

## CHAPTER V

### CONCLUSION

#### 5.1. Research Conclusion

Based on the results of hypothesis testing and discussion presented in the previous chapter, the reseach's conclusions can be presented, as follows:

1. Human capability was found to have a positive and significant effect on innovation capability. This proves that the high existing human capability factor is able to increase innovation capability.
2. Dynamic capability was found to have a positive and significant effect on innovation capability. This proves that the high dynamic capability factor is able to increase innovation capability.
3. Customer orientation was found to have a positive and significant effect on innovation capability. This proves that the high existing customer orientation factor is able to increase innovation capability.
4. Innovation capability was found to have a positive and significant effect on corporate performance. This proves that the existing high innovation capability factor is able to improve corporate performance.
5. Human capability was found to have a positive and significant effect on corporate performance. This proves that the high existing human capability factor is able to improve corporate performance.

6. Dynamic capability was found to have a positive and significant effect on corporate performance. This proves that the high dynamic capability factor is able to improve corporate performance.
7. Customer orientation was found to have a positive but not significant effect on corporate performance. This proves that the existing customer orientation factor has an effect but not significantly on corporate performance.
8. Innovation capability acts as a mediating variable (partial mediation) in the relationship between human capability and corporate performance. This proves that the mediation of Innovation capability is able to improve corporate performance caused by the high human capability factor although it is not fully mediating.
9. Innovation capability acts as a mediating variable (partial mediation) in the relationship between dynamic capability and corporate performance. This proves that the mediation of Innovation capability is able to improve corporate performance due to the high dynamic capability factor, although it is not fully mediated.
10. Innovation capability acts as a mediating variable (partial mediation) in customer orientation relationships to corporate performance. This proves that the mediation of innovation capability is able to improve corporate performance due to the high customer orientation factor, although it is not fully mediating.

## 5.2. Research Limitation

This study has limitations that can be taken into consideration for future research, stated in paragraphs below:

1. This research was conducted on several financial companies, so the results obtained cannot be used to identify problems specifically in one company.
2. The results of this study were obtained with the general characteristics of respondents; further research is expected to be able to see the differences between respondents based on company size using multi group analysis technique.
3. The research examines a matter perception, not empirical actualization. Therefore, the research has some limitation to prove an empirical case model. For this reason, further future research is expected to focus on the output of the empirical model.

## 5.3. Future Research Recommendation

Based on the results of the research conducted, the researchers provide some suggestions because this research still has several limitations from several aspects so that improvements need to be made in further research, including:

1. Researchers suggest that further research should add other exogenous variables considering that endogenous corporate performance variables in this study can only be explained by exogenous variables of human capability, dynamic capability, and customer orientation of 0.723

(72.3%). In addition, the endogenous innovation capability variable in this study can be explain by exogenous human capability, dynamic capability, and customer orientation variables of 0.695 (69.5%).

2. The researcher recommends for further research to include a moderating variable, namely Competitive Agility variable. The variable is expected to strengthen the relationship between customer orientation and corporate performance which was found to have no effect. Customer orientation is not able to improve the company's performance considering that many competitors already have the capability to meet customer demands. For such purpose, we need *agility* of the company to be able to compete with others.
3. The researcher recommends trying other roles of dynamic capability, such as the moderating variable role that can strengthen human capability towards corporate performance.
4. Further research is expected to incorporate the technology acceptance model (TAM) theory as one of the independent variables in consideration that one of the innovations SMEs can do is to develop technology application that can help in business innovation.
5. The researcher recommends further research to add moderating variables, such as Inclusion of Technology and Company Size to be able to take a deeper look at the problems that exist in SME along with the increasing

use of growing technology and address agility of organization to changes, respectively.

6. Researchers suggest management in companies engaged in finance to pay attention to the human capability factor, especially in the HC1 statement item, namely "I feel my personal education has help me to solve work problems?" which means that respondents do not fully agree with the current respondent's education can help respondents solve work problems. It was suggested by the researcher that by being able to increase these factors, human capability and company performance will also increase, respectively.
7. The researcher suggests to the management of companies engaged in finance to pay attention to the dynamic capability factor, especially in the DC3 statement item, namely "I function well outside my comfort zone?", means that the respondent does not fully agree with the respondent being able to position themselves well outside their comfort zone. It is suggested that by increasing these factors, dynamic capability and company performance will increase.
8. The researcher advises the management of companies engaged in finance to pay attention to the customer orientation factor, especially in the CO1 statement item, namely "My company is effectively developing the market intelligence process?", which means that respondents do not fully agree that my company is effectively developing a market intelligence

process. It is inclined that by increasing these factors, customer orientation and company performance will increase.

9. The researcher suggests to the management of companies engaged in finance to pay attention to the innovation capability factor, especially in the IC4 statement item, namely "More than 80% of managers at my company have ability in innovation?" which means that respondents do not fully agree that more than 80% of managers in companies have the ability to innovate. It is inclined that by increasing these factors, innovation capability and company performance will increase respectively.
10. The researcher suggests that management in companies operating in the financial sector pay attention to the company performance factor, especially the CP5 statement item, namely "I increase my skills by engaging with innovative products/services?" which means that respondents do not fully agree with if respondents improve skills by engaging with innovative products or services. It is inclined that by increasing these factors, company performance will increase.

