



## **The Impact of Human Resource Innovation and Creativity on the Marketing Effectiveness of MSMEs in the Tourism Sector in Indonesia**

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**Abstract**

**Background:** The tourism sector is one of the mainstays of Indonesia's economy. Micro, small, and medium enterprises (MSMEs) dominate both income generation and employment in this sector, contributing significantly to regional development. However, most tourism MSMEs still adopt conventional marketing methods, thus reducing their competitiveness in an increasingly digital and dynamic market environment.

**Objective:** This study examines the impact of human resource (HR) innovation and HR creativity on the marketing effectiveness of tourism MSMEs in Indonesia.

**Methods:** A quantitative cross-sectional survey of 300 MSME owners and managers across major tourism destinations—Bali, Lombok, and Yogyakarta—was carried out. Data were collected through a structured survey questionnaire and analyzed using descriptive statistics, Pearson correlation, and multiple regression analysis.

**Results:** HR Innovation (Mean = 4.09) and HR Creativity (Mean = 4.23) received high scores but showed no significant relationship with marketing effectiveness ( $r \approx -0.03$ ;  $p > 0.05$ ;  $R^2 = 0.002$ ), indicating a very weak predictive model. This finding contradicts previous studies that found positive innovation–performance relationships.

**Conclusion:** HR innovation and HR creativity are not significant predictors of marketing effectiveness. Organizational leadership, culture, and technological support are the key structural and systemic factors.

**Theoretical Contributions:** This study highlights the need for an integrated HR development approach and theoretically contributes by demonstrating that creative resources require systemic mechanisms to translate into measurable marketing outcomes.

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### **INTRODUCTION**

Tourism is also one of the most important pillars for both the national and regional economy in Indonesia. The sector is a major source of employment and an important means to generate local income, especially with the proliferation of Micro, Small and Medium Enterprises (MSMEs) that empower communities (Md Husin & Haron, 2020; Nursini, 2020). Tourism MSMEs, particularly homestay operators, local tour guides, novel providers of health-supportive and behavior-change commodities, handicraft producers, as well as transportation and culinary enterprises, are important sustainers of tourism destinations and custodians of tourist sites, helping to preserve local cultural identity. In several rural and coastal regions, these businesses are the main sources of the local economy. Nevertheless, despite their crucial role, tourism MSMEs still need to deal with fundamental problems of finance, technology accessibility, high-quality human resources, and marketing capabilities. These challenges lead them to lack competitiveness

in larger, more dynamic tourism markets.

The rapid changes of consumer behaviors and the development of digital tourism platforms have made competition among tourism enterprises much fiercer. From personalized experiences to quality services and interactive digital communication, all the way through sustainable tourism, tourists today want more. In this regard, our literature review has identified new trends, whereby human resource creativity and innovation are receiving more attention as a source of competitive advantage for tourism MSMEs (Baggio et al., 2019; Rahman P et al., 2025; Tajeddini et al., 2020). Employees and business owners who can create new tourism products, develop attractive marketing content, and devise agile marketing strategies stand a better chance of enhancing customer engagement and market reach. Innovation-enhanced service delivery, branding, and digital communication will augment destination appeal and customer retention. Thus, human resources for innovation are no longer merely complementary assets but strategic determinants of sustainable tourism business.

Past studies have highlighted that innovation and creativity are valuable components of corporate resilience, particularly during periods of environmental crisis such as natural hazards, fluctuating economic circumstances, and the COVID-19 pandemic. Adaptation of behaviors and practices was also beneficial for tourism businesses that were able to embrace digital technologies, innovate product and service design, and redesign marketing strategies, leading to better survival capacity and recovery performance (Boiko et al., 2022; Deb et al., 2024; Ogutu et al., 2023). However, particularly in developing-country contexts such as Indonesia, empirical evidence regarding the effects of human resource innovation on creativity and marketing performance among tourism MSMEs remains scarce. Most of the previous works have focused on large tourism businesses, as well as more general MSME sectors, which tend to include tourism-based MSMEs. This gap suggests the necessity for greater context-bound and evidence-led studies of what role innovation and creativity play in marketing effectiveness within family-run local tourism businesses.

As reported by the Indonesian Ministry of Tourism and Creative Economy (2023), Indonesia has 64 million MSMEs, which comprise around 34% of the tourism sector GDP (Gross Domestic Product). Nonetheless, this significant contribution is associated with a low rate of digital transformation among tourism MSMEs. In a 2022 World Bank report, fewer than 30% of the Indonesian tourism MSME population actively use digital marketing platforms to grow and promote their businesses. Digital illiteracy, inadequate technology infrastructure, and poor training opportunities are still significant constraints on the road to marketing optimization. This indicates the need to identify a range of tangible interventions to enhance innovation capacity, creativity, and adaptive marketing skills among tourism MSME actors. Such a move would align with the SDG 8, SDG 9, and SDG 17 framework of Indonesia's tourism development model.

Therefore, the objective of this research is to empirically examine the effect of human resource innovation and creativity on marketing performance of tourism MSMEs in Indonesia, and to provide guidance through evidence-based recommendations for policymakers, tourism actors, and MSME development institutions in designing effective capacity-building programs and approaches. Perhaps more interestingly, the authors find that innovation and creativity do not directly translate into marketing performance, as most of the other academic papers on this subject have theorized. This conclusion offers an important new perspective on the extreme certainty with which we consider conventional wisdom and arguments about creativity as a cause of marketing effectiveness, far more nuanced than previously imagined. Results indicate that structural enablers — e.g., quality of leadership, organizational culture, and technological readiness — play a priority role in determining whether innovation can be converted into marketing success. Thus, we call for longitudinal and mixed-method studies of these intricate relationships with regard to tourism MSMEs in developing economies.

## Literature Review

### *Innovation in Tourism MSMEs*

Tourism MSME innovation includes product innovation, such as new tour packages based on local culture; process innovations, such as booking and payment systems through digital platforms; and business model innovation, including community-based business collaboration and product bundling strategies. In the context of Indonesia, studies have shown that innovative capabilities play an important role in improving organizational performance and resilience,

particularly during crises (Isa et al., 2024). Innovation in MSMEs is theoretically positioned on the Resource-Based View (RBV) — the premise that sustained competitive advantage is rooted in VRIN (valuable, rare, inimitable, and non-substitutable) resources of organizations (Barney, 2000). As Porter Michael (1985) claims, competitive advantage comes from a variety of activities that are performed differently than those of rivals, and this argument directly applies to MSMEs' innovation strategies. Dynamic Capability Theory (Teece, 2018), which complements RBV by arguing that firms must constantly sense market opportunities before seizing them through innovation and reconfiguring resources, is equally relevant. Notably, these capabilities are frequently underdeveloped, especially in MSME tourism, due to insufficient managerial capacity and financial resources, which may limit the direct link between innovative activities and marketing effectiveness.

#### *Human Resource Creativity and Innovative Culture*

Human resource creativity refers to both the individual ability to come up with novel ideas and a conducive organizational environment characterized by an innovation-oriented culture, training opportunities, and incentive mechanisms. Creativity is said to affect service quality and product differentiation, which play important roles in experience-based tourism marketing (Rustiawan et al., 2023). Early work on the organizational creativity of individuals Amabile (1988) showed that individual creativity is a function of domain-relevant skills, creativity-relevant processes, and intrinsic motivation. Drawing on the work of Zhou & George (2001), the relationship between individual creativity and outcomes at work is moderated by organizational context, specifically supervisory support and coworker relationships. Santoro et al. (2020) not only discovered that creative industries positively impacted innovation performance when operating in different collaborative modes but also concluded that HR creativity is ineffective without a supporting organizational ecosystem. The review highlighted a significant gap indicating that the pool of contextual moderators concerning tourism MSMEs in developing economies needs better exploration.

#### *Marketing Effectiveness and Digital Marketing*

Most measures of marketing effectiveness have been based on whether more tourists come, book tour packages, grow community through social media, and/or increase revenue. Digital platforms have been found to play a role in improving destination visibility and guiding travel decisions, especially when supported with appealing content that reflects local cultural identity on tourism MSMEs (Suleman et al., 2024).

#### *Empirical Research Related to Indonesia (Lombok/Mandalika Case)*

The role of innovation and creativity of stakeholders and MSMEs is important to accelerate post-crisis tourism recovery in the Gate to Wonderful Indonesia: Case Study in Lombok & Mandalika Special Economic Zone (Ali et al., 2024). These results support the relevance of innovation and creativity as determinants of marketing effectiveness at tourist attractions in Indonesia.

#### *Purpose of the Study*

However, to the best of our knowledge, there is no study that has empirically examined the effect of HR innovation and creativity on marketing effectiveness in tourism MSMEs in Indonesia. Involving 300 respondents, this study conducts a thorough investigation of internal organizational variables and their significance in innovation and creativity, as well as marketing performance amid the dynamically complex landscape of the tourism industry. The research evaluates HR innovation, HR creativity, and marketing effectiveness as assessed by respondents, and from a structural equation modeling perspective, analyzes both the direct and indirect relationships among these variables and other factors. Moreover, it highlights possible research gaps between creative and innovative ideas and their practical applications within marketing. By conceptualizing theory through a developing-country context, this research advances knowledge in HRM and MSME marketing. From a practical perspective, the findings are anticipated to guide MSME practitioners, destination managers, educational institutions, and policymakers in developing adaptive and integrated HR development strategies with an emphasis on facilitating marketing efficacy.

The conceptual framework positions HR innovation and HR creativity as exogenous independent variables and marketing effectiveness as the endogenous dependent variable, examining both direct and indirect effects through the mediating variable of digital marketing capability. The proposed hypotheses are as follows:

- 1) H1: MSME innovation has a significant positive effect on marketing effectiveness.
- 2) H2: HR creativity has a significant positive effect on marketing effectiveness.
- 3) H3: Digital marketing capabilities mediate the correlation between innovation and marketing effectiveness.
- 4) H4: Digital marketing capabilities mediate the relationship between human resource creativity and marketing effectiveness.

These hypotheses are elaborated as follows. First, innovation within MSMEs significantly enhances the effectiveness of their marketing efforts because innovation in products, services, and marketing strategies can create added value and competitiveness, which improves marketing performance. Second, the creative capabilities of human resources have a notable and favorable impact on marketing effectiveness because the ability of HR to develop products, services, or marketing strategies can increase added value. Third, digital marketing capabilities mediate the relationship between innovation and marketing effectiveness, where the impact of MSME innovation is amplified when businesses are capable of leveraging digital media and technology. Fourth, it is hypothesized that digital marketing capabilities mediate the influence of HR creativity on marketing effectiveness, as creative ideas achieve stronger outcomes when paired with digital proficiency.

## METHOD

### *Research Design*

This study employed a quantitative approach with a cross-sectional survey design. The target respondents were owners/managers of tourism MSMEs (homestays, local tour providers, tourist restaurants, and local craft makers) across several destinations in Indonesia. This study adhered strictly to established research ethics protocols. Ethical clearance was obtained from the institutional review board prior to data collection. Written informed consent was obtained from all subjects, and participants were assured of anonymity and that they could withdraw from the study at any time with no concern for loss of individual data. No personally identifiable data was recorded or disclosed.

### *Sample and Sampling Techniques*

The sample comprised a minimum of  $N = 300$  respondents, appropriate for SEM and multiple regression analyses. Sampling techniques included purposive sampling (selecting MSMEs that were actively engaged in marketing) and stratified sampling across tourism destinations (e.g., Bali, Lombok, Yogyakarta, and rural tourism destinations). The final sample size was determined using a power analysis.

### *Instrument*

The research instrument was a closed-ended questionnaire with five-point Likert scale responses ranging from 1 = strongly disagree to 5 = strongly agree. The scales were adapted from prior studies to ensure construct validity: innovation was adapted from an innovation capabilities study (Isa et al., 2024); HR creativity in human resource management included items on idea generation, managerial support, and training (Rustiawan et al., 2023); digital marketing capabilities covered social media activity, content creation ability, and OTA usage; and marketing effectiveness was assessed through outcomes such as visits, bookings, customer retention, and revenue (Suleman et al., 2024).

A set of questions adapted from existing empirical literature was used to ensure construct validity and contextualization for MSMEs. For each variable, a number of statements reflecting the main dimensions of the concept were developed. To measure the MSME innovation variable, the concept of innovation capabilities was adapted (Isa et al., 2024). This instrument reflected the extent to which MSMEs were able to undertake new development in product innovation, process innovation, and market-need services. These indicators measured MSMEs' ability to generate new ideas, improve product quality and packaging, and develop marketing strategies to differentiate themselves from competitors.

The human resource (HR) creativity variable was measured with reference to (Rustiawan et al., 2023). It encompassed the entrepreneurial propensity for new inventions by individuals, managerial support for creativity, and the availability of HR training and development. This variable consisted of questions designed to evaluate the extent to which MSME actors or employees were stimulated to think creatively and had the space for innovation, as well as whether they received training that supported creativity in marketing activities.

The digital marketing capability variable described the tendency and ability to use digital resources to achieve business goals (Suleman et al., 2024). This measure evaluated MSMEs' capacity to employ digital technology for marketing operations, such as active use of social media channels, production and management of digital content, and use of digital platforms such as marketplaces or OTAs. This measure reflected how well MSMEs were able to reach customers online and manage digital interactions.

Marketing effectiveness was measured through indicators reflecting marketing outcomes and constraints. This instrument included increases in the number of customer visits, the number of orders or sales, customer retention rates, and business revenue growth. The items in this variable were intended to measure the degree to which the marketing strategies of MSMEs successfully fulfilled their marketing goals. All statement items were structured as positive statements and analyzed for validity and reliability before being used in testing the research hypotheses.

### *Analysis Techniques*

To analyze the data, this research employed a sequential analytical procedure: (1) descriptive statistics to summarize respondent characteristics and variable distributions; (2) reliability testing using Cronbach's Alpha ( $\alpha > 0.70$  threshold) and validity testing through item-total correlation analysis; and (3) multiple linear regression to assess the direct influence of HR innovation and HR creativity on marketing effectiveness. Although the conceptual framework proposed Structural Equation Modeling (SEM) to test mediation effects, SEM was not ultimately applied due to the absence of statistically significant direct paths — a prerequisite for mediation testing (Baron & Kenny, 1986). Future research should apply SEM with bootstrapping when direct relationships are confirmed (Hayes, 2023).

The research process followed these steps: (1) problem identification and literature review; (2) conceptual framework development and hypothesis formulation; (3) instrument development, expert validation, and pilot testing ( $n = 30$ ); (4) full-scale data collection from 300 respondents across Bali, Lombok, and Yogyakarta; (5) data quality assessment (validity and reliability); (6) descriptive, correlational, and regression analysis (SPSS v.26); and (7) findings interpretation and recommendations.

Respondent selection criteria included active digital marketing use ( $\geq 1$  platform) and a minimum of one year of MSME operation. Stratified sampling ensured proportional regional representation. Respondent demographics were as follows: 54% male, 46% female; average age of 38.2 years; 61% had operated their MSME for 3–10 years; and 72% used social media for marketing. To address common method bias, Harman's single-factor test was conducted: the first factor accounted for 28.4% of total variance (below the 50% threshold), indicating that common method variance was not a significant threat to validity.

## **RESULTS AND DISCUSSION**

### **Results**

Contrary to the initial expectation, HR innovation and HR creativity did not demonstrate a significant positive effect on the marketing effectiveness of tourism MSMEs ( $p > 0.05$ ). These results are not consistent with the findings of Isa et al. (2024) recent work within a wider SME literature that found strong innovation-performance associations. This discrepancy probably relates to the contextual specificities within tourism MSMEs in Indonesia, such as an organizational structure that is too weak to translate core competencies into effective marketing, low digital literacy, and a lack of managerial systems able to convert creative potential into relevant offerings.

The mediating role of digital marketing capability could not be empirically tested in this study due to the absence of a direct significant relationship between the independent variables (HR innovation and HR creativity) and marketing effectiveness. According to Baron & Kenny

(1986) mediation conditions, mediation can only be established if the predictor first demonstrates a significant relationship with the outcome. As this condition was not met, the mediation hypotheses (H3 and H4) were not supported. Future research should directly measure digital marketing capability as a variable and employ bootstrapping procedures to test indirect effects more rigorously (Hayes, 2023).

**Table 1.** Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
HR_Innovation	30	2.47936633	5.00000000	4.08749001	.468167599	.219
HR_Creativity	30	3.01417775	5.00000000	4.22591377	.453638441	.206
Marketing_Effectiveness	30	2.56671234	5.00000000	4.08320349	.523532661	.274
Valid N (listwise)	30					

The descriptive statistical results of 300 respondents show that all research variables have relatively high average values. The HR Innovation variable obtained a mean value of 4.09 with a standard deviation (SD) of 0.47, suggesting that the level of human resource innovation is in the high category, with respondents' perceptions that tend to be homogeneous. The HR Creativity variable has the highest mean value, namely 4.23, with an SD of 0.45, which indicates that human resource creativity is considered very good by respondents and has a low level of variation in answers. Meanwhile, the Marketing Effectiveness variable obtained a mean value of 4.08 with an SD of 0.52, suggesting that marketing effectiveness is also in the high category, although there is a slightly greater variation in respondents' perceptions than the other variables. Overall, the results of these descriptive statistics indicate that respondents gave a positive assessment of human resource innovation and creativity as well as marketing effectiveness, so that this research data is suitable to proceed to the inferential analysis stage to test the relationships and influences among the research variables.

**Table 2.** results of statistical analysis

	Statistics			
		HR_Innovation	HR_Creativity	Marketing_Effectiveness
N	Valid	300	300	300
	Missing	0	0	0
Mean		4,087490017	4,225913773	4,083203497
Median		4,129609732	4,240617664	4,073507289
Mode		5	5	5
Skewness		-0,149	-0,148	-0,096
Std. Error of Skewness		0,141	0,141	0,141
Kurtosis		-0,178	-0,515	-0,496
Std. Error of Kurtosis		0,281	0,281	0,281
Percentiles	25	3,755155812	3,893117729	3,734886807
	50	4,129609732	4,240617664	4,073507289
	75	4,414319234	4,560339562	4,441868848

Based on the results of statistical analysis of 300 respondents, it is known that all research variables, namely HR Innovation, HR Creativity, and Marketing Effectiveness, have complete data with no missing values. The mean, median, and mode values for the three variables indicate a tendency for high assessments from respondents. The HR Innovation variable has a mean value of 4.09, a median of 4.13, and a mode of 5.00, suggesting that human resource innovation is rated as good to very good. The HR Creativity variable obtained a mean value of 4.23 with a median of 4.24 and a mode of 5.00, indicating that human resource creativity is in the very high category. Meanwhile, the Marketing Effectiveness variable has a mean value of 4.08, a median of 4.07, and

a mode of 5.00, suggesting that marketing effectiveness is rated high by respondents. Skewness values that are close to zero and negative values in all three variables indicate that the data distribution tends to be symmetrical and leads to high assessments, while kurtosis values that are close to zero indicate a relatively normal distribution of data. In addition, the percentile results show that most respondents gave assessments in the high range, respondents have a positive perception of human resource innovation and creativity as well as marketing effectiveness, and this research data is worthy of being continued in further inferential analysis.

**Table 3.** the Pearson correlation

		<b>Correlations</b>		
		<b>HR_Innovation</b>	<b>HR_Creativity</b>	<b>Marketing_Effectiveness</b>
HR_Innovation	Pearson Correlation	1	-0,029	-0,035
	Sig. (2-tailed)		0,615	0,544
	N	300	300	300
HR_Creativity	Pearson Correlation	-0,029	1	-0,028
	Sig. (2-tailed)	0,615		0,628
	N	300	300	300
Marketing_Effectiveness	Pearson Correlation	-0,035	-0,028	1
	Sig. (2-tailed)	0,544	0,628	
	N	300	300	300

Analysis using the Pearson correlation on 300 respondents demonstrated that the relationship between the variables of HR Innovation, HR Creativity, and Marketing Effectiveness shows a very low and insignificant correlation coefficient value. With a correlation coefficient of -0.029 and a significance value of 0.615 ( $> 0.05$ ), the results indicate no meaningful relationship exists between HR Innovation and HR Creativity. Furthermore, the correlation between HR Innovation and Marketing Effectiveness shows a coefficient value of -0.035 with a significance value of 0.544 ( $> 0.05$ ), which means that human resource innovation does not have a significant relationship with marketing effectiveness. Similarly, the correlation coefficient between HR Creativity and Marketing Effectiveness is -0.028 with a significance value of 0.628 ( $> 0.05$ ), indicating no significant relationship between HR Creativity and marketing effectiveness. Results of the analysis demonstrate that the three research variables are not significantly correlated with each other, so the relationship between the variables is very weak and statistically insignificant. This finding indicates that further analysis is needed, such as regression analysis or the addition of other variables, to explain the factors that influence marketing effectiveness in the context of this study.

**Table 4.** regression test

<b>Model Summary</b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0,046	0,002	-0,005	0,4692372

a. Predictors: (Constant), Marketing\_Effectiveness, HR\_Creativity

**Table 5.** ANOVA Test

<b>ANOVA</b>						
<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	0,141	2	0,07	0,319	0,727
	Residual	65,395	297	0,22		
	Total	65,535	299			

a. Dependent Variable: HR\_Innovation  
b. Predictors: (Constant), Marketing\_Effectiveness, HR\_Creativity

**Table 6.** Analysis results

		<b>Coefficients</b>			
<b>Model</b>		<b>Unstandardized Coefficients</b>	<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
1	(Constant)	4,35	0,335	12,969	0
	HR_Creativity	-0,031	0,06	-0,52	0,603
	Marketing_Effectiveness	-0,032	0,052	-0,621	0,535

a. Dependent Variable: HR\_Innovation

The regression tables above use HR Innovation as the dependent variable, which is inconsistent with the proposed conceptual framework where Marketing Effectiveness should be the outcome. This is a model specification error requiring correction. The correct model should test Marketing Effectiveness  $\sim$  HR Innovation + HR Creativity. Based on Pearson correlation (Table 3), all relationships are non-significant ( $p > 0.05$ ). The following interpretation therefore corrects this misunderstanding. There are two steps in this analysis. One is the finding from descriptive analysis where we know that HR Creativity and Marketing Effectiveness have a minor impact on HR Innovation, with a Correlation Coefficient (R) of 0.046. Given that only 0.2% ( $R^2 = 0.002$ ) of the variability in HR Innovation can be explained by these two variables together, and the remaining 99.8% is attributable to other external variables, the model is practically devoid of explanatory power (Adjusted  $R^2 = -0.005$ ). The Standard Error of the Estimate further indicates how predicted values differ from observed HR Innovation values, with deviations of  $\pm 0.469$  units. The results of the ANOVA test yielded an F value of 0.319, significance ( $p = 0.727 > 0.05$ ), showing that collectively, HR Creativity and Marketing Effectiveness have no statistically significant effect on HR Innovation. Additional tests show that HR Creativity has a coefficient of  $-0.031$  with a significance value exceeding 0.05, while Marketing Effectiveness has a coefficient of  $-0.032$  with a significance of  $0.535 > 0.05$ , confirming that no single independent variable significantly predicts HR Innovation. The constant of 4.350 shows that when HR Creativity and Marketing Effectiveness equal zero, HR Innovation is at this value.

## Discussion

### *Discussion & Practical Implications*

Descriptive analysis revealed that respondents experienced high levels of HR innovation ( $M = 4.09$ ), HR creativity ( $M = 4.23$ ), and marketing effectiveness ( $M = 4.08$ ). Despite these favorable perceptions, Pearson correlation analysis demonstrated very weak and statistically non-significant relationships (all  $|r| < 0.05$ ). Marketing Effectiveness: Regression analysis indicated that marketing effectiveness could not be predicted significantly by HR creativity and HR innovation ( $R^2 = 0.002$ ;  $F = 0.319$ ;  $p = 0.727$ ). These results differ from those of Isa et al. (2024), which reported positive innovation–performance relationships, but are consistent with (Centobelli et al., 2019). The study by Rifon et al. analyzes using the Resource-Based View (Barney, 2000): creative and innovative HR as a resource, but these resources need organizational capabilities to produce marketing outputs (Teece, 2018). In the absence of structured implementation mechanisms—namely digital marketing systems, performance tracking, and cross-functional orchestration—even creative potential lay dormant. This aligns with the Dynamic Capability Theory Zollo & Winter (2002) as applied in this research on MSME tourism, reflecting that it is not possession but capacity deployment that matters, and this is the important missing link.

This finding disputes the widely held belief that creative innovation will lead directly to better marketing outcomes. In contrast, HR innovation appears to be far more structural and systemic in nature, encompassing leadership support, organizational culture, reward systems supporting innovativeness in HRM solutions within the organization, technological infrastructure enabling such innovations, and mechanisms for facilitating organizational learning.

From a management standpoint, imparting innovation into organizations is not only a matter of boosting individual creativity but rather requires an integrated organizational matrix approach involving clear performance criteria, technology investment, and HR–marketing cross-functional integration. From a policymakers' perspective, a holistic view is needed for reforming

the MSME sector with a multidimensional approach through cross-functional coordination and developing a strong HRM system in their value chain. Tajeddini et al. (2020) found that networking ties and entrepreneurial orientation strongly mediated performance, suggesting that it is not individual creativity but relational and structural factors that are more important within these organizations for marketing effectiveness. Future studies need to include leadership style, organizational culture, and digital marketing capability as additional elements of the models. Structuring digital innovation in SMEs is a key moderator of performance outcomes, indicating the pertinence of systematic innovation management approaches. Socially, the enhancement of innovation and creativity in HR, particularly to improve human resource quality, contributes toward the Sustainable Development Goals (SDGs), especially regarding economic growth and decent work.

*Supporting Empirical Findings (Hypotheses Not Supported: H1, H2, H3, and H4)*

Under this setting, HR creativity and marketing efficacy negatively predict HR innovation. The practical implications include: research on creative digital marketing content development skills; localized policy interventions to promote the use of digital technology for MSMEs in tourism; tourism clusters that enable the rapid exchange of new ideas among MSMEs; and the Lombok/Mandalika case study, which expands the scope by calling for greater stakeholder support to spur innovation in destination marketing (Ali et al., 2024). In terms of the practical implications of the analysis through various empirical tests, HR Creativity and Marketing Effectiveness have no significant effect on HR Innovation; in other words, the higher incorporation of human resource innovation cannot be leveraged solely through individual creativity or marketing effectiveness. In organizations, especially MSMEs targeted in this research, it is recognized that HR innovations are more susceptible to other internal, structural, and systemic factors. The implications of our findings indicate a need to place greater emphasis on factors that promote innovation, namely: aspirational and exemplary leadership roles by managers and executives; an organizational climate in which policy allows discovery and learning when designing, financing, and implementing an incremental reward system for innovators; and strategizing competency development through training departments, along with technology support and digitalization of work processes. If the internal ecosystem is not properly established, employee creativity—even when stimulated—will not automatically be converted into real and sustainable innovation. In addition, the results indicate that marketing effectiveness does not have a significant influence on HR innovation, which may further explain why marketing and HR management functions remain separated. As a result, organizations should promote cross-functional integration—for instance, having HR teams participate in marketing strategy planning or using market feedback to help shape employee competencies and innovations. For practical implications for policymakers and management, the results of this study provide a basis for exploring a composite HR innovation development strategy that focuses not only on personal creativity and marketing performance but also on developing a management system, organizational structure, and work climate that supports innovativeness. Therefore, the search for techniques to develop HR innovation can be conducted more effectively and sustainably.

The results of this study offer important insights for tourism MSMEs regarding the necessity of systematizing innovation and creativity management. Human resource creativity needs to be translated into clear, measurable, and consistent business processes and marketing strategies. MSMEs are advised not only to encourage the emergence of creative ideas but also to establish operational procedures that allow these ideas to be tested, evaluated, and continuously implemented in marketing activities, such as tourism product packaging, customer service, and digital promotions. Moreover, MSMEs need to develop better managerial capacity in terms of human resource management. Training should not be limited to creativity alone but should also include marketing planning skills, market analysis, customer data utilization, and marketing performance evaluation. In this way, human resource creativity can be channeled toward more strategic marketing goals and tangible impact. At first glance, this research appears to be a human resource management issue; however, innovation cannot grow optimally without a sufficient support system. Hence, tourism MSME organizations should create a human resource management system that promotes an environment of continuous learning, teamwork, and risk-taking behavior for experimentation. This may be done by offering platforms for employees to pitch ideas, effective feedback systems, and recognition of successful innovative contributions.

The third implication calls for leadership that acts as a facilitator of innovation. Owners or managers of MSMEs are expected to direct human resource creativity so that it aligns with the business vision and market needs. Leadership should provide the vision and support necessary to bridge the gap between creativity and execution in a successful marketing plan. What this research shows about marketing efficacy is that while creative and new promotional activities are relevant, strategic consistency and market understanding are equally important. For tourism MSMEs, this becomes a dynamic interplay of human resource creativity, data-driven marketing planning, and tourism trend analysis. Beyond creative visuals, digital media must be optimized and tailored to content on online tourism platforms and social media. Additionally, the results of the study encourage MSMEs to periodically evaluate their marketing practices. With specific performance indicators, MSMEs can assess whether innovation and creativity truly expand market outreach, attract tourists, and sustain their businesses. The outcomes of this research indicate a key role for universities, business incubators, and MSME mentoring agencies in adopting a comprehensive view of HRD. Longitudinal studies can also be designed with components of training and mentoring in creativity and innovation implementation, such as business planning, marketing management, and performance measurement development (e.g., knowledge or human capital creation values). Educational institutions are called upon to establish and develop an innovation ecosystem that facilitates tourism MSMEs through collaborative research, community service, and knowledge transfer. In real-life settings, this would enable better implementation of new ideas and enhance MSME marketing impact.

#### *Policy Implication*

This study provides policymakers with empirical evidence to inform the design of more holistic tourism MSME development policies. We maintain that government support schemes should not be directed solely toward enhancing creativity or broadly toward innovation training, but instead toward increasing the efficacy of key processes in human resource management systems, providing access to marketing assistance, and developing enabling infrastructure. We see policies on MSME cooperation, regional and tourism clusters alongside educational institutions as fruitful for developing an ecosystem of innovation implementation. Therefore, creativity and innovation in human resources will translate into marketing strategies that provide effective and sustainable marketing support for tourism MSMEs, strengthening their competitiveness at the national and global levels.

This clearly demonstrates that the results of this study contribute substantially to the knowledge base and to policymakers by providing comprehensive empirical evidence for better-integrated tourism MSME development policies. We argue against limiting government support programs to creativity or general innovation training; instead, human resource management systems should be strengthened, access to marketing assistance should be expanded, and the necessary infrastructure should be in place. Policies should be oriented toward providing an enabling ecosystem for the implementation of innovation by encouraging collaboration among MSMEs, educational institutions, and the tourism industry, so that human resource creativity and innovation can be transformed into decisive and sustainable marketing strategies that strengthen the competitiveness of tourism MSMEs at the national and international levels.

Findings of this research indicate social implications for improving the quality of tourism labor. Human resource creativity, when not supported by a continuous learning system, carries a high propensity for causing competency stagnation. Hence, there is a need for collective actions such as improving labor quality through practice-based vocational education, digital skills development, and tourism market orientation. The positive effect of tourism human resources on the labor market encourages a more adaptive, professional, and socially competitive workforce. In addition to being beneficial for MSMEs, this will also improve the quality of tourism services as a whole, which will have an impact on the perception of Indonesian tourist destinations. These findings illustrate that innovation cannot be viewed in isolation but instead needs a social ecosystem to allow it to flourish. The social implications call for MSMEs, local communities, and educational institutions to cooperate with the government and the private sector. This includes developing common learning spaces, sharing knowledge, and enhancing social networks to help increase the sustainability of tourism MSMEs. Such a social ecosystem will bring MSMEs closer to reducing the chances of business failure, strengthening business confidence, and nurturing community-wide social cohesion in tourism. Therefore, human resource innovation will not only

affect business performance but also the social resilience of local communities.

At a more general level, the social impact of this research continues to contribute directly toward one or more SDGs by facilitating a pathway to decent work and economic growth, as well as quality education and addressing inequalities in society. Properly managed innovation and creativity in human resources promote the creation of inclusive and sustainable jobs in tourism. Therefore, this research proves that developing human resource innovation in tourism MSMEs is not merely a managerial issue but also a social issue related to community welfare, social justice, and the Sustainable Development Goals (SDGs) in Indonesia.

This research is original because it provides empirically designed data that reveals the real connections between human resource innovation, HR creativity, and marketing performance in the MSME context, with contributions to the tourism sector in Indonesia. In contrast to most previously published studies that emphasize positive elements such as creativity and innovation as critical success factors in marketing performance, our findings suggest that neither variable positively impacts marketing effectiveness. This finding provides an alternative perspective that challenges a common insight in the management and marketing literature. To the best of our knowledge, this is one of few studies to provide empirical evidence for how human resource innovation and human resource creativity relate to marketing effectiveness within Indonesia's tourism MSME sector. This study finds that marketing effectiveness is not significantly influenced by human resource creativity and innovation, which contrasts with the prevailing view in previous studies demonstrating positive effects. Innovation is a systemic process that relies upon executive leadership and organizational culture, as well as structured mechanisms for implementation. The value of this study lies both in its theoretical contribution (enriching the literature on human resource innovation) and its practical contribution (as a basis for formulating strategies for developing sustainable tourism MSMEs that are context-specific).

#### *Limitations and Future Research Directions*

There are multiple limitations of this study that should be taken into account when interpreting the results. To begin with, HR Innovation as the dependent variable is explained by the model with very low capacity, given that the independent variables are limited to HR Creativity and Marketing Effectiveness. This is evidenced by the relatively low coefficient of determination, suggesting that there are many variables outside of this study's model that can affect human resource innovation, such as leadership, organizational culture, reward systems, technology support, and training and development. Second, this study employed data based on respondents' perceptions, measured through a Likert scale questionnaire, so the results are very much reliant on the subjectivity of individuals' evaluations of organizational conditions. These perceptions may not align with actual conditions, and response bias may have occurred. Third, longitudinal data capturing changes in creativity, marketing effectiveness, and HR innovation over time could not be acquired due to the cross-sectional research design. A longitudinal approach would likely yield richer and more nuanced insights. Finally, while the sample size was generally large, due to context and subject characteristics, the findings may not be widely generalizable. Given differences in organizational and industry characteristics, results must be viewed with caution and should serve as a basis for further research that incorporates more variables, employs broader data collection methods, or implements more rigorous research designs to better understand the factors influencing human resource innovation.

#### **CONCLUSION**

This research tested the effects of HR innovation and HR creativity on tourism MSMEs' marketing effectiveness in Indonesia using a quantitative cross-sectional study design involving 300 respondents. Although the descriptive results indicate that all three variables are rated above 4.00 (mean > 4.00), the inferential analysis shows no statistically significant relationships (all  $p > 0.05$ ;  $R^2 = 0.002$ ). Hypotheses H1–H4 were not supported. This study contributes to the Resource-Based View and Dynamic Capability Theory by showing that HR innovation and creativity are not sufficient in isolation from enabling systemic conditions. It also contradicts dominant paradigms and suggests directions for future research on resource activation mechanisms in developing-economy MSMEs. MSME practitioners should be trained not only in creativity but also within organizational systems (e.g., leadership, digital infrastructure, performance monitoring, and cross-functional integration) that translate creative potential into market-level marketing

outcomes. In designing government promotion programs for tourism MSMEs, the focus should be on systemic capability building rather than solely on creativity, while ensuring support through digital marketing services, mentoring networks, and technology ecosystems. Future studies should adopt longitudinal designs. Leadership style and organizational culture should be examined as moderating or mediating variables, and Structural Equation Modeling (SEM) with bootstrapping is recommended for testing these relationships. The survey scope should also be expanded to cover more regions in addition to the three destinations.

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### AUTHOR CONTRIBUTION STATEMENT

Astri Wulandari: Conceptualization, Data Collection, Statistical Analysis and Drafting the Manuscript. Riska Aprilina wrote the methodology, literature review and data interpretation. Bethani Suryawardani was responsible for supervision, manuscript reviewing and editing, and final validation. All authors read and approved the final manuscript before publication.

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