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The Impact of Entrepreneurial Orientation and Social Capital on Culinary Business Performance in Surabaya with the Knowledge Creation Process as a Mediating Variable

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Abstract

Purpose: This study examines factors influencing culinary business performance in Surabaya, focusing on the relationship between entrepreneurial orientation, social capital, and business performance, with knowledge creation as a mediating variable.

Method: Data were collected from 345 micro, small, and medium-scale culinary entrepreneurs in Surabaya. The analysis used Structural Equation Modeling (SEM) with 2nd order Confirmatory Factor Analysis (CFA) via AMOS 22 software

Result: Entrepreneurial orientation and social capital significantly affect knowledge creation and business performance. The SECI-based knowledge creation process positively impacts business performance and partially mediates the relationship between entrepreneurial orientation and business performance.

INTRODUCTION

The target of economic development today is not solely focused on the growth of large-scale industries but also on grassroots economics, particularly in the micro, small, and medium-sized enterprises (MSMEs) sector. MSMEs are recognized as the engine of economic growth and a key contributor to the Gross Domestic Product (GDP) in developing countries, including Indonesia. Entrepreneurship is considered a solution to address economic issues and to promote growth and technological development. Entrepreneurial activities also provide opportunities for job creation. During the economic crisis that struck Indonesia in 1998, UMKM businesses with their specific models proved to be resilient and played a vital role in rescuing the nation's economy. The increasing population, rising purchasing power, and changes in lifestyle have driven the growth of the food and beverage industry, particularly in Surabaya, which achieved the highest growth rate in 2019 at 7.67%.

Culinary businesses, particularly micro, small, and medium-sized enterprises (UMKM), are facing the challenge of adapting to the economic impacts of the COVID-19 pandemic and shifting consumer behavior, necessitating strategic planning to enhance their resilience and organizational performance. While the pandemic has negatively affected many businesses, it has also provided opportunities for those who employ entrepreneurial strategies. Drawing on Indonesia's economic history, UMKM has shown resilience, playing a vital role in economic recovery, including job

creation through entrepreneurial activities. In Surabaya, most culinary businesses are micro, small, and medium-sized enterprises, each with unique challenges leading to varying success rates. Entrepreneurship in this sector is subject to a high failure rate, often attributed to insufficient knowledge resources and a lack of formal strategic planning. However, implementing formal strategic planning is crucial, as failure rates rise without it .

Strategic management theories, especially the Resource-Based View (RBV), provide a theoretical foundation for examining entrepreneurial activities in the culinary sector post-disaster. Entrepreneurial orientation plays a vital role in performance enhancement by capitalizing on internal resources and innovation (Covin & Slevin, 1986). Combining entrepreneurship with knowledge-based performance leads to positive outcomes, driven by the utilization of intangible resources. The correlation between entrepreneurial orientation, performance, and knowledge creation is a promising area of research (Semrau, 2016).

Research on the impact of entrepreneurial orientation on business performance shows varied results. Most studies support that entrepreneurial orientation can enhance organizational performance (Cho & Lee, 2018). However, findings from other research indicate that entrepreneurial orientation does not have a significant correlation with organizational performance (Covin et al., 1994). The previous study even suggests that there is no significant relationship between entrepreneurial orientation and performance. Moreover, research reveals that an excessive application of entrepreneurial orientation can negatively affect a company's financial performance. Some studies also emphasize that not all dimensions of entrepreneurial orientation significantly influence business performance. For instance, the research finds that innovative and progressive dimensions impact non-financial business performance but not financial performance. Additionally, entrepreneurial orientation often requires the role of mediating variables to impact organizational performance. For example, previous study used variables such as absorptive capacity and boundary-spanning as mediators to explain the relationship between entrepreneurial orientation and organizational performance. The study's results showed that the relationship between entrepreneurial orientation and organizational performance becomes stronger when the mediating variable absorptive capacity is involved, while the mediation effect of the variable boundary-spanning weakens it. Other research examined the direct and indirect effects of entrepreneurial orientation on organizational performance, using the process of knowledge creation as a mediating variable. The results indicated that entrepreneurial orientation is positively related to organizational performance, and the process of knowledge creation plays a mediating role in this relationship.

Research also highlights the role of social capital in influencing organizational performance.

Social capital, encompassing business relationships, professionalism, friendships, institutions, and interactions with the local community, has been proven to have a positive influence on organizational performance (Greve et al., 2006). Previous studies, such as those conducted by Cooke (2007) and Sorenson (2009), have demonstrated a positive relationship between social capital and organizational performance in various contexts and at various levels. Social capital is defined as the ability of individuals to utilize their social networks and memberships in the social structure for mutual benefit. Knowledge creation processes have also been identified as a significant factor in supporting innovation and organizational performance. Knowledge, which includes experiences, values, contextual information, and expert opinions, is considered a key factor in business success and innovation. The process of knowledge creation is an effort to convert implicit knowledge into explicit knowledge, and then to internalize that knowledge within the organization. Studies such as those conducted by Zubielqui et al. (2019) emphasize the importance of the knowledge creation process in improving organizational performance. Research has also confirmed that effective knowledge management can support innovation and organizational performance. The knowledge creation process plays a crucial role in stimulating organizational creativity and improving performance. In today's competitive business environment, knowledge is recognized as a critical factor that differentiates business success. This research attempts to integrate variables such as entrepreneurial orientation, social capital, knowledge creation processes, and organizational performance into a conceptual

framework with the aim of understanding the role of each variable in enhancing the performance of culinary businesses in Surabaya. This research provides an alternative theory by focusing on variables that have been less explored in the context of culinary businesses in Surabaya. The results of this study are expected to provide valuable insights and contribute to the understanding of factors influencing the performance of culinary businesses in the face of uncertainty, as experienced during the COVID-19 pandemic.

In the context that has been described, the main research problem is clearly formulated: "Does entrepreneurial orientation and social capital impact organizational performance, with knowledge as a mediator, in the culinary businesses of Surabaya?" From this research problem, the following research questions are derived: First, does entrepreneurial orientation influence the process of knowledge creation in culinary businesses in Surabaya? Second, does social capital influence the process of knowledge creation in culinary businesses in Surabaya? Third, does entrepreneurial orientation affect organizational performance in culinary businesses in Surabaya? Fourth, does social capital affect organizational performance in culinary businesses in Surabaya? Fifth, does the process of knowledge creation impact organizational performance in culinary businesses in Surabaya? Sixth, does knowledge creation mediate the impact of entrepreneurial orientation on organizational performance in culinary businesses in Surabaya? And seventh, does knowledge creation mediate the impact of social capital on organizational performance in culinary businesses in Surabaya?

Entrepreneurial orientation significantly facilitates knowledge utilization and market opportunity discovery through the SECI knowledge creation process, which involves socialization, externalization, combination, and internalization. This process enhances the interaction between explicit and tacit knowledge, allowing continuous knowledge regulation and transformation. Businesses with an entrepreneurial orientation focus on knowledge creation, and this research seeks to establish their significant relationship. Prior studies confirm the positive connection between entrepreneurial orientation and knowledge creation, with market sensing capability positively influencing the knowledge creation process and dimensions such as aggressiveness, proactiveness, innovativeness, and risk-taking significantly relating to knowledge creation (Hamdani, N., 2018). Entrepreneurial orientation affects performance and knowledge creation, where knowledge creation serves as a mediator (Madhoushi et al., 2011). Innovativeness, proactiveness, and risk-taking alongside the SECI knowledge spiral enable continuous knowledge exchange and transformation, crucial for creating new products and services. Companies must encourage employee risk-taking and proactive monitoring of customers and competitors to leverage knowledge resources and seize market opportunities. In summary, entrepreneurial orientation is vital for knowledge utilization and market opportunity exploration, with the SECI process enhancing knowledge exchange and aligning employee knowledge with organizational goals.

Social capital plays a crucial role in organizational performance by facilitating knowledge

creation and transfer efforts, enhancing individuals' willingness to share knowledge, improving the quality, relevance, and timeliness of information, and aiding effective coordination within the company. Empirical studies demonstrate a significant positive relationship between social capital and knowledge creation, showing that structural, cognitive, and relational capital positively influence knowledge sharing and creation in SMEs (Kim & Shim, 2018). Social capital impacts the knowledge creation process, particularly in externalization and combination dimensions (Zhao & Widdows, 2016), with cognitive, relational, and structural capital all significantly affecting knowledge creation (Saadi & Pahlavani, 2013). Previous study connects social capital and knowledge management to organizational performance and sustainability, while other study found positive relationships with knowledge creation, except for the relationship quality dimension. Previous research suggests that increased personal relationships may decrease knowledge creation, contradicting prior findings. Enhanced knowledge creation and transfer are key to organizational adaptation, survival, and competitive advantage. Social capital also determines the success of knowledge transfer processes in creating competitive advantage, serving

as the foundation for business owners or executives to govern knowledge and determine strategies for dealing with competitors.

Knowledge is a strategic resource for companies, enabling the development of sustainable competitive advantages due to its heterogeneity, uniqueness, and immobility. The knowledge creation process is vital for business success, as it helps organizations connect knowledge in various ways, enhancing market power and delivering customer value. Companies with strong knowledge management capabilities are more innovative and efficient, leading to better performance. Empirical research highlights the importance of knowledge creation in improving SME performance (Zubielqui et al., 2019), although not all dimensions of knowledge creation equally impact organizational performance. The SECI model outlines the dynamic interaction between tacit and explicit knowledge, essential for innovation and new product development. This process involves socialization, externalization, combination, and internalization, transforming knowledge into business value and enabling strategic development. Consequently, effective knowledge creation processes offer companies opportunities for enhanced efficiency, growth, and profit.

Prior research has shown that entrepreneurial orientation positively impacts firm performance, with varying significance influenced by factors such as different dimensions, indicators, contexts, and interventions by other variables. From the Resource-Based View (RBV) theory, entrepreneurial orientation is seen as a resource that helps firms achieve competitive advantages and market positions. The knowledge creation process, through the SECI model involving socialization, externalization, combination, and internalization, can enhance firm performance by transforming knowledge into operational activities. This process contributes to product innovation and process improvement, suggesting that knowledge creation may mediate the impact of entrepreneurial orientation on firm performance. For SMEs, social capital is a significant advantage, as it facilitates the utilization of knowledge within networks to achieve high performance. SMEs' proximity to customers and networks allows for direct and swift knowledge acquisition, essential for overcoming knowledge limitations and enhancing competitive advantage through effective knowledge creation processes.

RESEARCH METHODS

Population is the combination of all elements in the form of events, things, or people with similar characteristics that are the focus. Considering the limitations of resources, not the entire population is taken as a sample; instead, sampling is performed to represent the population. The criteria for sample selection are based on the characteristics of business scale and business age. Culinary businesses that meet the requirements as samples fall within the criteria of small and medium-sized enterprises operating in Surabaya, with their data available in the Tourism Business Data in the city of Surabaya. According to the Database of Tourism Businesses in Surabaya, the total number of culinary businesses in Surabaya is 1,754.

The determination of the sample size is based on two considerations: the first consideration is based on Maximum Likelihood (ML), and the second utilizes the Slovin formula. The Slovin formula is as follows: $n = N / (1 + (N \times e^2)$; where "n" is the minimum sample size, "N" is the population size, and "e" represents the error margin (e = 0.05). From a population of 1,757 culinary businesses in Surabaya, the desired sample size is as follows: $n = N / (1 + (N \times e^2))$ $n = 1,757 / (1 + (1,757 \times 0.05^2))$ $n = 325.8$ (the sample size in this study is 326 respondents). Generally, the Structural Equation Modeling (SEM) estimation method uses Maximum Likelihood Estimation (MLE). The determination of the sample size is effective with sample sizes between 150 and 400. The sample size can also be determined as 5 to 10 samples per parameter. In this study, there are four constructs and 16 dimensions (second order), totaling 69 parameters. According to the aforementioned criteria, the minimum sample size for this research is 5 x 69 = 345 respondents. Based on this consideration, the determined number of respondents as the sample size is 345 respondents using the Maximum Likelihood Estimation (MLE) approach.

Operational definitions in research serve to clarify and specify the variables under investigation. In this study, operational definitions have been established for key variables, including entrepreneurship orientation (X1), social capital (X2), knowledge creation processes

(Y1), and organizational performance (Y2). The first variable, Entrepreneurship Orientation (X1), is defined as the perception of culinary business owners and managers in Surabaya concerning their inclination toward risk-taking, innovative capabilities, proactiveness, competitive aggressiveness, and autonomy in the operation of culinary businesses. This definition draws from insights gained from previous study conducted by researchers such as Cho, Y. H., & Lee, J. H. (2018). The second variable, Social Capital (X2), is characterized as the perception of culinary business owners and managers in Surabaya regarding the contribution of their networks, which encompass personal connections, professional relationships, association networks, and institutional affiliations. This contribution pertains to multiple aspects, including financial resources, technological advancements or innovation, commercial capabilities, quality management, human resource quality, and organizational management. To measure this variable, the Entrepreneur's Social Capital Resource Scale, developed by Hernández-Carrión et al. (2017), is employed. The third variable, Knowledge Creation Processes (Y1), is defined as the perception of culinary business owners and managers in Surabaya concerning the application of the fundamental knowledge creation process known as "The Spiral of Knowledge." This process comprises the stages of socialization, externalization, combination, and internalization within an organization. To measure this variable, a composite variable consisting of four dimensions or components is utilized. The fourth variable, Organizational Performance (Y2), is described as the perception of culinary business owners and managers in Surabaya regarding three dimensions of organizational performance. These dimensions include efficiency, competitiveness, and profitability, as subjectively evaluated by the participants. Due to the straightforward nature of management processes in culinary businesses, the study adapts instruments employed in prior research.

In the research questionnaire, ensuring the quality of data is essential as it constitutes the

interpretation of the variables being studied and serves as the means to substantiate the predefined hypotheses based on theoretical and empirical foundations. While most instruments have been drawn from validated and reliable sources, the study will additionally scrutinize the validity and reliability of the instruments, considering both theoretical and empirical nuances that contribute to the novelty of this research. Validity and reliability testing is crucial for assessing the precision and dependability of the measurement tools used throughout the analysis. For indicator validity and reliability, Confirmatory Factor Analysis will be applied, while for the second-order latent variables, validity and reliability will be evaluated through Confirmatory Factor Analysis and Construct Reliability using the AMOS software. The study will rely on composite (construct) reliability for assessing reliability, with a minimum cutoff value of 0.7. In the case of individual items, the p-variance error should not exceed

0.05. This research employs structural equation modeling (SEM) analysis with a two-step approach using AMOS software. The first step in SEM analysis involves the measurement of variables using Confirmatory Factor Analysis (CFA) for both exogenous and endogenous constructs. Through CFA, a well-fitting and combined set of constructs is obtained, making the model acceptable for further analysis. The CFA model is considered acceptable if it meets criteria for validity and reliability.

The second step of the two-step approach is the examination of the SEM model's structure. The SEM structural model is formed by integrating the CFA models of both exogenous and endogenous constructs into one comprehensive or full model for estimation and analysis. The model is deemed fit if it passes the overall model fit test (Goodness of Fit Test) and after evaluating its structural components to achieve a fully acceptable model.

RESULTS & DISCUSSION

The culinary business has been rapidly growing due to changes in people's lifestyles when it comes to fulfilling their food and beverage needs, as well as entertainment. This growth is particularly notable in urban areas, where culinary businesses offer a diverse range of culinary products and accompanying services. Thus, culinary activities are not solely about satisfying

consumption needs but have also become a form of tourism and recreation. This research focuses on small and medium- sized culinary businesses in Surabaya.

The respondents in this study consist of culinary businesses listed in the Surabaya City Government's List of Tourism Businesses. A total of 345 respondents, operating various types of culinary businesses, were surveyed. The respondents are distributed across different areas of Surabaya as follows: East Surabaya with 55 respondents (15.94%), West Surabaya with 52 respondents (15.07%), North Surabaya with 48 respondents (13.91%), South Surabaya with 78 respondents (22.03%), and Central Surabaya with 114 respondents (33.04%). This distribution highlights the concentration and diversity of culinary enterprises in different regions of Surabaya, offering a comprehensive overview of the city's culinary business landscape.

Table1.
Respondents Profile

Demographics	Frequency	Percent
Region		
East Surabaya	55	15.9
West Surabaya	52	15.1
North Surabaya	48	13.9
South Surabaya	76	22
Central Surabaya	114	33
Total	345	100
Gender		
Famale	157	45.5
Male	188	54.5
Total	345	100
Age		
20 - 30 years	40	11.6
31 - 40 years	58	16.8
> 40 years	247	71.6
Total	345	100
Education Level		
Middle school and below	4	1.2
High school	105	30.4
Bachelor's degree	201	58.3
Master's degree or higher	35	10.1
Total	345	100
Number of Businesses		
Owns more than 1 business	66	19.1
Owns 1 business	279	80.9
Total	345	100
Business Age		
2-3 years	10	2.9
4-5 years	22	6.4
Over 5 years	313	90.7
Total	345	100
Category		
Asset < Rp.50.000.000; Revenue < Rp.300.000.000	11	3.2
Asset > Rp.50.000.000 - Rp.500.000.000,- ; Revenue > Rp.300.000.000 - Rp.2.500.000.000,-	228	66.1
Asset > Rp.300.000.000 - Rp.10.000.000.000,- ; Revenue > Rp.2.500.000.000 - Rp.50.000.000.000,-	106	30.7
Total	345	100

Results of Structural Equation Modeling (SEM) Assumption Testing

Several prerequisites must be met in structural modeling, including multivariate normality, the absence of multicollinearity or singularity, and handling outliers. These assumptions will now be discussed in detail. Normality of the data is a fundamental requirement in Structural Equation Modeling (SEM). Testing for normality focuses on multivariate data by examining skewness, kurtosis, and can be statistically assessed using the Critical Ratio (CR) value. If a 1% significance level is used, CR values falling within the range of -2.58 to 2.58 indicate a normal distribution, both multivariately and univariately. The results of the normality test for all research variables revealed a multivariate CR value of 2.489. Since this value falls outside the range of -2.58 to 2.58, it can be concluded that the data is not multivariately normally distributed. Outlier testing in this study is based on Mahalanobis distance or Mahalanobis D- squared. Any Mahalanobis value exceeding the critical Chi-square table value or p-value less than 0.001 is considered an outlier observation. In this study, 8 data points were identified as outliers, but since they still fall below n x α, it can be concluded that there are no significant outliers. The research results provided a Determinant of the sample covariance matrix with a value of 0.097. This value is significantly different from zero, indicating that there are no singularity issues in the analyzed data.

Confirmatory Factor Analysis (CFA)

Data analysis in this study, involving latent variables in relation to indicators and items, employed Confirmatory Factor Analysis to assess the validity and reliability of the indicators. For the second-order variables, which are latent constructs, both Confirmatory Factor Analysis and Construct Reliability were employed using the AMOS software. The validity test aimed to determine whether the questionnaire questions were sufficiently representative. The validity assessment was carried out through Confirmatory Factor Analysis for each latent variable. The second measurement tool (questionnaire) was assessed for reliability, which is an index indicating the extent to which the measuring instrument is dependable or trustworthy. Reliability is a measure of the internal consistency of indicators within a constructed variable, reflecting the degree to which each indicator signifies a common latent variable.

Testing Structural Equation and Research Hypothesis Testing Results

The next stage of analysis, after testing the validity and reliability of all latent variables, which have been confirmed to be valid and reliable, with multivariate normal data, no singularity, and no outliers, these latent variables can be further analyzed in the structural equation analysis using the following path diagram:

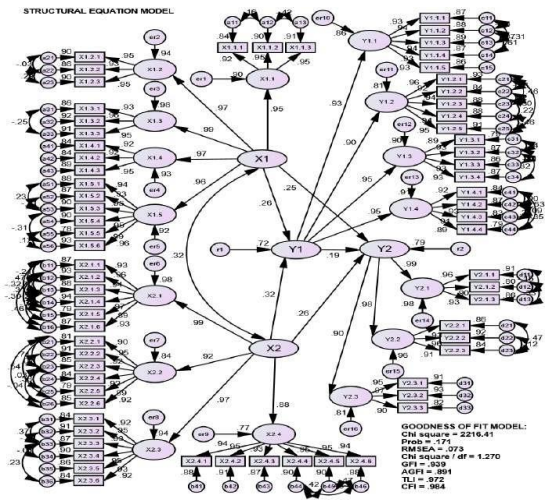

Figure 1
The Influence of Entrepreneurial Orientation, Social Capital Resources (X2) on Organizational Performance (Y2) Mediated by the Knowledge Creation Process Variable (Y1)

Table 3.
Results of the Testing of the Model of Entrepreneurial Orientation (X1), Social Capital Resources (X2) on Organizational Performance (Y2) Through Knowledge Creation Process (Y1)

Criteria	Cut-Off Value	Calculated Value	Remarks
			2 with df = 2201
Chi – Square	Lower is Expected	2216,410	Good
Significance Probability	0,05	0,171	Good
RMSEA	0,08	0,073	Good
GFI	0,90	0,939	Good
AGFI	0,90	0,9	Good
CMIN/DF	2,00	1,270	Good
TLI	0,90	0,972	Good
CFI	0,90	0,986	Good

Based on the table above, all eight criteria used to assess the suitability of the model indicate "good." This positive assessment across all criteria means that the model can be accepted, demonstrating a strong fit between the model and the data. The comprehensive alignment suggests that the model accurately represents the underlying structure of the data. As a result, the model's parameters can be confidently interpreted and used for further analysis. This validation reinforces the model's reliability and robustness in capturing the key dynamics of the study.

Table 4.
Path Coefficient Testing Results of the Model

Variable	Coefficient	C.R.	Prob.	Description
Entrepreneurial Orientation (X1) → Knowledge Creation (Y1)	0.264	5.166	0	Significant
Social Capital Resources (X2) → Knowledge Creation (Y1)	0.317	6.197	0	Significant
Entrepreneurial Orientation (X1) → Business Performance (Y2)	0.25	4.873	0	Significant
Social Capital Resources (X2) → Business Performance (Y2)	0.264	5.083	0	Significant
Knowledge Creation (Y1) → Business Performance (Y2)	0.195	3.709	0	Significant

In summary, the results indicate several key findings. First, Entrepreneurial Orientation (X1) has a significant and positive effect on Knowledge Creation (Y1), with a path coefficient of 0.264, a C.R. value of 5.166, and a probability (p) of 0.000, demonstrating that an increase in Entrepreneurial Orientation leads to increased Knowledge Creation. Second, Social Capital Resources (X2) also have a significant and positive impact on Knowledge Creation (Y1), with a path coefficient of 0.317, a C.R. value of 6.197, and a probability (p) of 0.000, indicating that greater Social Capital Resources enhance Knowledge Creation. Third, Entrepreneurial Orientation (X1) significantly and positively influences Organizational Performance (Y2), with a path coefficient of 0.250, a C.R. value of 4.873, and a probability (p) of 0.000, suggesting that higher Entrepreneurial Orientation improves Organizational Performance. Fourth, Social Capital Resources (X2) significantly and positively affect Organizational Performance (Y2), with a path coefficient of 0.264, a C.R. value of 5.083, and a probability (p) of 0.000, indicating that increased Social Capital Resources lead to better Organizational Performance. Lastly, Knowledge Creation (Y1) significantly and positively influences Organizational Performance (Y2), with a path coefficient of 0.195, a C.R. value of 3.709, and a probability (p) of 0.000, showing that enhanced Knowledge Creation improves Organizational Performance.

CONCLUSION

This research explores the causal relationships between entrepreneurship orientation and social capital's impact on the organizational performance of culinary businesses in Surabaya, with knowledge creation acting as an intervening variable. Entrepreneurship orientation has a significant and positive influence on the knowledge creation process among culinary entrepreneurs in Surabaya. This finding validates the first hypothesis, indicating that a higher level of perceived entrepreneurship orientation leads to increased knowledge creation. These results align with previous studies by Madhoush et al. and Hamdani.

The research demonstrates that the social capital resources held by entrepreneurs significantly affect the knowledge creation process in Surabaya's culinary industry, supporting the second hypothesis. This implies that an increase in the perception of social capital resources leads to a higher level of knowledge creation among culinary entrepreneurs. This result is consistent with the findings of studies conducted by Kim & Shim, Saadi & Pahlavani, and Zhao & Widdow. Moreover, this study refutes the results of Yli-Renko & Sapienza, indicating that not all dimensions of social capital influence knowledge creation. The empirical findings indicate that entrepreneurship orientation significantly impacts organizational performance in the culinary industry in Surabaya. As entrepreneurs exhibit traits like innovation, proactivity, risk-taking, aggressiveness, and autonomy, the performance of culinary organizations improves. This aligns with earlier research by Cho & Lee, Criado et al., Semrau et al., de Zubielqui et al., but contradicts the findings of Covin et al.

Social capital significantly contributes to organizational performance in the culinary industry in Surabaya, confirming the fourth hypothesis. The study is consistent with prior research conducted by Muniady et al., Fonti & Maoret, Samad, Saxenian, Greve et al., Sabatini, Putnam, Cooke, and Sorenson. It underscores the vital role of social capital in the performance of small and medium-sized culinary enterprises. The fifth hypothesis, suggesting that knowledge creation significantly influences organizational performance in the culinary industry, is empirically validated. The results are in line with previous study by Zubielqui et al. However, this finding contradicts Alharthy's research, which found that the dimension of socialization in knowledge creation was not significant, as well as Muthuveloo's study, which revealed that not all dimensions of knowledge creation significantly affect organizational performance.

The direct impact of entrepreneurship orientation on organizational performance is significant, and its indirect influence mediated by knowledge creation is also substantial. The mediating effect is classified as partially mediation, indicating that entrepreneurship orientation can enhance organizational performance both directly and indirectly through knowledge creation. The indirect influence slightly diminishes the direct effect, but overall, entrepreneurship orientation, in conjunction with knowledge creation, exerts a more profound impact on organizational performance. The direct influence of social capital on organizational performance is significant, and the indirect impact mediated by knowledge creation is also substantial, with a partially mediating nature. This suggests that social capital directly and indirectly enhances organizational performance through knowledge creation. While the indirect effect slightly reduces the direct impact, the combined influence of social capital and knowledge creation exerts a more substantial impact on organizational performance.

Business success is influenced by several factors, one of which involves developing strategic planning and seeking advice from academics or professionals on managing the company to sustain and enhance organizational performance. Entrepreneurship among students can be fostered through various entrepreneurship programs, which serve as platforms for enhancing entrepreneurial skills and knowledge. Such initiatives not only support the emergence of new entrepreneurs in Indonesia but also contribute to increasing job opportunities in the country (Hamidi & Zakiah, 2024). This research identifies shifts in strategic planning among culinary entrepreneurs and analyzes changes in consumer behavior, providing valuable insights for stakeholders in the culinary industry, including entrepreneurs, policymakers, and the general public. It underscores the significance of entrepreneurial orientation and social capital as critical

resources for culinary businesses, highlighting the role of social relationships and knowledge creation in improving performance. Understanding these dynamics can aid culinary entrepreneurs in adapting strategies and policymakers in designing effective policies to foster industry growth and enhance consumer satisfaction. Thus, this study's contribution extends beyond academia, offering practical implications for addressing challenges and opportunities in the evolving business landscape.

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