. Second, the results of this study provide new literacy for owners, CEOs, or managers of creative industries in the decision-making process related to improving innovation performance in the form of recommendations for holistic resource empowerment and optimizing digital platform capability.

Literature Review

The Internet, as a technology for the development of the global economy, is seen with great optimism. Developed and continuously promoted, this technology can be seen as a tool for digital hegemony, declaring the control and dominance of developed countries over the world economy (Chandani, 2017). The creative economy is one of the important economic sectors in Indonesia. In the era of the digital economy, the creative economy, especially the application sub-sector, has a big role in the digital transformation process (Anjaningrum, 2021). Every creative Industry has been required to change business operations through sophisticated digital technology since the industrial revolution 4.0, which was accelerated by the impact of the Covid-19 pandemic attack, which paralyzed the economy (Anjaningrum et al., 2021).

Currently, innovative products that can compete in the global market are those that have high innovation, so the ability to innovate is very important for a creative entrepreneur as an actor in the creative economy (Anjaningrum, 2021). In the era of the digital economy, performance achievement is very important for SMEs,

and it has been revealed that a digital platform makes innovation performance even higher (Jun et al., 2021).

Digital platforms as new outlets for popular culture have changed traditional ideas (Jin, 2017). Digital transformation is very effective in strengthening the capabilities of creative industries in the digital era, although the process is still not optimal because many industries in East Java are still constrained by budgetary funds and qualified human resources in the fields of IoT and Big Data (Anjaningrum, 2021). Product innovation is an urgent factor that must be increased in competing in local, national, and international markets (Anjaningrum & Rudamaga, 2019).

Information and communication technology at this time can foster a culture of innovation for empowerment. Innovation is about creating something new and taking what already exists, be it a product, process, service, or concept, and then perfecting it (Mourtada, 2010). Innovation and information systems scientists have extensively studied the process of implementing individual innovations that impact innovation outcomes (Pak, Li, & Chung, 2019). Holistic innovation is incremental and collaborative innovation driven by a strategic vision in which the original innovation paradigm fits enterprises' technological innovation management needs (Chen et al., 2018).

An innovation strategy encourages superior quality innovation speed (Chen et al., 2018). The success of an innovation is determined by the company leader (Cheng et al., 2019). The strategy becomes more challenging for countries aiming to radically transform from a resource-based to an innovation and knowledge-based economy to achieve sustainable development (Mohamed et al., 2021).

The relationship between innovation capability and performance has been proven (Rajapathirana & Hui, 2018b).

Innovative behavior is very important for maintaining and increasing organizational competitiveness, and it was found that psychological empowerment influences innovative behavior (Tanoto & Sutarhanji, 2019). Industry players and the government must know how to develop and improve CIC (continuous innovation capability) with a more holistic approach. A company must develop its innovation potential in earnest if the innovation process is to be carried out properly and produce the expected innovation results. When good innovation results are not supported by sufficient potential and well-executed processes, the sustainability of these results is questionable.

On the other hand, to develop continuous innovation, the government and business people must use a multidimensional approach, considering all important dimensions within a company and carefully observing the contextual relationships between the factors being measured (Lianto et al., 2021). Psychological empowerment directly impacts innovation and enables the initial development of SME performance (Rababah, 2017). Effective entrepreneurship for holistic empowerment (Khan et al., 2022). The relationship between empowerment and entrepreneurship in collective societies is strong (Wood et al., 2021).

Empowerment in the perspective of open innovation is empowerment towards joint participation; often, this also leads to the search for new knowledge management mechanisms (Aneta, 2016). Organizational empowerment relates to the organization's

ability to influence societal change for improvement (Sai & Prathap, 2015). In such a way, empowering the creative economy is a process that enables creative entrepreneurs to increase control over creative endeavors using a strategy to achieve high performance.

ICT can foster a culture of innovation for empowerment, especially among youth. Innovation is about creating something new, taking what is already there, and perfecting it (Mourtada, 2010). The Empowerment Model is a training and implementation model specifically designed to address many identified barriers (Moran et al., 2017). Meanwhile, technology empowerment enables insightful decision-making, aspirations, and work to perform optimally. The digitization of information, learning content, and data is critical to realizing instant access to relevant knowledge. Digitalization is necessary to ensure that knowledge workers and seekers are empowered with the right technology to navigate knowledge productively (Pillai, 2019).

These empirical studies showed the relationship between holistic empowerment, digital platforms capability, innovation capability, and innovation performance. Meanwhile, holistic empowerment consists of 3 dimensions: Industry, Knowledge, and Safety (Aneta, 2016). Innovation Capability exists in marketing, process, organization, and product (Rajapathirana & Hui, 2018a). In such a way, this research's conceptual framework is formed, as shown in Figure 1.

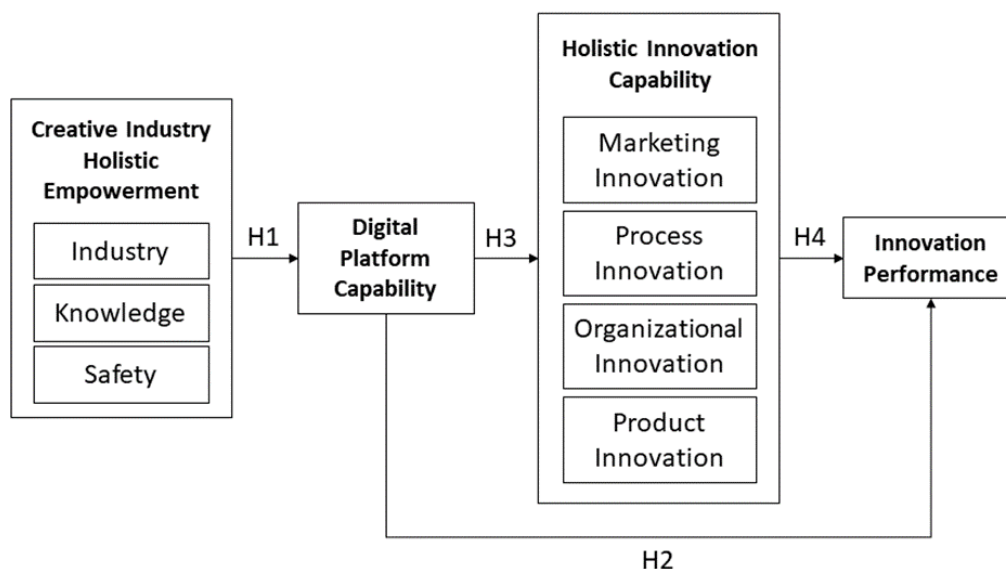


Figure 1. Conceptual Framework

Based on empirical studies and the conceptual framework, the research hypotheses include the following:

H1: Creative Industry Holistic Empowerment has a strong impact on increasing Digital Platform Capability

H2: High Digital Platform Capability has a strong impact on increasing Innovation Performance

H3: High Digital Platform Capability has a strong impact on increasing Holistic Innovation Capability

H4: High Holistic Innovation Capability has a strong impact on increasing Innovation Performance

H5: High Digital Platform Capability will have a stronger impact on increasing Innovation Performance if Holistic Innovation Capability supports it as a mediator

Research Method

This research used a quantitative approach through offline and online questionnaire surveys with a 5-point Likert scale. The research subjects are the owners or managers of creative industries in East Java, Indonesia. A total of 260 samples have been selected through the accidental-

purposive sampling technique. The quantitative data collected was finally processed and analyzed with sophisticated, complex PLS-SEM analysis using the latest version of SmartPLS software 4.0.9.3. Each research variable is measured through several items referring to previous studies but adjusted to the average condition of the creative industries in East Java, such as the Digital Platform Capability variable; in this study, the items regarding private platforms owned by the Industry were excluded, because not all industries already have a private digital platform.

Creative Industry Holistic Empowerment (X) was developed from (Aneta, 2016), namely: from the Industry side (X1) consists of fulfilling responsibilities in a creative business environment (X11), respecting co-workers in creative endeavors (X12), the satisfaction of needs individuals in creative endeavors (X13), cooperation, trust and freedom (X14), and Shared values (X15); in terms of Knowledge (X2) consists of learning, increasing qualifications (X21), improving skills, gaining experience (X22), creativity and entrepreneurship (X23), pro-innovation (X24), decision-making and responsibility

(X25), and activity and flexibility (X26); in terms of security (X3) consists of vigilance and firmness (X31), prevention (X32), dynamism (X33), and defensive (X34).

Digital Platform Capability (DPC) (Y1), adapted from the formulation of (Khattak, 2022), consists of Easy access to data through digital platforms (Y11), Digital platforms provide seamless connections between IT systems (Y12), Digital platforms have the ability to exchange real-time information (Y13), Digital platforms make it easy to collect relevant information from databases (Y14), Digital platforms are easy to adapt to include novelties (Y15).

Holistic Innovation Capabilities (Y2) were developed from (Rajapathirana & Hui, 2018a): Marketing Innovation (Y21): the ability to use new media or techniques (Y211), have new sales channels or placements (Y212) and have new delivery channels (Y212). Y213). Product Innovation (Y22): the ability to develop original products (Z221), the ability to increase product value (Y22), the ability to add new elements to products (Y223), and the ability in technical specifications (Y224); Organizational Innovation (Y23): the ability to carry out new business practices (Y231), ability to use new knowledge management systems (Y232), ability to distribute responsibility and decision making (Y233), ability to update external relations (Y234), and ability to update organizational structure (Y235); Process Innovation (Y24): the ability to increase implementation speed (Y241), ability to build operating forms (Y242), ability to perform interactive online processes (Y243), ability to use methods that enable work instructions (Y244), and ability to reduce variable costs (Y245). Innovation Performance (Y3) was developed from (Rajapathirana & Hui, 2018a): quality of new products or services (Z31), technological competitiveness (Z32), speed of introducing new products

or services (Z32), and novelty of new products or services (Z33).

Results

External Model Appraisal

Each item, a latent construct measuring instrument, must be Valid and Reliable. Valid instrument in PLS-SEM if the loading factor value is more than 0.7 and AVE is more than 0.5. The reliable instrument is if Cronbach's Alpha value is more than 0.6 and Composite Reliability is more than 0.8 (Garson, 2016). Figure 2. The PLS-SEM Structural Model explains the many size values. The loading factor value is the value that is in the line between the latent construct and the manifest construct, which is not in brackets, while what is in brackets is the t-statistics value for the external model. Meanwhile, the value on the line of connection between latent constructs, which is not in parentheses, is the value of the standard coefficient, which indicates a positive or negative relationship between exogenous and endogenous latent constructs, and the value in parentheses is the p-value. These two measures will be explained in more detail in the Hypothesis Testing section.

It should be underlined that the PLS-SEM model in Figure 1 contains a second-order model, where the main latent constructs are Creative Industry Holistic Empowerment (X), Digital Platform Capability (Y1), Holistic Innovation Capability (Y2), and Innovation Performance (Y3) variables.). While Industry (X1), Knowledge (X2), and Safety (X3) are the dimensions of the Creative Industry Holistic Empowerment (X) variable. Marketing Innovation (Y21), Process Innovation (Y22), Organizational Innovation (Y23), and Product Innovation (Y24) are dimensions of the Holistic Innovation Capability (Y2) variable. Meanwhile, the value shown in the round blue symbol is the R-Square value which

will be explained further in the Internal Model Appraisal section. Based on the loading factor figures shown in Figure 1, all the items measuring the research variables are valid.

Meanwhile, based on the Average Variance Extracted (AVE) value in Table 1. It also shows that the research instrument is valid

with an AVE value for each latent construct of more than 0.5. Meanwhile, based on Cronbach's Alpha (CA) and Composite Reliability (CR) values, it is also confirmed that the research instrument is reliable with Cronbach's alpha values for each latent construct of more than 0.6 and Composite reliability of more than 0.8.

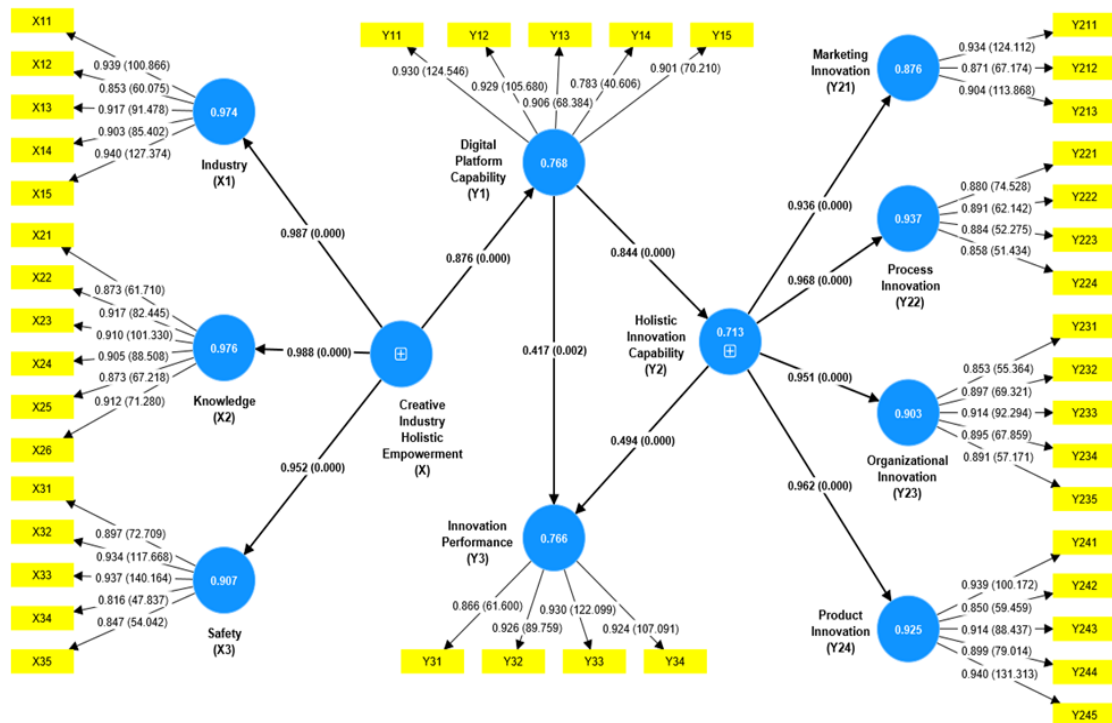


Figure 2. PLS-SEM Structural-Model
 Source: SmartPLS-v.4.0.9.3-output (2023)

Table 1. Reliability and Validity Checking

	CA	CR (rho_a)	CR (rho_c)	(AVE)
Creative Industry Holistic Empowerment (X)	0.980	0.981	0.982	0.771
Industry (X1)	0.948	0.949	0.961	0.830
Knowledge (X2)	0.952	0.953	0.962	0.807
Safety (X3)	0.932	0.936	0.949	0.788
Digital Platform Capability (Y1)	0.934	0.936	0.951	0.795
Holistic Innovation Capability (Y2)	0.977	0.977	0.979	0.731
Marketing Innovation (Y21)	0.886	0.888	0.930	0.816
Process Innovation (Y22)	0.901	0.901	0.931	0.771
Organizational Innovation (Y23)	0.934	0.935	0.950	0.792
Product Innovation (Y24)	0.947	0.948	0.960	0.826
Innovation Performance (Y3)	0.932	0.935	0.951	0.831

Source: SmartPLS-v.4.0.9.3-Output (2023)

Internal Model Appraisal

This section tests the structural model's feasibility through the R-square (R²) and Goodness of Fit (GoF) determination tests. According to (Chin, 1998) in (Hair, et al., 2014), if the R square value is 0.67, then the effect of exogenous latent constructs on endogenous is classified as strong, 0.33 is moderate, and 0.19 is weak.

Based on Figure 1. PLS-SEM Structural-Model, R-square Digital Platform Capability of 0.768 explains that Creative Industry Holistic Empowerment strongly influences 76.8% of Digital Platform Capability. R-square Holistic Innovation Capability of 0.713 explains that Digital Platform Capability strongly influences 71.3% of Holistic Innovation Capability. R-square Innovation Performance 0.766 explains that Digital Platform Capability and Holistic Innovation Capability strongly influence 76.6% of Innovation Performance.

Based on the Tenenhaus & Lauro (2005) in Hair et al. (2014) $GoF = \sqrt{AVE \times R^2}$.

$$GoF \text{ Digital Platform Capability} = \sqrt{0.795 \times 0.768} = 0.781$$

$$GoF \text{ Holistic Innovation Capability} = \sqrt{0.731 \times 0.713} = 0.722$$

$$GoF \text{ Innovation Performance} = \sqrt{0.831 \times 0.766} = 0.798$$

If the value is at least 0.38, according to Tenenhaus & Lauro (2005) in Hair et al. (2014) large category. In other words, the formed structural model corresponds to the reality on the ground.

Hypothesis testing

The t-test is a tool for testing the hypothesis in this study. If the t-statistics value is > 1.96 and the p-value is < 0.05, the effect of the exogenous construct on the endogenous construct is significant. The original sample value (O), also called the path coefficient, shows the direction of the influence in a positive or negative direction. The output of the SmartPLS software version 4.0.9.3 from the results of the Hypothesis Test can be seen in Figure 1. PLS-SEM Structural-Model and details can be seen in the data in Table 2. Hypotheses Checking.

Based on the conceptual model of Figure 1. and the value of the path coefficient (ρ) in Table 2. or Figure 2., obtained:

Main PLS-SEM models:

$$\text{Path.1: } Y1 = 0.876 X + e1$$

$$\text{Path.2: } Y2 = 0.844 X + e2$$

$$\text{Path.3: } Y3 = 0.417 Y1 + 0.494 Y2 + e3$$

X is Creative Industry Holistic Empowerment, Y1 is Digital Platform Capability, Y2 is Holistic Innovation Capability, Y3 is Innovation Performance, and e is error terms.

The first research hypothesis (H1) is supported with a positive path coefficient X to Y1 of 0.876; t-statistics value 31.568 > 1.96; p-value 0.000 < 0.05. So, Creative Industry Holistic Empowerment has a strong impact on increasing Digital Platform Capability. Meanwhile, when viewed from a dimension perspective, Industry is the dimension that most strongly reflects Creative Industry Holistic Empowerment (t-statistics value 457,700 and p-value 0,000), although the Knowledge dimension (t-statistics value 424,501 and p-value 0,000) and the dimensions safety (t-statistics value 74,182 and p-value 0,000) is no less strong than KnowledgeKnowledge.

Table 2. Hypotheses Checking

Latent Constructs Relationships	ρ	T statistics	P values	Inference
Direct Effects				
Creative Industry Holistic Empowerment (X) -> Digital Platform Capability (Y1)	0.876	31.568	0.000	Positive Significant H1 Supported
Creative Industry Holistic Empowerment (X) -> Industry (X1)	0.987	457.700	0.000	Positive Significant X2 is the dimension that most closely reflects X
Creative Industry Holistic Empowerment (X) -> Knowledge (X2)	0.988	424.501	0.000	Positive Significant
Creative Industry Holistic Empowerment (X) -> Safety (X3)	0.952	74.182	0.000	Positive Significant
Digital Platform Capability (Y1) -> Innovation Performance (Y3)	0.417	3.161	0.002	Positive Significant H2 Supported
Digital Platform Capability (Y1) -> Holistic Innovation Capability (Y2)	0.844	22.844	0.000	Positive Significant H3 Supported
Holistic Innovation Capability (Y2) -> Innovation Performance (Y3)	0.494	3.684	0.000	Positive Significant H4 Supported
Holistic Innovation Capability (Y2) -> Marketing Innovation (Y21)	0.936	114.416	0.000	Positive Significant
Holistic Innovation Capability (Y2) -> Process Innovation (Y22)	0.968	244.019	0.000	Positive Significant Y22 is the dimension that most closely reflects Y2
Holistic Innovation Capability (Y2) -> Organizational Innovation (Y23)	0.951	85.457	0.000	Positive Significant
Holistic Innovation Capability (Y2) -> Product Innovation (Y24)	0.962	210.943	0.000	Positive Significant
Specific Indirect Effects				
Digital Platform Capability (Y1) -> Holistic Innovation Capability (Y2) -> Innovation Performance (Y3)	0.417	3.341	0.001	Positive Significant H5 Supported (Partial Mediation)
Creative Industry Holistic Empowerment (X) -> Digital Platform Capability (Y1) -> Holistic Innovation Capability (Y2)	0.740	18.267	0.000	Positive Significant The indirect effect of X on Y2 through Y1 significant
Creative Industry Holistic Empowerment (X) -> Digital Platform Capability (Y1) -> Innovation Performance (Y3)	0.366	3.106	0.002	Positive Significant The indirect effect of X on Y3 through Y1 significant
Creative Industry Holistic Empowerment (X) -> Digital Platform Capability (Y1) -> Holistic Innovation Capability (Y2) -> Innovation Performance (Y3)	0.365	3.308	0.001	Positive Significant Indirect effect of X on Y3 through serial mediation Y1 & Y2 significant

Source: SmartPLS-v.4.0.9.3-Output (2023)

The second research hypothesis (H2) is supported by a positive Y1 to Y3 path coefficient of 0.417; t-statistics value 3.161 > 1.96; p-value 0.000 < 0.05. So, the High Digital Platform Capability strongly

impacts increasing Innovation Performance.

The third research hypothesis (H3) is supported by a positive Y1 to Y2 path coefficient of 0.844; t-statistics value

22.844 > 1.96; p-value 0.000 < 0.05. So, the High Digital Platform Capability strongly impacts increasing Holistic Innovation Capability.

The fourth research hypothesis (H4) is supported by a positive Y2 to Y3 path coefficient of 0.494; t-statistics value 3.684 > 1.96; p-value 0.000 < 0.05. So, the High Holistic Innovation Capability strongly impacts increasing Innovation Performance.

Meanwhile, for the indirect effect, the fifth research hypothesis (H5) is supported with a positive indirect path coefficient Y1 --> Y2 --> Y3 of 0.417, a t-statistics value of 3.341, and a p-value of 0.001. Because the direct effect of Y1 on Y3 is also significant (H2), the mediation formed is of the type of partial mediation. So, the High Digital Platform Capability will have a stronger impact on increasing Innovation Performance if Holistic Innovation Capability supports it as a mediator.

Based on the conceptual research framework and the output results of the PLS-SEM analysis, it is shown that the indirect effect of Creative Industry Holistic Empowerment (X) on Holistic Innovation Capability (Y2) through Digital Platform Capability (Y1). This relationship is significantly positive with a path coefficient of 0.740, t-statistics 18.267 > 1.96, and p-value 0.000 < 0.05. However, the mediation formed cannot be categorized because the model does not directly connect X to Y2. However, it can still be confirmed that the more creative industries empower themselves holistically in terms of Industry, Knowledge, and safety, the higher the Digital Platform Capability, the higher the Holistic Innovation Capability.

The results of the analysis also confirm the indirect effect of Creative Industry Holistic Empowerment (X) on Innovation Performance (Y3) through Digital Platform Capability (Y1). This relationship is significantly positive with a path

coefficient of 0.366, t-statistics 3.106 > 1.96, and p-value 0.002 < 0.05. The mediation formed cannot be categorized because the model does not directly connect X to Y3. However, it can be justified if the more creative industries empower themselves holistically, the higher the Digital Platform Capability, which will ultimately impact Innovation Performance.

Finally, the results of the analysis also validate the indirect effect of Creative Industry Holistic Empowerment (X) on Innovation Performance (Y3) through Digital Platform Capability (Y1) and Holistic Innovation Capability (Y2) serially, with a path coefficient of 0.365, t-statistics 3,308; p-value 0.001 < 0.05. This result verified that the more creative industries empower themselves holistically, the higher the Digital Platform Capability, which can increase Holistic Innovation Capability and ultimately impact Innovation Performance.

Discussion

Creative Industry Holistic Empowerment and Digital Platform Capability

The research results confirmed the huge impact of the Creative Industry Holistic Empowerment on Digital Platform Capability. The more creative industries empower themselves holistically, in this case, organizational personnel, the higher the capability of the digital platform. Digitalization is necessary to ensure that knowledge workers and seekers are empowered with the right technology to navigate knowledge productively (Pillai, 2019). However, in the context of creative industries in developing countries with limited resources, the capability to use digital platforms is a chore. So that a holistic model of empowering organizational personnel is needed so that they can accept change, learn, and make the most of technology. Empowerment models

can take the form of training and implementation designed to overcome many of the barriers identified within the company (Moran et al., 2017).

So, the Creative Industry Holistic Empowerment referred to in this research is how the creative Industry can holistically empower its resources, especially human resources, to increase digital platform capability. Empowerment can be seen in how every person in the Industry, starting from the owner or CEO, manager, to the lowest subordinates, fulfills their responsibilities, respects co-workers, is satisfied with their own needs, wants to work in collaboration, and has freedom or trust, and upholds shared values.

In addition, in terms of Knowledge, every employee wants to learn to improve qualifications, wants to improve skills and gain experience, wants to increase creativity and entrepreneurship, is pro-innovation, dares to make decisions and is responsible for those decisions, and is ready for every activity and has the flexibility adapt to any changes. However, every creative industry personnel must also be safe while still having vigilance and firmness, preventing bad things, and being dynamic in every condition, although sometimes being defensive at reasonable limits. Knowledge is needed to understand digital platforms and their innovations (Deist et al., 2023).

Suppose every person in the creative industry can empower themselves holistically. In that case, it will be very easy for them to accept new knowledge and learn, especially knowledge related to digital platforms. Employees who have high self-empowerment find it easy to access data through digital platforms, understand how digital platforms provide connections across boundaries between IT systems, for example, how social media platforms such as WhatsApp, Instagram, and Facebook are interconnected, can take

advantage of the capabilities of the platform digital to exchange real-time information, able to use digital platforms to collect relevant information, and able to include new things on the digital platforms used which is very important to support innovation.

Concerning empowerment, in this era, it is important to highlight what is known as human resource digital transformation (HRDT). HRDT is not a linear process but requires top management support, a conducive climate, and proper employee communication in developing digital infrastructure and adopting digital architectures to integrate with individuals, capabilities, and creativity to arrive at innovation capabilities throughout the organization (Bansal et al., 2023).

Digital Platform Capability, Holistic Innovation Capability, and Innovation Performance

The study's results validated the partial mediating role of Holistic Innovation Capability in the relationship between Digital Platform Capability and Innovation Performance. The higher the Digital Platform Capability, the higher the Innovation Performance if a high Holistic Innovation Capability supports it.

The results of this study revalidated the findings of (Jun et al., 2021), which divulge the importance of achieving high performance for SMEs through digital platforms. Digital platforms can be an effective factor in implementing innovative business models (Bartczak, 2021), although the practice for SMEs in developing countries is still not optimal due to limited funds as well as human resources who master IoT and Big Data (Anjaningrum, 2021). Even high-tech companies face significant challenges due to constraints on vital and limited resources (Kamble et al., 2023).

Digital Platform Capability enhances service innovation through knowledge sharing (Wang et al., 2022). However, there are drawbacks; at first, it may be that digital platforms have the potential to provide economic and social value and accessible and transparent data that are important for innovation. However, the need to articulate value to funders and potential partners drives reliance on the quantifiable quality that further puts stakeholders first (Bustamante, 2023) so that digital platforms can sometimes be less profitable. However, digital transformation changes the innovation portfolio when facing changes in the market and technology (Zhang et al., 2023).

Digital transformation is also closely related to innovation performance (Li et al., 2023); companies achieve co-innovation across borders by joining digital platforms (Jiang et al., 2023) by aligning digital capabilities with corporate orientation (Cenamor et al., 2019), which ultimately improves performance (Zhang et al., 2023). Several studies have studied extensively the process of implementing individual innovations that have an impact on innovation outcomes (e.g. (Pak et al., 2019), (Wang et al., 2022), (Borah et al., 2022a), (Borah et al., 2022b), (Kamble et al., 2023), (Z. Zhang et al., 2023), (Wan et al., 2023), and (Yusof et al., 2023), so that holistic innovation needs to be carried out by Industry to achieve high innovation performance as a result of digital platform hegemony.

Holistic innovation includes product, process, organizational, and marketing innovation (Rajapathirana & Hui, 2018a). Product innovation is an urgent factor that must be increased in competition (Anjaningrum & Rudamaga, 2019). An innovation strategy encourages superior quality innovation speed (Chen et al., 2018). The success of an innovation is determined by the company leader (Cheng et al., 2019). The strategy becomes more

challenging for countries aiming to radically transform from a resource-based to an innovation and knowledge-based economy to achieve sustainable performance (Mohamed et al., 2021). The introduction of certain types of innovation with digital tools helps to increase sales (Ganotakis et al., 2023).

Improved innovation performance is only supported if businesses become better able to sense and react to the environment (Guo, Yin, & Liu, 2023a). However, digital competency was found to interfere with the configuration of co-innovation for successful innovation, facilitating the development of efficient vertical and horizontal co-innovation trajectories (Lafuente et al., 2023). So, the innovation emphasized in this research is innovation independently rather than collaboratively. Meanwhile, radical innovation leads to changes in the structure of the socio-technical system that underlies the pattern, while incremental innovation contributes to maintaining the current structure and pattern (Hanson et al., 2023). Creative industries can choose to carry out radical or incremental innovations, depending on the creative economy sub-sector, which has a different character and available resources.

So, to achieve high innovation performance in this era, creative industries must improve digital platform capability and holistic innovation capability in terms of product, process, organization, and marketing. Capability in marketing innovation means the ability to use new media or techniques, have new sales channels or placements and have new delivery channels. While the capabilities in terms of Product Innovation are the ability to develop original products, the ability to increase product value, the ability to add new elements to products, and the ability in technical specifications. The capabilities in Organizational Innovation include the ability to carry out new business practices, the ability to use new knowledge management systems, the ability to

distribute responsibilities and make decisions, the ability to update external relations, and the ability to update organizational structures. Meanwhile, the capabilities in Process Innovation include the ability to increase the speed of implementation, the ability to build operational forms, the ability to carry out interactive online processes, the ability to use methods that enable work instructions, and the ability to reduce variable costs. Suppose the digital platform and holistic innovation capability are high. In that case, it can encourage the quality of new products or services, technological competitiveness, the speed of introducing new products or services, and the novelty of new products or services. However, what remains a chore is how to empower resources holistically, balanced by the budget and support from government regulations.

Conclusion

The study's results validated that the Creative Industry's Holistic Empowerment, regarding the Industry, Knowledge, and Safety dimensions significantly affected Digital Platform Capabilities. Digital Platform Capability also significantly affected Holistic Innovation Capability regarding the marketing, process, organizational, and product innovation dimensions. Digital Platform Capabilities also significantly affected Innovation Performance. Holistic Innovation Capability significantly affected Innovation Performance, so it acted as a partial mediator of the effect of Digital Platform Capability on Innovation Performance.

The research limitations are that it has yet to reveal the direct impact of the Creative Industry's Holistic Empowerment on Innovation Capability and Innovation Performance, so future quantitative research can make this topic an interesting research object, and this research also used the subject of the creative industry in general, not focusing on specific sub-

sectors, so that further research can be focused on one of the creative economy sub-sectors.

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