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The Influence of Work Culture, Creativity and Innovation toward Competitive Advantage on Small Batik Industry in Pamekasan

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Abstract

Small batik industry in Pamekasan spread across several districts, with the biggest distribution was spread in Proppo District and the smallest was in Wern district. The numbers of batik Craftsmen declined in some districts, the largest declining happened in Galls district. The phenomenon of competition on small batik industry in Pamekasan attracted researcher using variables of Work Culture, Creativity, Innovation and Competitive Advantage. The sample of this study was seventy-five SMEs. The conclusions of this research were: 1. Partially, three independent variables used in this study influenced. 2. Creativity has a positive and significant impact. 3. The effect of product innovation on competitive advantage can be feasible models.

Keywords: Competitive Advantage, SME, Batik

INTRODUCTION

Around a decade ago, the ASEAN leaders agreed to establish an integrated market. The market which was formed after the cooperation among ASEAN countries. Markets are expected to compete in the global market and able to enhance intra-ASEAN trade. In 2015, the implementation of the cooperation among ASEAN countries was realized, which is booming with the terms of AEC or AEC (*Masyarakat Ekonomi ASEAN/ ASEAN Economic Community*).

AEC enforcement in 2015 made a traffic/free trade in Southeast Asia easier without many obstacles. AEC is a form of agreement from the ASEAN countries to establish a free trade area to improve economic competitiveness by making the ASEAN region as a world production base and create a regional market for approximately 500 million of ASEAN citizens.¹ Free trade means natural course without tariffs (Import duty of 0/5%) as well as non/tariff barriers for ASEAN member countries.

The realization of AEC (ASEAN Economic Community) created a lot of potential market opportunities, either for the labor market and companies. Wide-Open market opportunities will make the enterprise markets in Indonesia are growing rapidly. Indonesian workers will also be more flexible in selecting their dream jobs that match their qualifications. However, the wide/open opportunities also result the great challenge for markets, companies, and Indonesian labors. Market opportunities,

¹ Humphrey Wangke, "Peluang Indonesia dalam Masyarakat Ekonomi Asean 2015," *Info Singkat Hubungan Internasional* VI, no. 10/II/P3DI/Mei/20124 (2014): 4.

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companies, and labors are related to how the company can be innovative and creative to meet consumers' desires and needs. The ability to maintain self-employment and work culture as the emergence of new companies. The ability to see these opportunities will make the company arrange a strategy to maintain the product position in the market and able to increase the competitive advantage.

Tabel 1.1
The Spread of the Craftsmen of Small Batik Industry in Pamekasan in
2009,2013

| No | Years | Districts | | | | |
|----|-------|-----------|--------|-----------|------------|------|
| | | Galis | Proppo | Palengaan | Pegantenan | Waru |
| 1 | 2009 | 56 | 482 | 123 | 15 | 2 |
| 2 | 2010 | 20 | 548 | 110 | 19 | 2 |
| 3 | 2011 | 23 | 566 | 110 | 25 | 2 |
| 4 | 2012 | 19 | 591 | 123 | 19 | 2 |
| 5 | 2013 | 12 | 591 | 129 | 19 | 2 |

Source: Department of Industry and Trade of Pamekasan
2015

The data above revealed that the most business units of batik craftsmen in Pamekasan were in Proppo with 591 units, while in Galis subdistrict where previously became the center of advanced batik industry and having many good craftsmen, since 2009 until 2013 declined and the numbers of batik craftsmen were also decreased. From 56 craftsmen in 2009 decreased to 12 craftsmen in 2013 or it was about 210% remaining. In 2009, the craftsmen in Galis were 56 people, then in 2010, dropped to 20 people, but in 2011, has added to be 23 craftsmen and after that in 2012 declined again to 19 craftsmen until finally in 2013 decreased again just to 12 craftsmen.

From the data in Table 1.1 and a wide range of research that has been done, providing information that high-level competitions often makes companies pay large operations and intense competition.

Gita Sugiyarti,² examined 87 respondents where one of her hypotheses is the product innovation significantly influences competitive advantage. This study shows there is a significant positive relationship between product innovation to a competitive advantage.

Heri Setiawan,³ studied 91 respondents with t-test and F-test analysis, one of his hypotheses affirms that innovative products significantly influences the competitive advantage on Songket business.

Gina Suendro,⁴ conducted empirical study on product innovation through a competitive advantage by using 11+ samples, one conclusion is that this study

² Gita Sugiyarri, "Studi Empiris pada Industry Pakaian jadi Skala Kecil dan Menengah di Kora Semarang," *E-Jurnal Sera! Acitya* 4, no. 2 (2015): 14, [hnp://u.lipi.go.id/1346221190](http://u.lipi.go.id/1346221190).

³ Heri Setiawan, "Pengaruh Orientasi Pasar, Orientasi Teknologi Dan Inovasi Produk Terhadap Keunggulan Bersaing Usaha Songket Skala Kecil Di Kora Palembang." *Jurnal Orasi Bisnis VIII* (November 2012): 12-19.

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attempted to address the factors that can improve product innovation performance to produce optimal marketing, so that it will achieve sustainable competitive advantage when it is seen from the aspects of customer orientation, competitor orientation and across functions coordination.

Heri Susanto and Nuraini Aisyah conducted empirical studies about work culture and its influence on the work performance, the conclusion was work culture has no significant influence on the employee performance in Kebumen District Land Office.

Ernani Hadiyati (2011)⁵ conducted empirical studies on Creativity and Innovation and their influence to Small Business Enterprise, with a population of 53 respondents, one of the conclusions is significant F value is smaller than a. creativity and innovation variables simultaneously influenced significantly to the enterprise.

This research is expected to develop a model to present phenomena in the existing management practices into a relatively simplified analysis system.

RESEARCH METHOD

Approach and Kind of

Research

This study used a quantitative approach in which the primary data obtained by the survey. Kind of research method used is survey method aimed for descriptive purposes, explanatory and exploration, the survey also called non/experimental design.⁶ The research was conducted on small batik industries in Pamekasan.

Research Variables and Operational Definitions a. Research Variables

Variable is an attribute or trait or aspect of a person or object that has certain variations determined by the researcher to be concluded.⁷ The importance of the variable identification is to direct and to restrict research on the issues that are going to be studied. The variables in this study were work culture, creativity, product innovation, competitive advantage.

b. Operational Definition

Here are operational definitions of each variable to be analyzed. Work culture is commendable attitudes and behaviors done repetitively and become habitual actions in one organization in a workplace. Work culture variable (X_1) in this research refers to the work culture elements proposed by Suparyadi, measured by

indicators: love to work, sense of responsibility, reluctant, discipline, hard work, creative, cooperative, independent, and like to help colleagues.

⁴ Ginanjar Suendro, "Analisis Pengaruh Inovasi Produk Melalui Kinerja Pemasaran Untuk Mencapai Keunggulan Bersaing Berkelanjutan (Studi Kasus Pada Industri Kecil Dan Menengah Batik Pekalongan)" (Tesis, Universitas Diponegoro, 2010).

⁵ Ernani Hadiyahati, "Kreativitas dan Inovasi Berpengaruh Terhadap Kewirausahaan Usaha Kecil," *Jurnal Mallajell dan Kewirausahaan* 13, no. 1 (September 30, 2011): 8-16, <https://doi.org/10.9744/jmk.13.1.8-16>.

⁶ Ulber Silalahi, *Metode Penelitian Sosial Kuantitatif* (Bandung: PT. Refika Aditama, 2015), 129.

⁷ Sugiyono, *Metode Penelitian Administrasi* (Bandung: Alfabeta, 1998), 20-21.

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Creativity is a process of organizing knowledge in raising or resulting useful things that can be developed and improved. The creativity variable in this study refers to the creativity proposed by Rusdiana, it is measured by indicators: improving work efficiency, improving the initiative, improving appearance, improving product quality, improving profits.

Product Innovation is defined as a combination of the various processes that influence each other. This variable is measured by indicators: product expansion, product imitation, new products.

Competitive Advantage is the advantages exist when a company has and produce a product and or service seen from its target market better than the closest competitor. Competitive advantage variable is measured by indicators: price or value, pleasing the consumer, customer experience, product attributes that can be written and a unique service privilege.

Population and

Sample a. Population

Ulber Silalahi said that Population can be either organism, person or group of individuals, communities, organizations, goods, object, phenomenon or report from which the sample was taken to measure.⁸ The population in this research is all small batik industries in Pamekasan.

b. Sample

The samples in this study were small batik industries in Pamekasan. The samples were selected by considering a principle that the smaller the sample size of the population, the greater the sampling rate produces an accurate sample. The greater the population allows smaller sampling ratio for the sample as good.⁹ In this study, the researcher examined the hypothesis that has been proposed, therefore it only needed the lesser sample size. In the multivariate study (including multivariate regression analysis), the sample size is determined as much as twenty/five independent variables.¹⁰ So the sample is seventy/five respondents.

Data Collection Techniques

Data collection techniques used were: 1. Pick/up Survey." Data were collected by conducting a survey where the questions were made in the form of questionnaires distributed to each respondent and the results were obtained directly by researchers, as a basis to identify issues to be discussed. 2. Documentation, data collection technique implemented by citing the existing data.

⁸ Silalahi, *Metode Penelitian Sosial Kuantitatif*, 372.

⁹ Silalahi, 387.

¹⁰ Augusty Ferdinand, *Metode Penelitian Manajemen*, 5th ed. (Semarang: BP Universitas Diponegoro, 2014), 137.

¹¹ HM Jogiyanto, *Pedoman Survei Kuesioner* (Yogyakarta: BPFE, 2016), 10.

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Data Analysis

a. Descriptive Statistics

To give the data about the respondent demographics and the descriptive of the research variables, researcher used a central tendency which means a data simplification to facilitate researcher in interpreting and drawing the conclusion.¹²

b. Reliability Testing

Reliability according to Jogiyanto used to determine the level of how much instrument can measure and result a stable and consistent measurement. In this study, reliability coefficient is expected in the range of 0.70 to 0.80.

c. Validity Testing

Product moment correlation utilized to test the internal validity, it is calculated by correlating each item score with total score. To determine questionnaire items that are valid or invalid, examined by using a t-test to product moment correlation. The results of t-test must have significance level under or equal to 0,05 or 5% to be considered as a valid indicator. Rule of thumb which is commonly used or is still acceptable in determining validity is if the product moment correlation value (r-value) is between 0,6/0,7 for exploratory research.¹⁴

d. Feasibility Test Model

To analyze the model developed by Work Culture variable, Creativity variable, Product Innovation variable, and Competitive Advantage variable.

e. t-test

t-test formula is used to determine whether Work Culture, Creativity, and Product Innovation partially influence significantly to the Competitive Advantage.

g. Two Stages Regression

This formula is used to determine whether Work Culture and Creativity influence to the Product Innovation and whether Product Innovation influence to the Competitive Advantage.

RESULTS

a. General description of the respondents

75 pieces of Questionnaires were distributed to small Batik industries in Pamekasan. The distribution period and the final return of the questionnaire for two months in April and May 2018. Here are the details of the distribution and the return of the questionnaire shown in Table 1.

¹² Agus Irianto, *Statistik: Konsep Dasar Dan Aplikasinya* (Jakarta: Prenada Media, 2004), 25.

¹³ Jogiyanto, *Pedoman Survei Kuesioner*, 43.

¹⁴ Silalahi, *Metode Penelitian Sosial Kuantitatif*, 478.

Tabel 1
The detail of distribution and return of the questionnaire

| | |
|----------------------------|------|
| Distributed questionnaire | 75 |
| Unreturnable questionnaire | 0 |
| Incomplete questionnaire | 0 |
| Selected questionnaire | 75 |
| Respondrate | 100% |
| Usable respondrate | 100% |

Source: Research Result, 2018

Table 1 shows the data about 75 distributed questionnaires. The response rate was 100% indicated that the role of respondents was high in this research. The analyzed questionnaire were also 75 questionnaires without necessary to test non-response bias since the usable questionnaires were more than 50%.

b. Descriptive Statistics

Tabel. 2
Statistics

| | 'NORK CULTURE | CREATIVIT Y | PRODCCT INOVATIO | COMIPETITIVE ADVAINTA GE |
|---------|---------------|-------------|------------------|--------------------------|
| N Valid | 75 | 75 | 75 | 75 |
| Missing | 0 | 0 | 0 | 0 |
| Mean | 34.1600 | 20.4133 | 12.0400 | 20.6000 |
| Median | 34.0000 | 20.0000 | 12.0000 | 21.0000 |
| Mode | 34.00 | 19.00a | 12.00 | 21.00a |
| Minimum | 28.00 | 16.00 | 7.00 | 14.00 |
| Maximum | 40.00 | 25.00 | 15.00 | 25.00 |
| Sum | 2562.00 | 1531.00 | 903.00 | 1545.00 |

a. Multiple modes exist. The smallest value is shown

Table 2 presents the mean or average calculated from a quotient of many variables score with 75 respondents. Work culture variable has a mean value of 34.16, the median value of 34, the mode of 34, the minimum value of 28, the maximum value is 40 and the sum value of 2,562. Creativity variable showed a mean value of 20.41, the median of 20, the mode value is 19, the minimum value of 16, the maximum value of 25 and the sum value of 1,531. Product innovation variable showed a mean value of 12.04, the median value of 12, the mode value of 12, the minimum value of 7, the maximum

value of 15 and the sum value of 903. The competitive advantage variable showed a mean value of 20.6, the median

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value of 21, the mode value of 21, a minimum value of 14, the maximum value of 25 with the sum value of 1.545.

c. Validity Test

Validity test is done to determine the validity level of the research instrument used in data collection. Validity test was conducted to determine whether the items presented in the questionnaire able to reveal what to be studied definitely. It is measured by items analysis, where each score of each item correlated with a total score

of all items in the questionnaire to one variable by using the formula of *product moment*.

The coefficient value of *Pearson correlation* in this research is in the range of *strong*

correlation with the level of significance under 5%.

d. Reliability

Testing

Tabel. 3
Reliability
Statistics

| Cronbach's Alpha | of Items |
|---------------------|-------------|
| .810 | 4 |

Table 3 presents the *Cronbach's Alpha* coefficient to variables tested, work culture, creativity, product innovation, and competitive advantage is 0.810 or 81%. This *Cronbach's Alpha* value above was greater than the expected value that is 0.800 or 80%.

e. Classical Assumption

Test 1) Multicollinearity

Test

Multicollinearity detection, based on tolerance and VIF value in table 4. Tolerance value on work culture is 0.612 with VIF value of 1.634. Tolerance value of creativity is 0.530 and VIF value of creativity is 1.888. The value of tolerance of product innovation is 0.652 with VIF value of 1.534. All of the tolerance values from work culture, creativity, and product innovation are not less than 0.10 and VIF value on work culture, creativity, and product innovation are more than .10. It can be interpreted that no serious multicollinearity detected.

Tabel 4

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized | t | Sig. | Correlations | | | Collinearity Statistics | |
|--------------|-----------------------------|------------|--------------|--------|------|--------------|---------|------|-------------------------|-------|
| | B | Std. Error | Beta | | | Zero/ order | Partial | Part | Tolerance | VIF |
| 1 (Constant) | 5.364 | 2.641 | | 2.031 | .046 | | | | | |
| WORK CULTURE | .077 | .097 | .091 | .788 | .433 | -.57 | .093 | .071 | .612 | 1.634 |
| CREATIVITY | .510 | .126 | .500 | -1.034 | .000 | .633 | .432 | .364 | .530 | 1.888 |
| PRODUCT | .184 | .151 | .136 | 1.217 | .228 | .463 | .143 | .110 | .652 | 1.534 |

a. Dependent Variable: COMPETITIVE_ADVANTAGE

2) Autocorrelation Test

Decision making by considering whether there is autocorrelation when the Durbin/Watson value lies between upper bound (du) and (+ / du), it means the autocorrelation coefficients equal to zero, or no autocorrelation.

Tabel 5
Decision Making

| Null Hypothesis | Decision | If |
|---|--------------|-----------------------------|
| No autocorrelation | Rejected | $0 < d < dL$ |
| No positive autocorrelation | No decision | $dL \leq d \leq dU$ |
| No negative autocorrelation | Rejected | $4 - dL < d < 4$ |
| No negative autocorrelation | No decision | $4 - dU \leq d \leq 4 - dL$ |
| No positive or negative autocorrelation | Not rejected | $d < dL$ or $4 - dU < d$ |

Note: dU: durbin Watson upper, dL: durbin Watson lower

Tabel 6
Model Summary^a

| Model | R | RSquare | Adjusted R | Std. Error of the | Durbin/Watson |
|--------------|-------|---------|------------|-------------------|---------------|
| dimension0 1 | .649a | .421 | .397 | 1.99843 | 1.677 |

a. Predictors: (Constant), PRODUCT_INNOVATION, WORK CULTURE, CREATIVITY

b. Dependent Variable: COMPETITIVE_ADVANTAGE

Durbin– Watson value in Table 6 of 1.677, this value was compared with table value with a confidence level of 5%, a sample of 75 and the number of independent variables 3, then in the table, Durbin \ Watson got value, as follow:

Tabel 7

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| N | k=3 | | 4-d _u | d | Decision |
|----|-------|-------|------------------|-------------------|--------------|
| | dL | du | | | |
| 75 | 1,395 | 1,557 | 2,-H3 | 1 1,677 | Not rejected |

Since the value of Durbin Watson (**1** 1,677) is greater than upper bound (de) 1,577 and less than 4 - - de (2,443), it can be concluded that there is positive autocorrelation or negative autocorrelation in regression models.

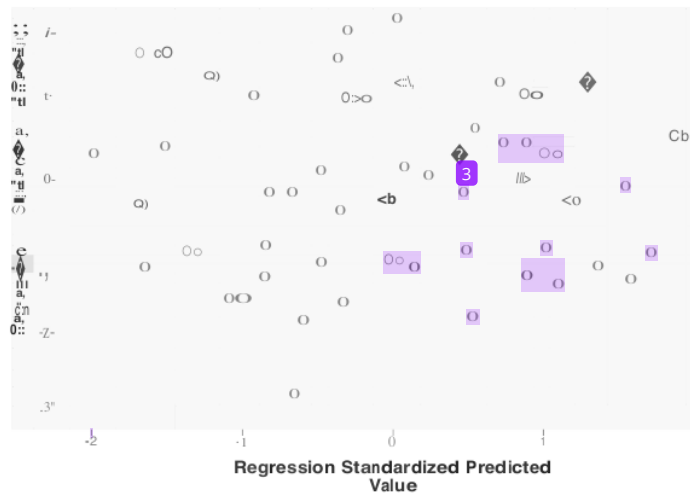
3) Heteroscedasticity Test

Using a graphical method to test heteroscedasticity, basic analysis:

- a) If there are certain patterns, such as dots that form regular patterns (wavy, widened and then narrowed), it indicates that heteroscedasticity exists.
- b) If the pattern is unclear, as well as the dots spread above and below the number 0 on the Y-axis randomly, it can be inferred that there is absolutely no heteroscedasticity or heteroscedasticity model.¹⁵

Chart I

Scatterplot
Dependent Variable: COMPETITIVE_ADVANTAGE



From chart I **1** scatterplot showed that dots randomly spread either above or under number 0 on the Y-axis. From the basic analysis mentioned above,

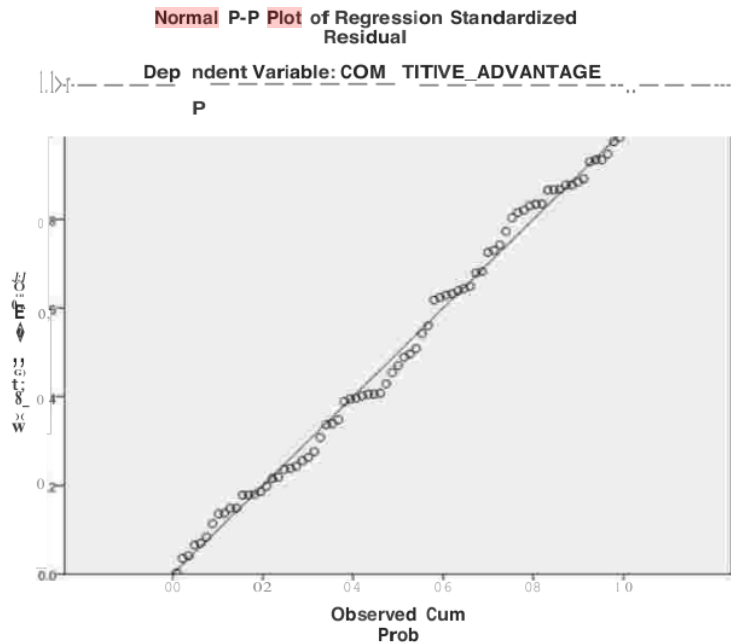
it is inferred that the heteroscedasticity or homoscedasticity model does not exist.

¹⁵ Imam Ghozali, *Ekonometrika* (Semarang: BP Universitas Diponegoro, 2014), 47.

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4) Normality Test

Normal distribution of data creates a straight diagonal line, and data plotting will be compared with a diagonal line. Data is said normally distributed if the line that represents the data follows the diagonal line.

Graphic!



1
Normal plot graphic shows the dots spread closer around the diagonal line, it means the regression model fulfills normality assumption.

DISCUSSION

a. Hypothesis 1: Work culture influence positively to the competitive advantage. The higher the work culture, the higher their competitive advantage.

Work culture gives positive influence, although it gives significant positive influence value of work culture is greater than the significant level expected by the researcher. In this case, the researcher rejects the hypothesis 1.

b. Hypothesis 2: Creativity influence positively to the competitive advantage, the higher the creativity, the higher their competitive advantage.

¹ Creativity also gives positive influence, this positive influence also supported by the significance value on creativity variable which is less than the significance level expected by the researcher. Therefore, the researcher decides to receive hypothesis 2.

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c. Hypothesis 3: Product innovation influences positively toward a competitive advantage. The higher the product innovation, the higher its competitive advantage.

Product innovation also gives positive influence, yet the significance level of product innovation variable is greater than the significance level expected by the researcher. Therefore, hypothesis 3 is also rejected.

The rejection of work culture and product innovation variables makes the researcher excludes those tWO variables to find the best model in this research. The revision to the expected model enables the researcher to eliminate insignificant variables and re/analyze it.

Table 8
Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|------------|-------|----------|-------------------|----------------------------|
| dimension0 | .633a | .400 | .392 | 2.00604 |

a. Predictors: (Constant), CREATIVITY

Table 8 demonstrated that the determination coefficient (R² or R Square) of this model eliminates work culture variable and product innovation variable by 0.400 which indicate that the usable variables can explain approximately 40% of competitive advantage variation.

Table 8 also indicates that Adjusted R Square of this model eliminated work culture variable and product innovation variable by 0.392 stating that used variable can explain approximately 39.2% of the competitive advantage variation.

Table 9
ANOVA^b

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 196.235 | 1 | 196.235 | 48.764 | .000 ¹ |
| | Residual | 293.765 | 73 | .4024 | | |
| | Total | 490.000 | 74 | | | |

a. Predictors: (Constant), CREATIVITY

b. Dependent Variable: COYIPETITN-E_ADN-ANTAGE

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Results that are demonstrated in the Analysis of Variance or ANOVA as presented in Table 9, the F Value is +8.764 with a significance value of 0.000. The values above determined whether the model that was analyzed shows feasibility model proposed. The significance value of 0.000 can be interpreted that the creativity variable used in this model can explain the dependent variable.

Table 10
Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 7440 | 1.899 | | 3.919 | .000 |
| | CREATIVITY | .645 | .092 | .633 | 6.983 | .000 |

a. Dependent Variable: COMPETITIVE ADVANTAGE

Table 10 displays unstandardized regression coefficients and standardized coefficients.

The coefficient value of unstandardized regression coefficients on creativity variable is 0.645. The standardized regression coefficients on creativity variable is 0.633.

Creativity variable shows the significant value of 0.000.

The result of the regression equation as presented in Table 10 based on unstandardized coefficients is:

$$\text{Competitive Advantage} = 7440 + 0,645 \text{ Creativity}$$

The result of the regression equation referred to table 10 based on standardized coefficients is:

$$\text{Competitive Advantage} = 0,633 \text{ Creativity}$$

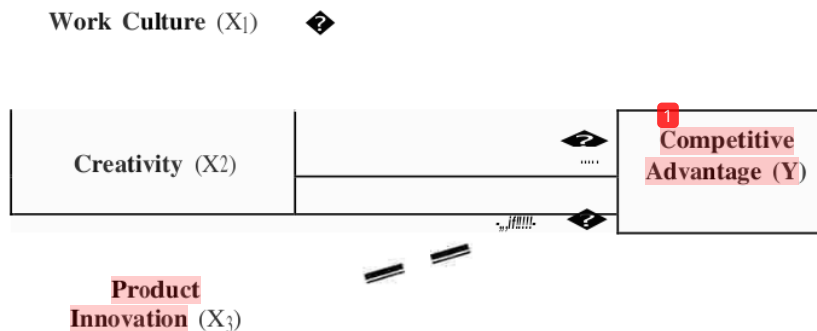
Tabel 11
Test Model Comparison

| Indicators | Old Model | Revised Model |
|--|-----------|---------------|
| The numbers of independent variables | 3 | 1 |
| The numbers of significant independent variables | 1 | 1 |
| R Square | 0,421 | 0,400 |
| Adjusted R Square | 0,397 | 0,392 |
| Std. Error of the Estimate | 1,99843 | 2,00604 |
| F Value | 17,231 | 48,764 |
| Sig. | 0,0000 | 0,0000 |

Table 11 presents us the model with 3 independent variables (old model) according to the researcher's decision is better than the revised model. With 3 variables, the Adjusted R square is 0.397. R square of 3 variable (old model) is greater than R square with one variable. As a result, it can be concluded that the old model is better than the revised model, the same case also happens in F value and Std. Error of the Estimate

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Picture 2



The old model selected by the researcher although it involves two insignificant variables, those give positive influence. The researcher considers that Work culture influences positively yet insignificant because the respondents' educational background whom mostly graduated from Senior High School (52%) and some respondents were only Junior high school or Elementary school graduations. The educational background level of the respondents is predicted as the factor that makes work culture variable insignificant, this case leads to the low ability of respondents to understand the work culture as explained by Robbins and Judge.

Product innovation also gives positive influence but not significant. The results of this research reject Ginanjar Suendro's research. Based on observation on some respondents, it is inferred that (besides educational factor) product innovation is not made based on the needs of process, perception changes, mood, and understanding. Peter F Drucker mentioned that there are seven sources of innovations, those innovation sources are expected to be comprehended by small batik industries in Pamekasan.

d. Hypothesis 4: Work culture and creativity influence to the product innovation

Results are shown in the analysis of variance or ANOVA, it can be interpreted that the work culture variable and creativity variable used in the model both can explain the dependent variable, The positive influence is given by the work culture and creativity toward product innovation. The researcher determined that hypothesis 4 is accepted

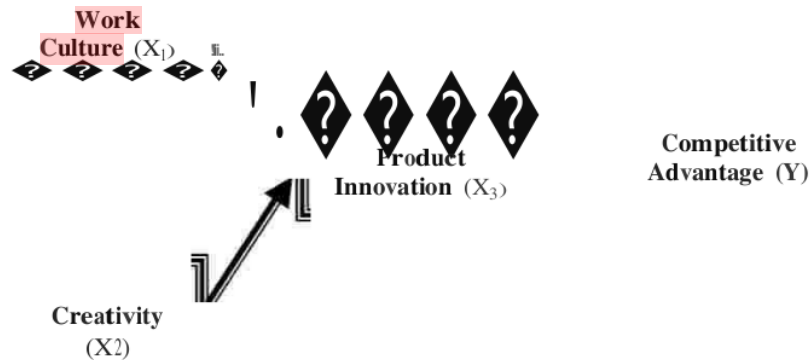
e. Hypothesis 5: Product innovation influences to the competitive advantage

Coefficients table demonstrated regression coefficient values, those are unstandardized coefficient and standardized coefficient. The unstandardized regression coefficient on product innovation variable is 0.626. the value of standardized regression coefficient on product innovation variable is 0.463. It

revealed that product innovation has significant value of 0.000. The researcher determined that hypothesis 5 is accepted.

The two-stage regression in this study offers different models from previous regression.

Gambar. 3



1 CONCLUSION

Based on the results of analysis and discussion, some conclusions are drawn as follow:

1. The influence of work culture, creativity, and innovation toward competitive advantage can be a feasible model with a significance value of 0.000. Supported by a positive regression coefficient value. Partially, only creativity variable that gives positive and significant influence. But, this old model is better than the revised model that excluded work culture variable and product innovation variable.
2. The influence of work culture and creativity toward product innovation can be a feasible model with a significance level of 0.000. It is supported by a positive regression coefficient value. Partially, only creativity variable that has positive and significant influence.
3. The influence of product innovation toward competitive advantage is also able to be a feasible model with a significance value of 0.000. It is supported by the regression coefficient value that is positive and significant.

SUGGESTION

1. Similar research using a similar theme or title, expected to use research with different kind and bigger sample size so that it can give scholarly treasures about the same theme or more broadly titles.
2. The related institution that wants to improve the competitive advantage especially in the batik industry, more prioritized training on human sources, especially in instilling the values of work culture need to be applied. Providing training on the process/ creating innovation on batik production that is able to be absorbed by markets.

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