

INNOVATION AS THE KEY TO SUCCESSFUL MUSLIM WOMEN ENTREPRENEURS

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ABSTRACT: Muslim women can run their businesses to support the family economy and the country's economy. This study aims to determine the effect of Knowledge Sharing and Social Capital on Innovation and Business Performance. The population in this study is Muslim women as owners of SMEs in Indonesia. Three hundred seventeen respondents were selected using specific criteria. The data was obtained by using a questionnaire – data analysis using PLS-SEM. The results showed that Knowledge Sharing and Social Capital affected Innovation and Business Performance. Besides that, innovation can be a mediator of Knowledge Sharing and Social Capital influencing business.

Keywords: Knowledge Sharing; Social Capital; Innovation; Business Performance; Muslim Women; Entrepreneurs

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INTRODUCTION

Women have been in business for a long time. The business world is challenging, competitive, and risky, but women believe they can run their businesses. The majority of successful entrepreneurs are men, but many women are successful in running their businesses. Islam regulates all human activities, including activities with others, by limiting what they can and cannot do. For *Shariah's* business, the transactions performed must be based on *Shariah*. All existing laws and regulations are in place to get the business people to obtain halal income, be blessed by Allah SWT, and achieve a fair welfare distribution. Therefore, the ethics or rules associated with *Shariah* business also play an essential role in the *Shariah*-based industry.

Business means *Tijarah* in the Qur'an. This is not only material in nature or mere for material gains but is also immaterial. This business includes the person-to-person relationship and the person-to-person relationship with Allah's SWT. The Islamic view that Muslim women do business offers very positive value and motivates enthusiasm for Muslim women to run business. The position of women's privileges in business is secular and provides a proud part for Islamic women who work hard to support their families (Permatasari & Nafik, 2015).

In Islamic history, a successful Islamic woman is exemplified by Rasulullah's wife, Siti Khadijah. She was a businesswoman and was the perfect role model for all Islamic women worldwide, motivating Muslim women to run their businesses and succeed (Ziyad, 2013). A successful enterprise for Muslim women is to use innovation as an entrepreneurial challenge, opportunity to achieve entrepreneurial sustainability, and competitive advantage (Efawati, 2020). Innovation is an essential element that must exist in business practices. The innovation process begins from the generation of ideas to the implementation by individuals and a group so that all company or organization members show innovative behavior. And we need psychological support. Innovation is known as converting knowledge from a group of individuals or corporate members from a production process to a product on the market (Hassan & Raziq, 2019).

Knowledge is necessary as intellectual capital for entrepreneurs to achieve their business goals. Trivellas et al. (2015) showed that a knowledge-sharing culture could develop new general skills for individuals and hone existing skills. Such knowledge exchange needs to address the information and knowledge needs of employees' Social Capital facilitates the swap and combination of knowledge from one party to another within a company. Hsiao et al. (2011) define social capital as "an important resource for individuals and can strongly impact their ability to act and quality of life." Muslim woman entrepreneurs who participate in the woman entrepreneurial community share knowledge and social capital women share their experience of running a company. This knowledge exchange creates innovation and creativity for women and improves the company's performance. The use of social capital plays a significant role in improving business performance.

Previous studies applied to large corporations on knowledge Sharing on Innovation capability have shown that knowledge collecting and knowledge

donating impact innovation capability significantly (Lin, 2007). The knowledge sharing between members of an organization tends to lead to new ideas for the development of process and product innovations (Mehrabani & Hassanpouraghdam, 2012). Knowledge collecting significantly affects product and process innovation (Alhuseini & Elbeltagi, 2013). ICT-based knowledge collecting does not impact innovations that generate new ideas (Saenz, 2012).

However, the research results on the effect of Social Capital on business performance show a variety of influences. Hartono, Soegianto, and Hendarwati (2013) also indicate that social capital does not affect performance. Consistent with Hartono, a survey by Winarni (2011) shows a weak link between Social Capital and performance. Meanwhile, according to a study by Khoirini and Kartika (2016), Social Capital has a positive impact on the performance of small businesses.

In this study, it was applied to another object, the SME run by a Muslim woman entrepreneur. Therefore, this study is essential as it can provide employment for Muslim women, increase people's income and increase SME products with local wisdom. With all the restrictions, Muslim woman entrepreneurs need to improve their innovative capabilities through knowledge sharing and create a resilient and robust SME with a competitive advantage.

THEORETICAL REVIEW

Business Performance

The success of their business performance usually measures entrepreneurial performance. According to Bernardin dan Russel (1993:379), it is a record of revenues generated from the function of a particular job or activity over a certain period. Therefore, performance in terms of work done by employees over a while. In this case, implementation refers to the quantity and quality of service provided. Byars (1984:311) states that performance results from efforts achieved by the presence of skills and actions in certain situations. Alternatively, performance results from a relationship between struggle, ability, and task performance.

One of the pillars of business performance is marketing performance. This means that good marketing performance produces good performance. Marketing performance is a commonly used factor in measuring the impact of strategies companies implement to achieve good marketing and financial performance (Ferdinant & Fitriani, 2015). Business performance measures marketing performance in terms of financial results, consumer behavior, competitive markets, consumer attitudes, and customer (O'sullivan & Abela, 2007). According to O'sullivan and Abela (2007), top management's measurement of marketing performance is financial results (financial), competitive market, consumer behavior, consumer attitude, and direct customer, presented to improve marketing performance and increase marketing influence within the company. Marketing performance is a fundamental element in adopting and practicing performance management. The marketing organization

uses the performance management required to ensure that the marketing organization matches the organization's results and measures the progress of activities towards these goals to improve performance and business impact (Patterson & Koller, 2011). The company's performance is the result of the company's goals achieved through the effectiveness of the applied strategies and methods Fairoz et al. (2010) and Chung et al. (2012) describe the company's performance such as profit, sales growth, product quality and service of new products that are successful in the market and ROI. Business development is expected to improve due to increased sales and customers compared to the previous year.

Knowledge Sharing

Knowledge is an organized collection of information about areas that are already understood. Knowledge can be shared with members to create corporate value and double knowledge (Tsai & Liao, 2014). Knowledge management is defined as creating, acquiring, capturing, sharing, and using knowledge to improve learning and organizational performance (Scarborough, Swan, & Preston, 1999). Sharing has been adopted from "Toward a Knowledge-Based Theory" (Pangil & Chan, 2014): Tacit Knowledge and Explicit Knowledge. According to Nonaka (1991), Tacit Knowledge is the knowledge that is not easily seen and expressed, is very personal, difficult to formulate and codify, and is stored in the human brain, making it difficult to communicate and share with others. Tacit knowledge is the most critical knowledge for creativity and innovation. Explicit knowledge can be expressed in words and numbers and can be easily conveyed in various forms. The change from tacit knowledge to detailed knowledge is to form an organizational culture of knowledge sharing among all organization members. According to Tobing (2007:9), knowledge sharing is the stage of disseminating and providing knowledge at the right time for employees in need.

According to Akhavan and Hosseini (2016), knowledge exchange is an individual relationship that enrolls in a community where individuals interact through virtual or personal spaces, groups, and forums and share knowledge with others. In addition to maximizing learning, exchanging knowledge can also allow studying knowledge to acquire or create new knowledge. Knowledge exchange is considered a crucial process in knowledge management. Knowledge sharing is using an individual's ability to expand an organization's knowledge, and this knowledge transfer process is reciprocal. According to Akram et al. (2016), knowledge exchange can be described as contributing to an organization's knowledge base by enriching existing knowledge. It is also seen as a strategy that promotes increased productivity, improves competitor performance, minimizes employee turnover, improves talent, and increases innovation and creativity (Razaka et al., 2016). Knowledge management refers to how an organization processes knowledge at different stages of life within an organization. There are four main processes: knowledge discovery, knowledge acquisition, knowledge sharing, and knowledge application (Bacera, Fernandez, & Sabherwal, 2010).

Knowledge sharing activities include sharing experience and knowledge that helps individuals solve work problems based on their previous experience. Knowledge-sharing activities are typically performed among employees or colleagues, including sharing experiences and expertise that help employees or individuals solve work or organizational problems based on their experience. Better or more frequent knowledge exchanges affect the performance of individuals and organizations (Soenjoto, 2016). Increased knowledge-sharing activities impact personal performance improvements (Wenning, 2016). Aulia (2016) shows a positive relationship between knowledge sharing and team member performance, and knowledge sharing has a significant impact on performance. Simultaneous exchange of knowledge not only affects the skills and abilities of individuals and organizations but can also strengthen the intellectual capital of organizations in the areas of human and organizational capital (Shahin et al., 2014)

H1: Knowledge sharing affects Business performance

Social Capital

Social capital is now widely used by scholars and practitioners in various studies. Social capital exists primarily as an alternative to other modalities such as economic capital, cultural capital, and human capital. Social capital in social obligations is institutionalized by everyday lives, roles, authorities, responsibilities, reward systems, and other bonds that lead to collective action. Social capital is a relationship created from social norms that are social glues, that is, the creation of unity between group members. Social capital arises from the interaction of people within a community.

Bourdieu (1986) was the first to study social capital and argued that to understand the structure and functioning of the social world, it is necessary to discuss money in all its forms. It is not enough to only discuss capital as it is known in economic theory. It is also essential to know the conditions of transactions that, in economic theory, are considered non-economic because they cannot directly maximize material profits. Every transaction of financial capital is always accompanied by immaterial capital in the form of cultural and social capital.

The measurement of social capital can be recognized in the interactions of both individuals and institutions, such as building and maintaining trust among members of the community. According to Coleman (1999), social capital is the ability of people to work together in different groups and organizations to achieve common goals. In addition, social capital is viewed in terms of functionality, which is not a single entity but is made up of different entities that share two general characteristics. That is, (1) all of them consist of several aspects of the social structure, and (2) the entities facilitate the actions of the individuals within the structure.

According to Field (2010:26), social capital is a relationship created and linked by trust and mutual understanding. A shared value that binds group members to enable efficient and effective collaboration. According to Eklinder-

Frick, Eriksson, and Hallén (2014), social capital enables people to act together to achieve their goals. It describes social relationships as a by-product of networks, norms, and trust. The term is an intangible asset that affects the level of cooperation. The structural aspects of social capital relate to the general structure of relationships, the relational aspects of social capital relate to the nature of relationships, and the cognitive aspects of social capital relate to language and universal perspectives in networks (Chang & Chuang, 2011). The company's business performance relies heavily on internal and external social capital owned and developed (Ferdinand & Fitriani, 2015). In addition, social capital has a positive impact on business performance, and the better social capital is, the better it is (Andriani, 2012). Meanwhile, according to a survey by Khoirrini and Kartika (2016), social capital has a positive impact on the performance of SMEs. The results of the study by Astuti, Supanto, and Supriadi (2019); and Khoironi and Saskara (2017) show that social capital has a positive effect on marketing performance.

H2: Social Capital affects Business performance

Innovation

Innovation is a critical success factor for a company to achieve a long-term competitive advantage. Innovation is an essential element that must exist in business practices. Innovation is an idea that is defined as a knowledge base to create something useful, modified, or invented to evolve from the business (Afriyie, Melyoki, & Nchimbi, 2020). Innovation can be defined as the ability of a company to deliver new things better and compete in new or old markets.

The innovation process begins with individuals and groups, from idea generation to implementation. Social and psychological support is needed to ensure that all company or organization members show innovative behavior (Amabel, 2012). Innovation is known as converting knowledge from a production process to a product on the market by an individual or a group of corporate members (Hassan & Raziq, 2019). In addition, Robbins (2018) focuses on three key points in implementing innovation. In other words, the way of thinking when observing the phenomenon, new ideas from thoughts, ideas, systems, and conclusions of views. Innovation can be defined as the ability of a company to do new things better and compete in new or old markets. There is no provision on how SMEs innovation measures innovation itself based on a subjective comparison of SMEs, such as the presence of new products and services faster than others (Afriyie et al., 2020).

Knowledge exchange activities are closely linked to improving an individual's ability to innovate. Skill or ability in innovation is the ability to adapt, integrate, and reconstruct all skills, functional abilities, and resources. Sharing explicit and tacit knowledge has a significant impact on the speed and quality of innovation (Zohoori & Omid, 2013). This core presents by exchanging information and expertise (Andre, Ratna, & Haris, 2015).

H3: Knowledge sharing affects innovation

Social capital focuses on networks, the norms that govern relationships between individuals, mutual trust, and collaborative networks. Cooperative networks enable communication and interaction, growing mutual trust and strengthening cooperation. There are always interactions, communication networks, information, and innovations between individuals, groups, or other institutions in the adoption process. Learning from others means that you have information about other individuals Bulu et al. (2016), and thus:

H4: Social capital affects innovation

Improving innovation capabilities can help individuals overcome workplace problems and improve the quality and quantity of work. Good innovation skills help create initiatives to develop more effective and efficient working methods. The more knowledge exchange applications improve process innovation and product quality through new technologies, the better the company's performance (Azadehdel & Ajamshidinejad, 2013). Innovative capabilities that emerge in new ideas, new ways of working, and product innovation can improve performance. The difficulty of sharing knowledge lies in the willingness of the owners to disclose and share information. This obstacle can be overcome by trusting each other in knowledge sharing.

Women's entrepreneurship is recognized as the primary job creation and innovation distributor. Their participation in economic activities compatible with ownership and control of productive assets accelerates development processes and reduces poverty and inequality while improving the overall well-being of children. Entrepreneurs as individuals will always try to develop their abilities to adapt to working together in an organization. The pattern of organized cooperation, which is ordered by specific goals related to each other, is determined by the depth of the relationship. Research Aristanto (2017) states that the quality and quantity of individual work becomes better when the individual can innovate. Unique innovation abilities will allow the initiative to effectively and efficiently produce work methods. Osman et al. (2016) state that the three types of innovation (product, process, technology, and organization) affect team member performance. Sukaatmadjaa et al. (2021) prove that there is a direct effect of innovation on the performance of women entrepreneurs, and thus:

H5.: Innovation affects business performance

H6.: Innovation mediates the relationship of knowledge sharing to the Business performance

H7: Innovation mediates the relationship of Social Capital to the Business performance

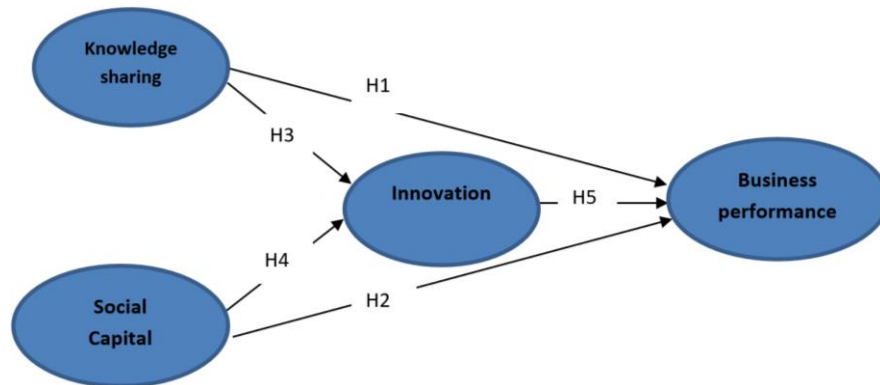


Figure 1. Conceptual Framework

METHODOLOGY

This study uses a quantitative approach because it is based on a solid and reliable generalization of theory, uses the principle of positivism, namely testing data and theory through hypothesis testing, and assesses whether social capital, information sharing, and innovation are factors that support or hinder the business performance of Muslim women entrepreneurship in Indonesia. The data used are from Muslim women entrepreneurs because the number of informal entrepreneurs is unknown. The sampling technique uses the Lemeshow formula; The sampling technique applied is purposive sampling, namely the sampling technique with specific considerations. The population used is a group of Muslim women entrepreneurs who are members of a group of women entrepreneurs with the following criteria: (1) business owners with (2) businesses that have been established for more than one year. The sample of research respondents used was 317 samples. According to Hair, Anderson, Tatham, and Black (2010), the number of scales used should be 5 to 10 multiplied by the indicator so that the 317 sample was sufficient to represent Muslim women entrepreneurs.

This study identified Knowledge Sharing Variables. The indicators used were developed by Taego et al. (2013), Tacit Knowledge Sharing, and Explicit Knowledge Sharing. Variable Social capital indicators were developed by (Chang (2011), namely: trust, norms, and networks, and Variable Innovation indicators were developed by Laily and Dewi (2018), namely: Exploration of opportunities, generating ideas, Formative investigation, Championing, and Application. Business Performance variables, indicators developed by O'sullivan and Abela (2007) and; Voss and Voss (2000): sales turnover, number of customers, profits, sales growth, competitive market, and consumer attitudes. The data collection was carried out by distributing questionnaires. Indicators are measured on a 5 Likert scale, where 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree, and 5 = strongly agree.

The data analysis used the Partial Least Square (PLS) approach, a component or variant-based Structural Equation Modeling (SEM) equation model. The formal model defines the latent variable as a linear aggregate of the indicators. The

weight estimate for creating the component score for the latent variable is obtained based on the inner and outer models.

RESULT AND DISCUSSION

The Data Information and Quality

The number of respondents who met the required criteria was = 317. Respondents were mainly between 36 and 45, with 115 people accounting for a 36.3% share. These results suggested that female entrepreneurs show productive time and maturity in running their businesses. Most of the female entrepreneurs surveyed had 128 = 40.4% basic training. These results showed that women were being helped run their businesses through education. The maximum age of entrepreneurs was 25, 142 companies = 44.8%. These results indicated that the companies had passed a crucial time for their companies to survive. The validity and reliability of the tested data would be revealed using convergent validity and discriminant validity. Concurrent validity testing was done with the outer loading value. The indicator is valid if it has an external loading value > 0.50 and is significant (Ghozali, 2014), as in table 1.

Table 1. Outer Loadings

Indicators and latent variables	Outer loading	P Values
INV1 <- Innovation (Z)	0.745	0.000
INV2 <- Innovation (Z)	0.769	0.000
INV3 <- Innovation (Z)	0.723	0.000
INV4 <- Innovation (Z)	0.731	0.000
INV5 <- Innovation (Z)	0.671	0.000
INV6 <- Innovation (Z)	0.739	0.000
KS1 <- Knowledge Sharing (X1)	0.677	0.000
KS2 <- Knowledge Sharing (X1)	0.758	0.000
KS3 <- Knowledge Sharing (X1)	0.733	0.000
KS4 <- Knowledge Sharing (X1)	0.745	0.000
KS5 <- Knowledge Sharing (X1)	0.790	0.000
KS6 <- Knowledge Sharing (X1)	0.806	0.000
LO1 <- Social Capital (X2)	0.739	0.000
LO2 <- Social Capital (X2)	0.747	0.000
LO3 <- Social Capital (X2)	0.633	0.000
LO4 <- Social Capital (X2)	0.729	0.000
LO5 <- Social Capital (X2)	0.740	0.000
OP1 <- Business Performance (Y)	0.755	0.000
OP2 <- Business Performance (Y)	0.805	0.000
OP3 <- Business Performance (Y)	0.836	0.000
OP4 <- Business Performance (Y)	0.726	0.000
OP5 <- Business Performance (Y)	0.786	0.000
OP6 <- Business Performance (Y)	0.568	0.000

Source: Adapted Smartpls output

A convergent validity test can be seen from the AVE value > 0.5 . Table 2 This shows that the real AVE value test is > 0.5 ; thus, it meets convergent validity criteria.

Table 2. Construct Reliability and Validity

Constructs	Composite Reliability	Average Variance Extracted (AVE)
Business Performance (Y)	0.884	0.564
Innovation (Z)	0.873	0.533
Knowledge Sharing (X1)	0.887	0.567
Social Capital (X2)	0.842	0.517

Source: Adapted Smartpls output

Table 3 reveals the results of the discriminant validity test by using the Fornell-Larcker criteria. All variables must be explained by their indicators and present a more significant score comparable to the unrelated constructs

Table 3 Discriminant Validity

Items	Business Performance (Y)	Innovation (Z)	Knowledge Sharing (X1)	Social Capital (X2)
OP1	0.755	0.382	0.315	0.278
OP2	0.805	0.394	0.347	0.297
OP3	0.836	0.444	0.413	0.371
OP4	0.726	0.373	0.228	0.352
OP5	0.786	0.439	0.372	0.413
OP6	0.568	0.174	0.144	-0.025
INV1	0.394	0.745	0.348	0.310
INV2	0.428	0.769	0.431	0.348
INV3	0.446	0.723	0.389	0.327
INV4	0.299	0.731	0.360	0.372
INV5	0.325	0.671	0.336	0.397
INV6	0.341	0.739	0.320	0.393
KS1	0.245	0.275	0.677	0.336
KS2	0.314	0.302	0.758	0.353
KS3	0.310	0.360	0.733	0.317
KS4	0.367	0.448	0.745	0.358
KS5	0.313	0.421	0.790	0.391
KS6	0.357	0.413	0.806	0.426
LO1	0.317	0.357	0.432	0.739
LO2	0.366	0.411	0.376	0.747
LO3	0.153	0.252	0.170	0.633
LO4	0.276	0.363	0.288	0.729
LO5	0.349	0.342	0.413	0.740

Source: Adapted Smartpls output

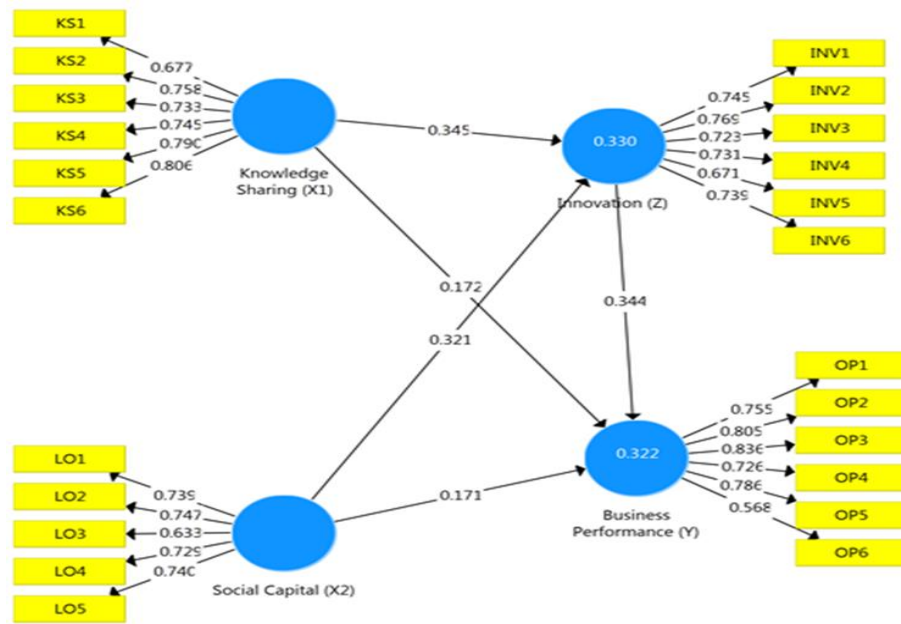


Figure 2. PLS Model

Research Hypothesis Test

After all initial tests of validity, reliability, and model robustness test support the data quality. The study can assess the statistical results in the hypothetical formulations, as in table 4.

Table 4. Hypothesis Test and R Square

Relationship	Effect	T Statistics	P Values
Knowledge Sharing (X1) -> Business Performance (Y)	0.172	2.146	0.032
Social Capital (X2) -> Business Performance (Y)	0.171	2.029	0.043
Knowledge Sharing (X1) -> Innovation (Z)	0.345	5.924	0.000
Social Capital (X2) -> Innovation (Z)	0.321	5.207	0.000
Innovation (Z) -> Business Performance (Y)	0.344	4.647	0.000
Knowledge Sharing (X1) -> Innovation (Z) -> Business Performance (Y)	0.119	3.819	0.000
Social Capital (X2) -> Innovation (Z) -> Business Performance (Y)	0.110	3.187	0.002
R Square Business Performance (Y)	0.322		
R Square Innovation (Z)	0.330		

Source: Adapted Smartpls output

The results of the research hypothesis test and the effects of the variables shown will be discussed in the following section.

DISCUSSION

The results of the direct influence test prove knowledge sharing on business performance. These results show that the ability of Muslim woman entrepreneurs to share knowledge with other friends and voluntarily receive new knowledge from other friends has a positive impact on business performance.

Muslim women entrepreneurs who join their communities often attend training courses organized by the government or private parties or share stories about product design ideas with other friends. Training and sharing stories can improve business performance. Trivellas et al. (2015) showed that knowledge Sharing culture could develop new general competencies in individuals or sharpen existing competencies, such as creating new ideas, communicating, interpersonal relationships, prioritizing things, creativity, planning, problem-solving, and teamwork in large corporate organizations. The results of this study are in line with Azadehdel & Ajamshidinejad (2013) and; however, these results do not support Matsongoni and Mutambara (2018).

This study found that Social Capital affects business performance. The increase in social capital increases the performance of Muslim women entrepreneurs. Social capital owned by Muslim women entrepreneurs can quickly gain the trust of stakeholders among people in business, facilitate communication, and reduce disputes between groups. The existence of this trust allows Muslim women entrepreneurs to build assets such as good staff, then access credit for information disclosure, and in the end, can obtain collective action or community support in carrying out their activities. Social capital is simply defined as every relationship that occurs and is built by trust, mutual understanding, and shared values that bind group members to make the possibility of collective action be carried out efficiently and effectively (Cohen, West, & Aiken, 2014), this can be applied as one of the criteria for the success of SMEs. These results are consistent with studies by Kim & Shim (2018) and Harjanti and Noerchoidah (2017). These results do not support the research of Clairidge (2004) and, which states that trust causes disunity in the industry.

Furthermore, Knowledge Sharing affects innovation. The more often Muslim women entrepreneurs do Knowledge Sharing, the more they innovate. Muslim women entrepreneurs provide new knowledge to other Muslim women entrepreneurs who are in need through training or workshops that can improve the abilities and skills of others. Receiving wisdom from other friends will add insight and help improve work. Training and seminars increase their knowledge and ultimately influence innovation patterns. These findings support the statement of Andreeva and Kianto (2011); Gloet and Terziovski (2004); Huang and Li (2009); Ugwu and Justina (2018), Rahman et al. (2009) that companies with high levels of action in knowledge management practices are more likely to offer innovative products and services to their customers.

The study also found that Social Capital affects innovation. Increased social capital coupled with a local wisdom approach will be able to provide creative ideas for innovation. Muslim women entrepreneurs run their businesses by fostering public relations. The relationship between Muslim women entrepreneurs and the community will help the success of Muslim women entrepreneurs in achieving their goals. Through good relationships, mutual trust, and respect, individuals and business groups are willing to exchange and combine knowledge to generate innovation. The results of this study support the research of Matsongoni and Mutambara (2018) but are not in line with the investigation of Cohen et al (2016), and Nahapiet and Ghosslal (1998)

The results of the study also found that innovation affected business performance. Innovation behavior raises local cultural wisdom in designing and packaging products and branding to build consumer trust. The ability to try new ideas is done by increasing creativity to find ideas and manifested in the form of innovation. The training that has been obtained enables these Muslim women entrepreneurs to create unique and exciting and innovative product innovations. This finding is in line with the results of research that states that creative and innovative organizations can improve individual and organizational performance and create competitive advantage (Liao & Wu, 2010).

Innovation has a role in the relationship between knowledge sharing and business performance. Innovation has been believed to be a variable in improving organizational performance in a competitive business environment. Knowledge sharing has a positive effect on the role of innovation, and innovation can bridge the business performance of SMEs managed by Muslim women. The use of innovation in mediating knowledge sharing can improve the business performance of Muslim women entrepreneurs. The innovation capability in Muslim women's SMEs is carried out by researching ideas and new production methods to improve their business performance. These results support Afriyie et al. (2020); and Azadehdel and Ajamshidinejad (2013). However, these results do not support Matsongoni and Mutambara (2018).

FURTHER STUDY

This study provides an understanding of how SMEs see Knowledge Sharing, Social Capital, and Innovation that affect Business Performance. Muslim-owned SMEs need to understand the influence of knowledge sharing, social capital, and innovation on business performance because this is a means to determine whether Muslim-owned SMEs in Indonesia are ready to implement knowledge sharing and innovation or not. The ability of Muslim entrepreneurs to run their businesses cannot be separated from their sincerity to share knowledge (Knowledge Sharing) with fellow women who run their businesses. The study results show that knowledge sharing has a positive effect on business performance. Furthermore, social capital becomes essential because it is one of the non-financial factors to develop a business that is more developed and sustainable. The role of innovation in improving business performance is very supportive. The results of this study indicate that knowledge sharing and social capital affect business performance. Innovation can be a bridge between knowledge sharing and social capital on the business performance of Muslim-owned SMEs in Indonesia. This study was only conducted on Muslim women entrepreneurs in East Java, so the results cannot be generalized to different regions. Future research is expected to bring culture from the surrounding area.

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