

Influencing Factors Enhancement Innovation Performance of Rural Tourism in Indonesia

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ABSTRACT

Rural tourism starts becoming transition into activity tourism in Indonesia. Various types of innovative goods origin from nature nor created through the hands public become end spear for tour rural to attract local tourists as well as international for come to visit. Manager village tours must start to arrange several strategies to increase innovation performance from each village tourism in Indonesia. The objective of this study is to know possible factors that increase performance innovation of rural tourism in Indonesia, so it is capable give great attraction for tourists who come to Indonesia. This study was done through village travel in Indonesia by distributing 200 questionnaires involving whole provinces in Indonesia. Data analysis was performed using SEM-PLS. Research results show that innovation capability is one of the supporting factors happening to enhance the performance of village innovation tourism in Indonesia.

Keywords: Innovation Capability, Innovation Performance, Sustainable Leadership, Tourism Sector.

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I. INTRODUCTION

In 3 years lastly, society start voicing the impact bad from industry tourism and sue more transparency in practice business by industry tourists to avoid the problem (Ghaderi *et al.*, 2019), so that in practice industry tourists try to show their credentials with contribute to society and the environment, not only focused on performance business (Ghaderi *et al.*, 2019). As a result, sector tourists confiscate Lots of attention for make decisions (Alola *et al.*, 2020; Meo *et al.*, 2020). this caused Because industry tourism has become a sector of a very important emerging economy following progress in technology human and improved quality of life (Masot, 2021; Zheng *et al.*, 2021).

Sanchez (2019) argues that innovation is one available means used to overcome change and uncertainty as source superiority competitive and performance in field tourism, view demands and expectations experienced consumers change continuously in matter behavior and needs traveler in structure industry tourism (Suprihatin, 2020). this proven significance innovation in the industry a lot of tourism interesting interest researcher from time to time (Gunlu & Kaygalak, 2019) and causes lots of study about innovation in the field tourist for do innovation in the field tourist (Pikkemaat *et al.*, 2019).

In some countries, tourism is a strength pusher new for development sustainable. Besides issue environmental and social issues the economy is also attention to industry tourism. In Indonesia, Covid-19 is one of the challenges big for industry tourists (Akhtar *et al.*, 2021). 14.1% company recorded a stopped operating and 11.6% of them reduce the

amount of power work for push level losses caused by covid-19 (BPS, 2020). Besides that is, the growth economy paralyzed and experiencing a decline of 2.1% (BPS, 2021). Hotel occupancy rates fell significantly that is from 56.73% to 28.07% during the period from July 2019-July 2020. Destinations tourism in Indonesia, especially Bali, North Sulawesi, and Yogyakarta is the deepest region caught the impact of covid-19 on industry tourism. In other words, covid-19 reduces state revenue in the sector tourist of 20.7 billion dollars.

This condition requires the government to compile a return strategy to return condition tourism in Indonesia. one effort to repair condition tourist moment this, is to plan safe and affordable travel controlled by mass crowd. Some countries do tourist is strength pusher new for development sustainable. He *et al.* (2021) conducted a study about tourist countryside which is one finding innovative to realize continuity from 3 aspects important that is economy society, social, and environment. Support opinion previously, Chin *et al.* (2020) also agreed that tourist rural describe for realize safe tourism under control from mass crowds and destruction environment.

In Indonesia, tourism rural is one trend for increased return activity tourism started to decrease from facet economic, social, and environment. Akay (2020) defines a village tour as a place presence of people in an environment natural together with people with different culture, go settlement countryside and leave activity urban for tasting food and drink in the region and enjoying the culture local from that region. Change trend tour This is marked by the increasing amount of village tourism in Indonesia which reached 3,551

village tours on August 5, 2022, after previously only 1,831 villages travel on the moon in August 2021. Meaning happened very significant increase of 93.33% in total village tourism in Indonesia (Jadesta, 2022).

Innovation performance is one related effort with continuity business from activity innovation. Innovation capability is an indicator important in creating innovation performance. one study disclose that A failed project will potentially bring up innovation capability based on insights obtained (Faisal Idris, 2019). Temporarily, to can realize innovation in the company, needed sustainable leadership. leadership plays a role important in developing sustainable. Because influence the behavior and patterns think employee in something organization (Hallinger & Suriyankietkaew, 2018). kindly specifically, sustainable leadership inspire and motivate employee to share new ideas and get started activity innovative, which produces the development sustainable level of the organization. Practice sort of it guarantees to behavior positive employees to initiative innovation. Sustainable leadership increases the ability to think out-of-the-box employees by promoting knowledge sharing in the organization. Sustainable leadership also promotes innovation with provide trust and support to employees for generate new ideas (Iqbal, Ahmad & Halim, 2020).

See the important role of innovation as an internal strategy to increase Power pull tourists, research This want to study more about possible factors that increase innovation performance in village tourism in Indonesia, among others with test influence from innovation capability and sustainable leadership to innovation performance.

II. LITERATURE REVIEW

A. Rural Tourism

Rural tourism was first known in the late 1970s and early 1980s as one In six years. Lastly, the growing popularity of rural tourism increased (Fotiadis *et al.*, 2016). this caused the activity of rural tourism centered on the preservation environment, culture, and nature public local, allowing travelers to own experience unique while they stay, so interesting interest public for traveling rural tourism (Bouchon & Treat, 2016). Triyanto *et al.* (2018) also stated that rural tourism is a business local can be public for get profit independence from financial, with the whole public involved directly in managing village tours.

A theme day UNWTO world tourism in 2020, rural tourism is drug efficacious for the development of rural (Ohe, 2020). Support statement this, Cunha *et al.* (2020) state that sustainable rural tourism becomes a method of regeneration economy rural, reducing depopulation, bringing skilled urban people to return countryside, or businessman to the city that finds Power pull for the return to village to avoid stress, atmosphere dense urban areas, and far away from range nature. because that is, rural tourism appears as a tool important for reaching objective period-long continuity from destination rural tourism (Lekovic *et al.*, 2020).

From the description above, Akay (2020) defines rural tourism as the presence of people in the environment natural together with people with different culture, go to the settlement countryside and leave activity urban for tasting

food and drink in the region and enjoy the culture of that region. Chen (2021) also strengthens the statement with a statement that rural tourism has become a development of popular tourism and not only provides a place for relaxing residents in urban. this is one pusher development economy in the area rural. In addition, rural tourism is also defined as an activity-centered tourism village that merges with the environment and nature and refers to all activity external for the continuity of life and development activity rural tourism (Boyan, 2021). Furthermore, Lane *et al.* (2022) conclude that rural tourism is a tourist with a scope scale decentralized small that makes it possible for lots of existing buildings for used return as a draft from development sustainability and proven that rural tourism is very important in support development sustainable and leading in creating forms tourist new to get develop rapidly based on market demand, so For maintain rural tourism to remain survive in the tourism market, needed innovation as source strength from rural tourism (Madanaguli *et al.*, 2022).

B. Sustainable Leadership

Practice sustainable leadership in an organization, will produce products that are durable, effective and (Selvarajah *et al.*, 2020). According to the theory of sustainable leadership, practicing sustainability focuses on learning as well as the enhancement of sustainability (Barker & Hakegard, 2019). this a time to introduce that novelty and sharing as well as draft innovative developing efficient environments in which workers feel comfortable as well as experience innovative ideas that positively affect the process performance whole sector in a manner sustainable (Dellve & Eriksson, 2017; Ul Hameed, Mohammad, & Shahar, 2018; Bombiak, 2020; Prasetyo, & Kistanti, 2020; Lauzikas, & Miliute, 2020).

Leadership plays a role important in the development of sustainability because influence the behavior and patterns think employee in something organization (Hallinger & Suriyankietkaew, 2018). kindly specifically, sustainable leadership inspire and motivate employee to share new ideas and get started activity innovative, which produces the development sustainable level of the organization. Practice sort of it guarantees to behavior positive employees to initiative innovation. Sustainable leadership increases the ability to think out-of-the-box employee with promote knowledge share in the organization. Sustainable leadership also promotes innovation with provide trust and support to employees to generate new ideas (Iqbal, Ahmad & Halim, 2020).

C. Innovation Capability

One study disclose that a failed project potentially brings up innovation capability based on insight gained (Idris, 2019). innovation capability is the ability to keep going do transform knowledge and ideas to produce new, processes, and systems to produce profit for companies and stakeholders' interest in others (Lawson & Samson, 2001). Romijn and Albaladejo (2002) revealed that innovation capability is skills and knowledge that can be used to absorb, master, and improve existing technology in a manner effective for creating a new product. Guan and Ma (2003) define innovation capability as a must asset owned by a

company that can be secretly modified. Innovation capability must be by existing business strategy.

Adler and Shenhar (1990) define innovation capability into four categories, first ability for satisfying the customer through the development new product or technology, the second ability to produce the product, third ability for developing and implementing a product or new process to fulfill future market needs, fourth ability For respond change not expected in environment business including competitors. Temporarily, Metcalfe (1995) defines innovation capability as a connection between inputs and outputs source Power For innovation level high, innovation capability means that efficiency activity innovation height and difference innovation performance determined by the difference ratio this. because that is, innovation capability is a factor key to determining innovation performance.

Zawishak (2012) revealed in his research that innovation capability can be seen as an ability whole, which includes ability to absorb, adapt, and transform technology towards innovation. Saunila (2014) defines innovation capability consists of influencing determinants of the ability organization to manage innovation. In line with a study previously Faraudi *et al.* (2016) revealed that innovation capability is the ability company to offer a product or service to create a strong position in a potential market. Supported by Whittaker *et.al.*, innovation capability is the ability for in a manner effectively use the ability to increase performance important innovation in the continuity life company.

D. Innovation Performance

Innovation performance is an intermediary for show performance management. Even If innovation performance is looked at the same as performance management, p This becomes difficult to measure innovation performance and innovation performance Alone Because No Can be the same with performance management (Kang & Kim, 2017). In defining innovation performance, the rationale is connected with a question about How To define innovation or ability innovation. Innovation wide covers all fields including marketing and strategy, but innovation in consultation only means the innovation of product and process innovations technology. In economy evolutionary, innovation ability is limited to innovation technology. Success something activity innovation technology is very important so that determining the success and failure company (Kang & Kim, 2017).

Several studies earlier confirm study about innovation performance, among others, innovation capability and innovation performance (Rajapathirana & Hui, 2018), Innovation performance, and sustainable performance (Ullah *et al.*, 2021).

III. HYPOTHESES DEVELOPMENT

A. Sustainable Leadership and Innovation Capability

Some studies previously show that based leadership attributive show influence is positive on innovation capability (Liu & Yang, 2019; Flores *et al.*, 2018; Domínguez *et al.*, 2019). Influential leader to capability organization that is with increased capacity for innovation (Gil *et al.*, 2018). Other research reveals that sustainable leadership is very influential and positive to the creation of innovation capability in A

company (Munir *et al.*, 2022). From the description above, Hypothesis 1 will be used in a study.

H1: Sustainable leadership influential positive to innovation capability.

B. Sustainable Leadership and Innovation Performance

Zheng (2017) argues that there is an influence positive between sustainable leadership and innovation performance in project construction. Support statement above, Novitasari *et al.* (2021) also revealed that there is a positive influence between leadership and innovation-measured performance in performance lecturers in learning. Based on the description above, the hypothesis is formed in the study This is as follows:

H2: Sustainable leadership influential positive to innovation performance.

C. Innovation Capability and Innovation Performance

Next, innovation capability is considered as ability critical organization to spread source power, with the capacity new for create value (Yang *et al.*, 2009). Lau *et al.* (2010) stated that innovation is one aspect important thing to an organization to reach an objective certain, so can be said that innovation capability is influential and positive with innovation performance. Mohammed (2016) also emphasized that innovation capability is influential and positive to innovation performance. Support statement, Hintama *et al.* (2021) also stated that there is an influence positive between innovation capability and innovation performance. From the description above, the hypothesis is formed is as follows:

H3: Innovation capability influential positive to innovation performance.

IV. RESEARCH METHOD

Population from study This is whole village tourism in Indonesia which is registered on the Jadesta website Ministry of Tourism and the Creative Economy Republic of Indonesia. Sample from study This is village tourism included in the category village tour advanced and independent by standards set by the Republic of Indonesia Ministry of Tourism and Creative Economy. Method sample in study This is using non- probabilities sample that is every element population No have the same opportunity. For made sample. Method determination sample uses a purposive sample that is a collection sample based on criteria certain by objective study (Hair *et al.*, 2020). Amount sample used in the study This is as many as 200 villages of tourism in Indonesia. Data analysis was performed using SEM-PLS.

V. RESULT

Based on Table I, variable sustainable leadership and innovation capability have value, and the p-Value is not enough from 0.05. this figure shows that sustainable leadership is influential and positive to innovation capability. The variables of sustainable leadership and innovation performance have a value and p-Value of more than 0.05. this figure shows that sustainable leadership has No influential positive to innovation performance. The innovation

capability and innovation performance variables have a p-Value not enough from 0.10.

This figure shows that influential innovation capability is positive to innovation performance.

TABLE I: HYPOTHESIS TEST RESULTS

Hypothesis	Coefficients	p-Values	Results
Sustainable leadership influential positive to innovation capability	0.779	0.000	supported
Sustainable leadership influential positive to innovation performance	0.117	0.314	No supported
Innovation capability influential positive to innovation performance	0.244	0.059	supported

Source: Data processed in 2023

VI. DISCUSSION

A. Sustainable Leadership has a Positive Influence on Innovation Capability

Based on the results of testing statistics is known magnitude coefficient of sustainable leadership is 0.779 means the tall perception of sustainable leadership the more also high innovation capability Test results show a mark p-Value of 0.000 < 0.05 (alpha 5%) then concluded in a manner statistics on the level 95 percent confidence there is influence positive sustainable leadership on innovation capability.

The results of research by Munir *et al.* (2022) stated that sustainable leadership is influential and positive to innovation capability Engaged leaders manage time in a manner effectively behaving ethically constructive innovation and trust between employees manage change and manage uncertainty as a gradual process as well as build source Power human and build involvement with stakeholders interest will easier in produce innovation capability on a company (Woloschuk & Raymond, 2010; Tabassi 2018). Research results This is in line with Liu & Yang (2019); Flores *et al.*, (2018); Domínguez *et al.* (2019) who state that based leadership attributive influential positive to innovation capability.

The result of the study is also strengthened by the opinion from the manager village tour that a leader who has draft continuity will more easily direct its members For capable do innovation focus on creating things new and trying To become pioneers in the market tour so Lots products and services produced for interesting traveler visit to village tour the this at a time introduce that novelty and sharing as well as draft innovative developing efficient environment in which workers feel comfortable as well as experience innovative ideas that are positive affect process performance whole in a manner sustainable (Dellve & Eriksson, 2017; Ul -Hameed, Mohammad, & Shahar, 2018; Bombiak 2020; Prasetyo & Kistanti 2020; Lauzikas & Miliute 2020).

Indonesian Ministry of Tourism and Creative Economy is also trying To push manager village travel to have draft continuity with still involving the active community in the sector of tourism To support the programs planned by each manager village travel to walk by plan Mix hand very helpful community village tour For support ability innovate village tour Because consists from the Creative Economy Movement (GEKRAF), Generation Pesona Indonesia (GenPI), is

gathering from children young creative and own interest For promote village tour in various media.

B. Sustainable Leadership has a Positive Influence on Innovation Performance

Based on the results of testing statistics is known magnitude coefficient of sustainable leadership is 0.117 means the tall perception of sustainable leadership the more also high innovation performance Test results show a mark p-Value of 0.314 > 0.05 (alpha 5%) then concluded in a manner statistics on the level 95 percent confidence No there is influence sustainable leadership on innovation performance. Result of the study This No in line with the results Zheng's research (2017) and Novitasari *et al.* (2021) which state that there is an influence positive between sustainable leadership and innovation performance carried out on projects construction and education college high.

Based on the results discussion with the manager village tour that a manner whole manager village tour is already direct and strive for together create village innovation their tour manage fine That ignite creativity of member for generating new ideas and services as well as focus on ideas and development skills however matter this no so increase amount performance in the village tour although in practice the managers already capable produce ability village innovation tour the this can be caused lack of involvement member for increase amount innovation every the year as reject measuring success innovation performance on a village tour so in the future manager village tour have specific targets for achievement innovation in form percentage so that the innovations produced by the village tour can be measured every the year.

Innovation performance results from several influencing and representing factors all achievements and results obtained from innovation (Linton, 2009). On the results study this factor of sustainable leadership has no become influence achievement innovation performance on a village tour one that causes sustainable leadership no become influence performance innovation on a village tour is seen from level loyalty leader to member or employee with lowest average value so employee No own motivation tall for grow amount sale product new to total sales.

C. Innovation Capabilities has a Positive Influence on Innovation Performance

Based on the results of testing statistics is known magnitude coefficient of innovation capability is 0.244 means the taller perception of innovation capability and the more also high innovation performance Test results show a mark p-Value of 0.059 < 0.10 (alpha 10%) then concluded in a manner statistics on the level 90 percent confidence there is influence positive innovation capability on innovation performance. Result of the study This is in line with Mohamed's research (2016) and Hintama (2021) stated that there is an influence positive that happened between innovation capability to innovation performance. Opinion This Once disclosed previously by Lau *et al.* (2010) who stated that innovation is one aspect important thing to do organization to reach objective certain so can be said that innovation capability is influential positive to innovation performance.

Based on the results interview with the manager village travel manager village tours that have creativity and ability to

do innovation, especially following developments on market demand and who won't try things new are likely their own chance to increase performance on innovation for example in 2022 build a digital village with the use potency nature and skills utilize source existing power is one campaign For increase amount visitors village travel in Indonesia with objective sustainability Manager village tours that have the ability in creating creativity in direct will invite its members for together in increasing innovation performance them for the village tour the can produce Maximum sales and works shaped products and services that can be commercialized for build sustainability.

VII. CONCLUSIONS, IMPLICATIONS AND SUGGESTIONS

A. Conclusion

Result of the study this show that village implementing travel sustainable leadership own influence in a manner direct to successful innovation. The results of the data analysis test performed, then can be concluded as following:

1. Sustainable leadership is influential and positive to innovation capability. Application draft sustainable leadership also becomes base A village tour capable create the ability to innovate. Village tours can always create creativity in the process of operation, process, and implementation in creating things new by market demand. To reach the ability to innovate in village travel, a manager can hold principal sustainability so can reach innovation capability.
2. Sustainable leadership is No influential to innovation performance. In matter, this can be explained that sustainable leadership is No direct can influential on the enhancement amount of innovation in a village tour, so variable sustainable leadership is No influential on the enhancement amount of innovation i.e. on variables innovation performance.
3. Innovation capability is influential and positive to innovation performance. In line with the success of frugal innovation in increase innovation performance in village tourism, innovation capability also becomes a factor important. To reach innovation performance. The ability of village tours to do innovation tends to increase the amount of innovation in the village tour. this becomes notes important for a village tour, that for increase amount of innovation performance needed ability village tour in doing innovation.

B. Implications

Study This expectation can provide strategic suggestions for management village tour so that capable reach the objective village my tour is competitive and sustainable. Village tourism in Indonesia is expected capable apply draft sustainable leadership with good consistency. Leaders who have a sustainable vision will determine a clear direction for a village tour. The application of sustainable leadership in village tours can to increase the ability to innovate from village tours. Result of the study This confirms that a leader who has drafted sustainable management village tour capable increase innovation capability, so village capable travel produce innovation will reach continuity from three aspects,

that is economic, social, and environmental. This will align with the objective government in achieving sdgs.

C. Suggestions

This study can be done in other tourism industries such as star hotels and non-star hotels, destinations tourism, resort, or place leisure and recreation. For the deployment questionnaire next, to obtain maximum response rate, got work the same with pokdarwis as guarantor answer each village tourism and research furthermore can be done in the village tour with the category growing and stub.

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