



## The Effect Of Creativity And Innovation On Competitive Advantage (Case Study On Business Personnel Of Bata Business In The Sub-District Of Pematang Kaseh Perbaungan)

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### ARTICLE INFO

#### Article history:

Received: 04 April 2022

Revised: 10 May 2022

Accepted: 30 May 2022

#### Keywords:

Creativity, Innovation,  
Competitive Advantage

### ABSTRACT

This study aims to determine the effects of creativity and innovation on competitive advantage (a case study on brick business actors in PEMATANG KASEH PERBAUNGAN DISTRICT). The sample used is 70 brick business entrepreneurs in Hinai District. The data collection used is using general information given to respondents. The data is processed using SPSS 20.0 For Windows. The analysis technique used is multiple linear regression using the formula  $Y = a + b_1x_1 + b_2x_2 + e$ . The results of this research are the influence given by creativity to competitive advantage as much as 0.264, and the positive is that the greater the creativity, the greater the interest in using competitive advantage (Y).  $t_{count} = 3,209 > T_{table} = 1,994$  or using comparing the value of  $sig = 0.000 < level\ xss=removed\ xss=removed > T_{table} = 1.994$  or using comparing the value of  $sig = 0.000 < error\ rate\ 5\% = 0.05$  it can be concluded that Innovation to Competitive Advantage. the effect given is positive; the beta value indicates this obtained positive 0.645.

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### 1. Introduction

Business success can be indicated by five things: the number of sales increases, production results increase, profits or profits increase, and business development & growth develop quickly & satisfactorily. Entrepreneurship is experiencing relatively rapid development in various countries. Entrepreneurship does not only play a role in increasing output & per capita income but involves socializing or implementing changes to the business structure and society. Advances in technology and science have contributed to encouraging entrepreneurial practices, which in the end gave rise to many new product and service innovations for consumers. This, of course, opens up new job opportunities and new markets, & in the long term, will be able to shape business growth in various sectors.

Product innovation can be seen as a functional advancement that can take the product one step further than using competing products. Suppose the product has an advantage seen as an added value for consumers. New product innovation and its more effective strategy are often determinants of the success and survival of a company; the discovery of new products requires effort, time, and ability, including the magnitude of the risk and cost of failure. The primary goal based on product discovery is to fulfill market demands resulting from product inventions that can be used as a competitive advantage for the company. Customers usually want innovative products according to their desires. For the company, its product discovery success means it is one step ahead of its competitors. This requires the company's thinking ability to recognize the preferences of its customers so that the findings, in the end, follow customer desires.

The specific brick industry is in Pematang Kaseh Perbaungan District itself. The brick business industry is a business industry that is owned by one person and is run using other people (workers). The measure of business success is being able to put customer satisfaction. The brick business industry in Pematang Kaseh Perbaungan District has existed previously but in large numbers. However, as time goes on and the development of the era continues to grow, the number of brick business industries is increasing until



now. The brick business industry was born according to a human need to have a home, where the brick itself is the primary material in house construction.

Born according to the large unemployment numbers caused by low education levels and lack of job opportunities, as a result of which the creation of a brick business industry, specifically in Pematang Kaseh Perbaungan District, aims to create jobs, boost the people's economy and help the government in program applications development. The more customers who get the product or service offered, the more satisfied they are, which means the tactics implemented have been relatively successful. From the results of the author's pre-research, the reality of the impact of creativity and discovery on competitive advantage in the brick business in Pematang Kaseh Perbaungan District was found. So that in the process of running the brick business industry that requires other people in the application process, then using the brick business industry can create jobs, reduce unemployment, boost the welfare of citizens, and assist the government in carrying out national development.

Therefore, we must maintain a solid commitment to improving the mini-medium business sector. Based on the description above, I am interested in conducting research using the title "The Influence of Creativity & Innovation on Competitive Advantage (Case study in brick business actors in Pematang Kaseh Perbaungan District). Against Competitive Advantage (Study of problems in brick business in Pematang Kaseh Perbaungan District).

The limitations of the problem in this study in terms of the following include is there an influence of creativity on competitive advantage in the brick business actors in Pematang Kaseh Perbaungan District? and is any influence of discovery on competitive advantage in brick business actors in Pematang Kaseh Perbaungan District? The objectives based on this research are to determine the effect of creativity on competitive advantage in the brick business in Pematang Kaseh Perbaungan District. This study aims to determine the effect of the invention on competitive advantage in the brick business in Pematang Kaseh Perbaungan District.

## 2. Method

The author used the data analysis method to analyze the existing cases and descriptive and quantitative data analysis methods to find out "The Effect of Creativity and Innovation on Competitive Advantage in PEMATANG KASEH PERBAUNGAN DISTRICT. This research was conducted in the brick business industry, especially in the PEMATANG KASEH PERBAUNGAN DISTRICT. The objects based on this research are all the brick business industry players in the PEMATANG KASEH PERBAUNGAN DISTRICT. The research time starts in December 2021 and until using August 2022. The population is all brick business entrepreneurs in the Hinai District of 70 people. The researchers reached out to 70 brick business entrepreneurs in Hinai District in this study. Data collection technique is the accuracy of the methods used to collect data that can be done in various settings, sources, and methods. Data analysis techniques are activities in data analysis, including data grouping, data tabulation, and performing calculations to answer case formulations and hypotheses that have been proposed using variables and respondents.

## 3. Results and Discussion

### Descriptive Characteristics of Respondents

Characteristics of respondents using a description of the respondent's identity from the research sample that has been determined. One of the objectives of the description of the characteristics of the respondents is to put the image as a sample in the study. In the sample study, the characteristics of the respondents are grouped by gender, age, and education level.

TABLE 1.  
CHARACTERISTICS OF RESPONDENTS BY GENDER

No.	Gender	Total (persons)	Percentage (%)
1	Male	44	62.9%
2	Female	26	37.1%
<b>Total</b>		<b>70</b>	<b>100</b>

Source BPS Hinai District, 2021



In table 1 above, the number of male respondents is 44 people or 62.9 %, while female respondents were 26 or 37.1% of the total respondents. The results of the description above indicate that the research respondents for brick entrepreneurs in Hinai District are primarily male, namely 44 people or 62.9%.

TABLE 2.  
CHARACTERISTICS OF RESPONDENTS BY AGE

No.	Age	Total (persons)	Percentage (%)
1	< 30 years	15	21.4
2	30-38 years	22	31.4
3	>38 years	33	47.2
<b>Total</b>		70	100

Source BPS Hinai District, 2021

Table 4.2 above shows that the business owner of Micro, Small, and Medium (MSME) Handicrafts aged between < 30 years as many as 15 people or 21.4% of 70 respondents. There were 22 people aged 30-38 or 31.4% of the 70 respondents. Age over 38 years amounted to 33 people or 47.2%. From these data, it can be concluded that the average business owner is still in the productive age, between the ages of > 38.

#### Description of Respondents' Answers to Variables

To determine the extent of the influence of Creativity and Innovation on Competitive Advantage in Brick Business Actors in PEMATANG KASEH PERBAUNGAN DISTRICT, it can be seen from respondents' responses to the statements given.

1. Respondents' answers to the Creativity variable (X1)

TABLE 3.  
I FEEL ALWAYS CURIOUS TO KNOW NEW THINGS THAT I DON'T KNOW

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	16	23
2.	Agree	53	76
3.	Moderately Agree	1	1
4.	Disagree	-	-
5.	Strongly Disagree	-	-
<b>Total</b>		<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table five 16 above explains people or 23% stated the answer strongly agreed, 53 people or 76% stated the answer agreed, 1 person or 1% stated relatively agree. This means that most of the respondents feel confident using things that new do n't I know, respondents mostly answered agree.

TABLE 4.  
I MUST ALWAYS BE OPTIMISTIC IN MAKING DECISIONS IN RUNNING A BUSINESS

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	28	40
2.	Agree	42	60
3.	Moderately Agree	-	-
4.	Disagree	-	-
5.	Strongly Disagree	-	-
<b>Total</b>		<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 4. above, a sign that 28 people or 34% stated the answer strongly agreed, 42 people or 60% stated the answer agreed. This means that most confident of the respondents feel that I must always be optimistic about make decisions on running a business, more respondents answered agree.

TABLE 5.  
I MUST BE ABLE TO ADAPT (FLEXIBLY) IN BUSINESS COMPETITION

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	13	19
2.	Agree	56	80
3.	Moderately Agree	1	1
4.	Disagree	-	-
5.	Strongly Disagree	-	-
	<b>Total</b>	<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 7 above, it shows that 13 people or 19% gave the answer strongly agree, 56 people or 80% stated the answer agreed, 1 person or 1% stated quite agree. This means that most of the respondents feel confident by adapting (flexibly) in business competition, more respondents answered agree.

TABLE 6.  
I WILL ALWAYS LOOK FOR A SOLUTION TO EVERY PROBLEM THAT EXISTS

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	17	24
2.	Agree	53	76
3.	Moderately Agree	-	-
4.	Disagree	-	-
5.	Strongly Disagree	-	-
	<b>Total</b>	<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 8 above, it shows that 17 people or 24% stated the answer strongly agreed, 53 people or 76% stated the answer agreed. This means that most of the respondents feel confident by finding a solution to every problem that exists, more respondents answered agree.

TABLE 7.  
I LIKE TO IMAGINE TO CREATE A NEW THING

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	19	17
2.	Agree	51	73
3.	Moderately Agree	-	-
4.	Disagree	-	-
5.	Strongly Disagree	-	-
	<b>Total</b>	<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 9 above, it shows that 19 people or 17% stated the answer strongly agreed, 51 people or 73% stated the answer agreed. This means that most of the respondents feel confident by imagining to create a new thing, more respondents answered agree.

TABLE 8.  
I WILL ALWAYS KEEP THE ENVIRONMENT ORIGINAL

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	21	30



2.	Agree	49	70
3.	Moderately Agree	-	-
4.	Disagree	-	-
5.	Strongly Disagree	-	-
<b>Total</b>		<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 10 above, it shows that 21 people or 30% stated the answer strongly agreed, 49 people or 70% stated the answer agreed. This means that most of the respondents feel confident by always maintaining the originality of the environment, more respondents answered agree.

TABLE 9.

I WILL ALWAYS BE ENTHUSIASTIC AND NEVER GIVE UP IN THE FACE OF ANY PROBLEM

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	15	21
2.	Agree	51	73
3.	Moderately Agree	4	6
4.	Disagree	-	-
5.	Strongly Disagree	-	-
<b>Total</b>		<b>70</b>	<b>100</b>

Based on Table 11 above, it shows that 15 people or 21% stated the answer strongly agree, 51 people or 73% stated the answer agrees, 4 people or 6% stated quite agree. This means that most of the respondents feel confident by always being enthusiastic and never giving up in the face of any problem, most of the respondents answered agree.

TABLE 10.

I WILL CREATE NEW THINGS TO SATISFY MY CURIOSITY

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	13	19
2.	Agree	56	80
3.	Moderately Agree	1	1
4.	Disagree	-	-
5.	Strongly Disagree	-	-
<b>Total</b>		<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 12 above, it shows that 13 people or 19% stated that the answer strongly agreed, 56 people or 80% stated the answer agreed, 1 person or 1% stated quite agree. This means that most respondents feel confident by creating new things to fulfill my curiosity, more respondents answered agree.

## 2. Innovation (X2)

TABLE 11.

I WILL ALWAYS MAINTAIN THE QUALITY OF BRICK PRODUCTS IN ORDER TO MAINTAIN CONSUMER CONFIDENCE

No.	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	15	21
2.	Agree	55	79
3.	Moderately Agree	-	-
4.	Disagree	-	-
5.	Strongly Disagree	-	-
<b>Total</b>		<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 13 above, it shows that 15 people or 21% stated the answer strongly agrees, 55 people or 79% stated the answer agrees. This means that most respondents feel confident by always maintaining the quality of brick products in order to maintain consumer trust, more respondents answered agree.

**3. Competitive Advantage (X3)**

TABLE 12.

I WILL GIVE THE ADVANTAGE OF THE PRODUCT BY TAKING INTO ACCOUNT THE UNIQUENESS OF THE PRODUCT

No	Alternative Answer	Sample (person)	Percentage (%)
1.	Strongly Agree	16	23
2.	Agree	54	77
3.	Moderately Agree	-	-
4.	Disagree	-	-
5.	Strongly Disagree	-	-
<b>Total</b>		<b>70</b>	<b>100</b>

Source: Research Results, 2021.

Based on Table 17 above, it shows that 16 people or 23% stated the answer strongly agreed, 54 people or 77% stated the answer agreed. This means that most of the respondents feel confident by providing product advantages by paying attention to the uniqueness of the product, more respondents answered agree.

**Validity and Reliability Test**

**a. Creativity Test Validity (X1)**

If the coefficient between the items and the total items is the same or above 0.2 - 0.3, then the item is declared valid. However, if the correlation value is stated below 0.2, then the correlation value is declared invalid. A validity test is conducted to measure whether the data that has been obtained after the research is valid data with the measuring instrument used (questionnaire). The validity test results were assisted by using the SPSS computer program so that the following results were obtained.

TABLE 13.

VALIDITY TEST RESULTS VARIABLE CREATIVITY LEVEL (X1)

No	r table	r count	Results
1	0,235	0,625	Valid
2	0,235	0,336	Valid
3	0,235	0,522	Valid
4	0,235	0,366	Valid
5	0,235	0,374	Valid
6	0,235	0,471	Valid
7	0,235	0,673	Valid
8	0,235	0,409	Valid

Based on table 19 it shows that all questions on the Creativity variable are declared valid, this is evidenced by the obtained value of the correlation coefficient ( $r_{count}$ ) > 0.235. The value of 0.235 was obtained from the value of  $r_{table}$  with N = 70.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.770	8

Reliability calculations were carried out with the help of SPSS computer program. Test the reliability of the Creativity variable using *Cronbach Alpha*, while the results of the r alpha on the Creativity variable were obtained at 0.770; These results indicate that the Creativity variable is said to be reliable, because r alpha > 0.60.



**b. Innovation Validity Test (X2)**

If the coefficient between the items and the total items is the same or above 0.2 - 0.3, then the item is declared valid. However, if the correlation value is stated below 0.2, then the correlation value is declared invalid. A validity test is conducted to measure whether the data that has been obtained after the research is valid data with the measuring instrument used (questionnaire). The validity test results are assisted by using the SPSS computer program so that the following results are obtained.

TABLE 14.

VALIDITY TEST RESULTS INNOVATION VARIABLES (X2)			
No	r table	r count	Results
1	0.235	0.494	Valid
2	0.235	0.273	Valid
3	0.235	0.539	Valid
4	0.235	0.554	Valid

Source: Results Research, 2021.

Based on table 20 it shows that all questions on the Innovation variable are declared valid, this is evidenced by the correlation coefficient value ( $r_{count}$ ) > 0.235. The value of 0.235 was obtained from the value of  $r_{table}$  with  $N = 70$

**Reliability Statistics**

Cronbach's Alpha	N of Items
.672	8

Reliability calculations were carried out with the help of SPSS computer program. The reliability test of the Innovation variable used *Cronbach Alpha*, while the results of the r alpha on the Innovation variable were obtained at 0.672; These results indicate that the Innovation variable is said to be reliable, because  $r_{alpha} > 0.60$ .

**c. Competitive Advantage (Y)**

If the coefficient between the items and the total items is the same or above 0.2 - 0.3, then the item is declared valid. However, if the correlation value is stated below 0.2, then the correlation value is declared invalid. A validity test is conducted to measure whether the data that has been obtained after the research is valid data with the measuring instrument used (questionnaire). The validity test results were assisted by using the SPSS computer program so that the following results were obtained.

TABLE 15

VALIDITY TEST RESULTS COMPETITIVE ADVANTAGE VARIABLE (Y)			
No.	r table	r count	Results
1	0.235	0.603	Valid
2	0.235	0.453	Valid
3	0.235	0.467	Valid
4	0.235	0.554	Valid
5	0.235	0.549	Valid
6	0.235	0.456	Valid
7	0.235	0.664	Valid
8	0.235	0.508	Valid
9	0.235	0.384	Valid

Based on table 4.28 it shows that all the questions on the Competitive Advantage variable are declared valid, this is evidenced by the obtained value of the correlation coefficient ( $r_{count}$ ) > 0.235. The value of 0.235 was obtained from the value of  $r_{table}$  with  $N = 70$ .

**Reliability Statistics**

Cronbach's Alpha	N of Items
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Reliability calculations were carried out using donation event personal computer SPSS. The reliability of the Competitive Advantage variable using Cronbach Alpha, while the output of r alpha in the Competitive Advantage variable was obtained as much as 0.808; output just now shows that the Competitive Advantage variable is said to be reliable because  $r\ \alpha > 0.60$ . Classical Assumption Test The estimate classical is a test estimation statistical that must be met in multiple linear regression analysis. Test approximation Classical required to find out if output estimates regression carried out completely were independent the based on the presence of signs of normality, multicollinearity, and heteroscedasticity.

**Normality Test**

**a. Kolmogorov Smirnov**

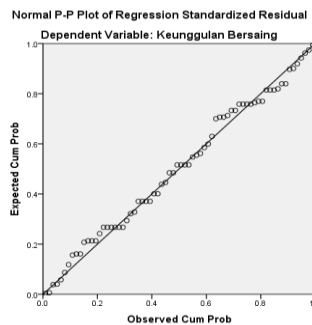
The Kolmogorov Smirnov is a normality test that uses graphs and compares the data distribution to be tested for normality using the usual distribution standard. Normal distribution Standard is data that has been transformed into & a Z-Score form assumed norm.

**TABLE 16.**  
**ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST**

		Creativity	Innovation	Competitive Advantage	Studentized Deleted Residual
N		70	70	70	70
Normal Parameters <sup>a,b</sup>	Mean	33.9286	16.8000	38.1286	-.0005513
	Std. Deviation	2.24139	1.02999	1.92558	1.03560687
Most Extreme Differences	Absolute	.202	.210	.198	.071
	Positive	.202	.210	.198	.066
	Negative	-.138	-.148	-.093	-.071
Kolmogorov-Smirnov Z		1.686	1.756	Asymp	1.657 .592
. Sig. (2-tailed)		.874	a	.004 .008	.007
Test distribution is Normal.					
b. Calculated from data.					

Source: SPSS Management Results, 2021

Interpretation of the data obtained if the value of Asymp.Sig (2-tailed) is above 0.05, then the data distribution is declared to meet the assumption of normality, and if the value is below 0.05 it is interpreted as abnormal. Based on table 4.25 above, the Asymp.Sig (2-tailed) value of 0.537 > 0.05 is normal. Based on the Normal P-Plot Regression Standardized display, it can be seen that the points spread around the diagonal line. Therefore, based on the normality test, regression analysis is feasible even though there are a few plots that deviate from the diagonal line.



**Figure 1.** Standardized PP Plot Regression Normal Test Results

Source: SPSS Management Results, 2021





**b. Multicollinearity**

Test The multicollinearity test aims to test whether in the regression method formed there is a high or perfect correlation between the independent variables or not. If in the regression model that is formed there is a high or perfect correlation between the independent variables, the regression model is declared to contain symptoms of multicollinearity.

**TABLE 17**  
**MULTICOLLINEARITY ASSUMPTION TEST RESULTS**

Model		Coefficients <sup>a</sup>	
		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Creativity	.790	1,266
	Innovation	.790	1,266

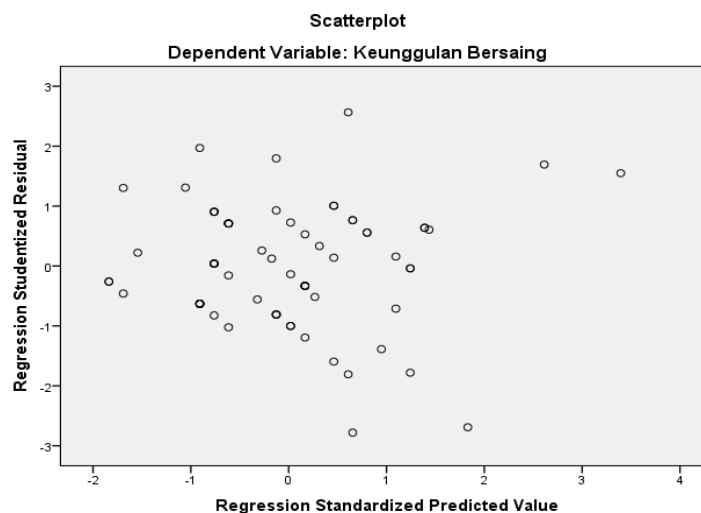
a . Dependent Variable: Competitive Advantage

Source: SPSS Management Results, 2020

Based on table 17 Coefficients, it can be seen that the Tolerance value for creativity and innovation variables is 0.790, while the VIF (Variance In floating Factor) variable Salary and Incentives is 1.266. In this case, the tolerance and VIF values of the two variables are the same. By looking at the VIF (Variance In floating Factor), the creativity and innovation variable of 2.021 is more petite than ten, and the Tolerance value is above 0.1. The regression model that is formed does not occur multicollinearity symptoms.

**c. Heteroscedasticity Test Heteroscedasticity**

This means that a variable variance in the regression model is not the same (constant). On the other hand, if the variable variance in the regression model has the same value (constant), it is called homoscedasticity. Based on the scatterplot, it spreads randomly, and there is no heteroscedasticity symptom in the model.



**Figure 2.** Heteroscedasticity Assumption Test Results Scatterplot

Source: Management Results, 2021

**d. Multiple Linear Regression Analysis**

The study used multiple linear regression to determine the effect of the independent variables on the dependent variable. Researchers used the help of the SPSS for windows to provide more focused results. The multiple linear regression equation used is as follows:

$$Y = a + b_1X_1 + b_2X_2$$

The results of the multiple linear regression calculation obtained using the SPSS *for windows* can be seen in the following table:

**TABLE 18.**  
**COEFFICIENTS**  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,180	2,602		3,912	.000
	Creativity	.227	.071	3.209	.264	.002
	Innovation	1,205	.645	7,835,000	.154	a

. Dependent Variable: Competitive Advantage

Source: Research questionnaire data processing, 2021

In table 18 above shows that the calculation obtained constant values (a) 10.180, b<sub>1</sub> of 0.227 and b<sub>2</sub> of 1.205, so that the multiple linear regression equation  $Y = 10.180 + 0.227 X_1 + 1,205 X_2 + e$ , where Creativity and Innovation have a significant influence on the Competitive Advantage variable. This can be seen from the following information:

- The constant value (a) of 10.180 indicates that the existence of creativity and innovation variables affects competitive advantage.
- (X<sub>1</sub>) is 0.227, indicating that the Creativity variable has a positive and significant effect on the Competitive Advantage and Innovation variable.

The t-test is used to determine whether partially Creativity (X<sub>1</sub>) and Innovation (X<sub>2</sub>) on Competitive Advantage in the Bricks Business. The hypothesis model used is:

- H<sub>0</sub>: b<sub>1</sub> = 0, meaning that partial there is no positive influence and significance of the independent variables Creativity (X<sub>1</sub>) and Innovation (X<sub>2</sub>) on Competitive Advantage as the dependent variable (Y).
- H<sub>a</sub>: b<sub>1</sub> 0, meaning that partial there is a positive and significant effect of the variable Creativity (X<sub>1</sub>) and Innovation (X<sub>2</sub>) on Competitive Advantage as the dependent variable (Y).

Decision criteria:

- H<sub>0</sub> is rejected if  $t_{count} < t_{table}$  at = 5%
- H<sub>a</sub> is accepted if  $t_{arithmetic} > t_{table}$  at = 5%

**TABLE 19**  
**TTEST (PARTIAL)**  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,180	2,602		3,912	.000
	Creativity	.227	.071	3.209	.264	.002
	Innovation	1,205	.645	7,835,000	.154	a

Dependent Variable: Competitive Advantage

Source: Research questionnaire data processing, 2021

Results of the t-test in this regression are used to determine the partial effect between each independent variable on the dependent variable. The influence on competitive advantage is 0.264 & positive; the greater creativity, the greater interest in using Competitive Advantage (Y).  $t_{count}$  in = 3,209 > T table = 1,994 or by comparing the value of sig = 0.000 < level xss=removed xss=removed> T table = 1.994 or using comparing the value of sig = 0.000 < rate = 0.05, it can be concluded that Innovation to Competitive Advantage. the influence given is positive; this is indicated by the beta value that obtained positive 0.645. F Test (Simultaneous).



**TABLE 20.**  
**F TEST (SIMULTANEOUS)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	164,137	2	82,069	59,959	000 <sup>b</sup>
	Residual	91,705	67	1,369		
	Total	255,843	69			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Innovation, Creativity

Source: Research questionnaire data processing, 2021

Based on Table 20 results of the F test, the F-count value is 59,959 > F-table 3,290, then Ha is accepted because of F-count > F-table. Thus, it can be concluded that simultaneously Creativity & Innovation (independent variable) has a significant effect on Competitive Advantage in business Brick is used to measure how far the ability of the example shows the variance of the independent variable or its predictor. The range of values according to R2 is 0-1. 0 R2 1 is getting closer to zero means example bad or variance example on mention is very limited otherwise the closer to one example the better.

**TABLE 21.**  
**TEST OF R SQUARE (R2)**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
a	1.801 <sup>.631</sup>	.642	1.16993	2.377	a

. Predictors: (Constant), Innovation, Creativity

b. Dependent Variable: Competitive Advantage

Source: Research questionnaire data processing, 2021

R2 value Is the relationship between all independent variables on the dependent variable—a great relationship which obtained as many as 0.601 and fell into the relationship high category. The value of R2 is the magnitude impact of the practical contribution between all independent variables on the dependent variable. The magnitude of R2 obtained at 0.642 is as much as 64.2% of the independent variables' impact on the dependent variable, while the remaining 35.8% was determined as the other factor. The adjusted R2 value is the magnitude impact of the practical contribution already customized using the standard deviation. This effect is commonly used if the independent variable is more based on one because the amount of adjusted R2 affects the increasing number of independent variables. The amount of adjusted R2 that obtained 0.631 is 63.1% independent variables contribute to the impact which is effective on the dependent variable while the remaining 36.9% is determined by the factor other.

## Discussion

### a. The Effect of Creativity (X1) on Competitive Advantage (Y)

According to Iskandar (2016: 64), "Creativity is a significant capital for an entrepreneur. As an entrepreneur, you will certainly face a tight competition field. That is why you must be creative and not lose your mind easily. Without creativity, you are stuck with the constraint." According to Saiman (2014: 124), "Competitive Advantage is a benefit that exists when a company owns & forms a product & or service that is reviewed based on its target market better than using the closest commentators." Based on the impact of Creativity (X1) on the Competitive Advantage (Y) t-test, it is known that the output obtained based on Creativity (X1) has a value of 3,209 > T table = 1,994, which is a positive and significant effect on Competitive Advantage (Y). From the output of previous research, creativity is the ability of a person to form something new, either in the form of concrete works or ideas; creativity is to spread new inspirations and find new ways to solve problems in the face of opportunities.

### b. The Effect of Innovation (X2) on Competitive Advantage (Y)

According to Avanti Vontana in Ardiansyah (2015: 20), "Innovation is an economic and social success thanks to the introduction of new methods or new combinations of old ways of transforming inputs as outcomes that form major changes in the interaction between use-value and the price offered to consumers. Alternatively, users, community, society & environment". According to Saiman (2014: 124), "Competitive Advantage is a benefit that exists when a company owns & forms a product & or service that is reviewed according to its target market better than using the closest commentators." Based on the t-test, it is known that the results obtained according to Innovation (X2) the Innovation variable (X2) has a value of  $t = 7.835 > T_{table} = 1.994$ , which has a positive effect on Competitive Advantage (Y). From the results of previous research, rapid technological advances and high levels of competition require every business to continue to make discoveries that will ultimately increase its competitive advantage of the company.

#### c. Effect of Creativity and Innovation on Competitive Advantage

According to Iskandar (2016:64), "Creativity is a significant capital for an entrepreneur. As an entrepreneur, you will certainly face a tight competition field. That is why you must be creative and not lose your mind easily. Without creativity, you are stuck with the constraint." According to Avanti Vontana in Ardiansyah (2015: 20), "Innovation is an economic and social success thanks to the introduction of new methods or new combinations based on outdated methods of transforming inputs as a result that creates a major change in the interaction between use-value and the price offered to consumers. Alternatively, users, community, society & environment". According to Saiman (2014: 124), "Competitive Advantage is a benefit that exists when a company owns & makes a product & or service that is viewed based on its target market as better than using the closest commentators." Based on the results of the F test, the Fcount value is  $59,959 > F_{table} 3,290$ , then  $H_a$  is accepted because of  $F_{count} > F_{table}$ . Thus it can be concluded that simultaneously Creativity & Innovation (independent variables) significantly affect Competitive Advantage in the brick business of the Hinai District.

#### 4. Conclusion

This study aims to determine the effect of creativity and innovation on competitive advantage in PEMATANG KASEH PERBAUNGAN DISTRICT. From the formulation of the case submitted and from the data analysis carried out in the data analysis and discussion that has been stated in the previous chapter, it can be concluded that the following conclusions can be drawn. "The influence given by Creativity to Competitive Advantage is 0.264, and positive is the greater the Creativity, the greater the interest in using Competitive Advantage (Y).  $t_{count} = 3.209 > T_{table} = 1.994$  or by comparing the value of  $sig = 0.000 < level\ xss=removed\ xss=removed > T_{table} = 1.994$  or by comparing the value of  $sig = 0.000 < error\ rate\ 5\% = 0.05$ , it can be concluded that Innovation to Competitive Advantage. The positive effect is indicated by the positive beta value obtained of 0.645. Based on the facts of the conclusion above, the author will put some valuable suggestions as follows, and it is hoped that the stone business will put discoveries in its employees; increasing creativity is the primary thing for businesses so that consumers do not get bored. In addition, there is also a need for supervision in manufacturing new methods so that they are not negligent in their work.

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