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Talent Development And Organizational Culture With Innovative Behavior Mediation On Brand Innovation Performance

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ABSTRACT

This study investigates the influence of talent development and organizational culture on brand innovation performance through the mediating role of innovative behavior. Using a quantitative approach, data were collected from 200 respondents representing UMKM in Purwakarta, Indonesia. Structural Equation Modeling with the Partial Least Squares technique was applied to test the proposed relationships. The results indicate that talent development significantly enhances innovative behavior, suggesting that learning and capability-building initiatives stimulate employees to generate and implement new ideas. Organizational culture also shows a positive effect on innovative behavior, highlighting the importance of shared values that support experimentation and openness. Innovative behavior is found to have a direct and positive impact on brand innovation performance, confirming that brand renewal is driven by employee-level innovation activities. Moreover, innovative behavior mediates the effects of both talent development and organizational culture on brand innovation performance, demonstrating that organizational inputs must be translated into behavioral actions to produce meaningful innovation outcomes. These findings extend the Innovative Work Behavior perspective by linking internal management practices with strategic branding results. The study provides practical implications for UMKM managers by emphasizing the need to integrate training systems and cultural values with innovation-oriented goals. Overall, the research contributes to a deeper understanding of how human-centered organizational practices foster sustainable brand innovation.

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Kata Kunci:
Kinerja Inovasi Merek
Perilaku Inovatif
Pengembangan Talenta

ABSTRACT

Studi ini meneliti pengaruh pengembangan talenta dan budaya organisasi terhadap kinerja inovasi merek melalui peran mediasi perilaku inovatif.

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Dengan menggunakan pendekatan kuantitatif, data dikumpulkan dari 200 responden yang mewakili UMKM di Purwakarta, Indonesia. Pemodelan Persamaan Struktural dengan teknik Partial Least Squares diterapkan untuk menguji hubungan yang diusulkan. Hasil menunjukkan bahwa pengembangan talenta secara signifikan meningkatkan perilaku inovatif, menunjukkan bahwa inisiatif pembelajaran dan peningkatan kemampuan merangsang karyawan untuk menghasilkan dan mengimplementasikan ide-ide baru. Budaya organisasi juga menunjukkan pengaruh positif terhadap perilaku inovatif, menyoroti pentingnya nilai-nilai bersama yang mendukung eksperimen dan keterbukaan. Perilaku inovatif ditemukan memiliki dampak langsung dan positif terhadap kinerja inovasi merek, menegaskan bahwa pembaruan merek didorong oleh aktivitas inovasi tingkat karyawan. Selain itu, perilaku inovatif memediasi pengaruh pengembangan talenta dan budaya organisasi terhadap kinerja inovasi merek, menunjukkan bahwa masukan organisasi harus diterjemahkan ke dalam tindakan perilaku untuk menghasilkan hasil inovasi yang bermakna. Temuan ini memperluas perspektif Perilaku Kerja Inovatif dengan menghubungkan praktik manajemen internal dengan hasil branding strategis. Studi ini memberikan implikasi praktis bagi para manajer UMKM dengan menekankan perlunya mengintegrasikan sistem pelatihan dan nilai-nilai budaya dengan tujuan yang berorientasi pada inovasi. Secara keseluruhan, penelitian ini berkontribusi pada pemahaman yang lebih mendalam tentang bagaimana praktik organisasi yang berpusat pada manusia mendorong inovasi merek yang berkelanjutan.

INTRODUCTION

Rapid changes in markets and technologies have intensified competition, forcing firms to continuously renew their brands through innovation rather than relying on incremental improvements alone. Many organizations struggle to translate internal human resource practices into visible innovation outcomes at the brand level, which weakens their long-term positioning. Talent development programs are often implemented as isolated training initiatives without clear integration into strategic innovation goals (Kwon & Kim, 2020). At the same time, organizational culture may encourage routine efficiency rather than experimentation, limiting employees' willingness to explore new brand ideas. Innovative behavior among employees becomes fragmented when learning systems and cultural values are misaligned. Prior studies suggest that innovation performance depends not only on individual skills but also on collective norms that shape daily work practices (Montani et al., 2021). This situation creates a practical problem in understanding how talent development and culture jointly contribute to brand innovation performance.

In many industries, digitalization and customer empowerment have increased the speed at which brands must innovate to remain relevant. Recent reports indicate that firms with strong internal learning systems achieve higher rates of product and brand renewal compared to those focusing only on external marketing activities (Hult et al., 2020). However, innovation failures remain common, particularly when employees do not feel supported to propose new ideas or challenge existing brand concepts. Empirical evidence shows that innovative behavior is unevenly distributed across organizations, even within the same sector, suggesting the presence of internal structural and cultural barriers (Li et al., 2020). Cultural rigidity often suppresses creativity despite investments in employee development. Moreover, talent development initiatives frequently emphasize technical skills while overlooking behavioral and cognitive aspects needed for innovation. These phenomena demonstrate a gap between organizational intentions and actual innovation outcomes at the brand level (Kang & Lee, 2022).

Although the relationship between human resource practices and innovation has been widely examined, fewer studies focus on how innovative behavior mediates the effect of talent development and organizational culture on brand innovation performance. A recent study by Anwar and Abdullah (2021) found that training improves innovation outcomes only when employees actively engage in innovative behavior, indicating an indirect rather than direct mechanism. However, their research concentrated on product innovation and did not address brand-related performance. Other studies have treated organizational culture as a contextual variable

rather than an active driver of employee innovation (Donate & de Pablo, 2019). This leaves uncertainty about whether culture strengthens or weakens the influence of talent development on innovative behavior. The limited focus on brand innovation performance represents a conceptual gap in existing research. Therefore, the present study responds to this gap by integrating these variables within a single analytical model (Anwar & Abdullah, 2021).

This study is grounded in the Innovative Work Behavior framework, which explains how employees generate, promote, and implement new ideas within organizational contexts (Janssen, 2020). The framework emphasizes that innovation is not a single act but a process shaped by individual capabilities and organizational conditions. Talent development aligns with the idea generation stage by enhancing knowledge and problem-solving skills, while organizational culture supports the promotion and implementation stages through shared values and norms. Compared to broader theories of innovation, this framework provides a more specific lens for understanding employee-level mechanisms. It is particularly suitable because brand innovation requires continuous idea refinement and internal acceptance. Prior research confirms that innovative work behavior links human resource practices to innovation outcomes in service and manufacturing contexts (Afsar et al., 2021). Thus, this framework offers a focused theoretical basis for examining mediation effects in brand innovation performance.

The urgency of this research is driven by the strategic importance of brands as intangible assets in highly competitive markets. Brand innovation performance determines how effectively a firm can refresh its identity, adapt to customer expectations, and differentiate from competitors. Organizations investing heavily in talent development risk wasting resources if cultural conditions do not support innovative behavior (Kim & Park, 2020). Furthermore, weak alignment between culture and learning systems may lead to employee disengagement and resistance to change. Understanding these dynamics is critical for managers who aim to foster sustainable innovation rather than short-term experimentation. Recent studies stress that innovation success increasingly depends on internal social systems rather than solely on technological capability (Zhang et al., 2021). This makes it essential to explore how talent development and organizational culture jointly stimulate innovative behavior.

From a managerial perspective, clarifying these relationships helps organizations design integrated policies rather than fragmented initiatives. Firms often introduce training programs without evaluating whether cultural values support creativity and risk-taking (Pham et al., 2019). This misalignment reduces the likelihood that new skills will translate into brand-related innovations. By focusing on innovative behavior as a mediator, this study highlights the behavioral channel through which strategic investments operate. It also responds to calls for more process-oriented research in innovation management (Caniëls et al., 2022). Such an approach allows practitioners to move beyond outcome metrics and understand how innovation is produced internally. Consequently, the research has practical relevance for both human resource and brand management functions.

Academically, this study contributes to the literature by linking micro-level employee behavior with macro-level brand performance. Prior research often separates human resource management from branding outcomes, creating fragmented insights (Mishra & Singh, 2021). Integrating these perspectives provides a more holistic view of organizational innovation. The proposed model also extends innovative work behavior research into the branding domain, which remains underexplored. Empirical testing of mediation effects offers methodological value by clarifying causal pathways. This aligns with recent recommendations to examine multi-level innovation processes rather than isolated constructs (Rhee et al., 2020). Therefore, the study addresses both theoretical and empirical gaps in innovation and branding research.

Specifically, this research aims to examine the direct effect of talent development on innovative behavior and brand innovation performance. It also seeks to analyze the influence of organizational culture on innovative behavior as a key psychological and social mechanism. By positioning innovative behavior as a mediator, the study tests whether employee actions translate strategic inputs into brand-related outcomes. This objective responds to evidence that human resource practices alone do not guarantee innovation success (Lee et al., 2022). The research further aims to compare the relative strength of talent development and culture in shaping innovative behavior. Such analysis provides nuanced insights into which organizational levers matter most. These objectives collectively support a more integrated understanding of innovation processes (Lee et al., 2022).

Finally, the study intends to provide empirical evidence that can guide organizations in aligning learning systems, cultural values, and branding strategies. It seeks to demonstrate how internal development efforts can enhance external brand performance through employee innovation. This perspective bridges the gap between internal management and market-facing outcomes (Sok et al., 2020). The findings are expected to inform policies

that encourage idea generation and experimentation within brand teams. By articulating specific relationships among the variables, the study offers actionable recommendations for organizational design. It also sets the foundation for future research exploring contextual moderators such as industry type or digital intensity. In this way, the research advances both scholarly understanding and practical application of innovation management (Sok et al., 2020).

LITERATURE REVIEW

Innovative Work Behavior (IWB) Theory

The main theoretical foundation of this study is the Innovative Work Behavior (IWB) Theory, which explains how employees intentionally create, promote, and implement new ideas in their work roles. This theory views innovation as a behavioral process rather than a single outcome. Innovative work behavior includes idea generation, idea promotion, and idea realization within organizational settings (Janssen, 2020). It emphasizes that innovation emerges from daily work practices supported by skills, motivation, and contextual factors. The theory highlights the importance of both individual capabilities and social environments in shaping innovation. Employees are not only executors of tasks but also active contributors to organizational change. As such, IWB theory provides a micro-level explanation of how organizational inputs are transformed into innovation outcomes (Afsar et al., 2021).

The development of Innovative Work Behavior theory has evolved from early creativity research toward a more process-oriented understanding of employee innovation. Recent studies expand the theory by incorporating learning systems, leadership, and organizational culture as antecedents of innovative behavior (Montani et al., 2021). Researchers increasingly recognize that innovative behavior is embedded in organizational structures rather than driven solely by personality traits. The theory has been applied across service, manufacturing, and digital industries, demonstrating its flexibility (Li et al., 2020). Contemporary models integrate IWB with strategic management and human resource perspectives. This development reflects a shift from individual creativity to organizationally supported innovation processes. As a result, IWB theory is now positioned as a bridge between HR practices and performance outcomes (Zhang et al., 2021).

In relation to this study, Innovative Work Behavior theory offers a clear explanation of how talent development and organizational culture influence brand innovation performance. Talent development enhances employees' ability to generate ideas, while organizational culture affects their willingness to promote and implement those ideas. Brand innovation requires continuous internal idea creation and social acceptance within organizations. The mediating role of innovative behavior aligns with the theory's process logic. Rather than assuming direct effects, the theory suggests that organizational inputs must operate through employee behavior (Caniëls et al., 2022). This perspective justifies the inclusion of innovative behavior as a mediating variable. Therefore, the theory provides a suitable and specific framework for explaining how internal management practices shape brand innovation performance (Caniëls et al., 2022).

Talent Development

Talent development refers to systematic organizational efforts to enhance employees' knowledge, skills, and competencies through training, mentoring, and career development programs. It focuses on long-term capability building rather than short-term skill acquisition. Talent development is designed to prepare employees for current and future organizational challenges (Kim & Park, 2020). It also supports adaptability by encouraging continuous learning. In innovation-oriented organizations, talent development extends beyond technical skills to include problem-solving and creative thinking. This makes employees more capable of responding to dynamic market demands. As such, talent development is considered a strategic investment in organizational sustainability (Kang & Lee, 2022).

From the perspective of Innovative Work Behavior theory, talent development supports the idea generation stage of innovation. Employees who receive structured learning opportunities are more likely to propose novel solutions. The theory explains that knowledge acquisition increases cognitive flexibility and confidence to experiment (Janssen, 2020). Talent development also strengthens intrinsic motivation by signaling organizational support. This creates favorable conditions for innovative behavior. Without adequate development, employees may lack both the competence and courage to innovate. Thus, talent development operates as a key antecedent of innovative work behavior within the theoretical framework (Afsar et al., 2021).

Empirical studies show that talent development positively influences innovative behavior and innovation outcomes. A study by Pham et al. (2019) found that training investment enhances employee creativity through learning orientation. Another study by Lee et al. (2022) demonstrated that career development programs significantly predict innovative performance via employee engagement. These findings suggest that talent development does not directly produce innovation but works through behavioral mechanisms. Such evidence supports the mediating role of innovative behavior. Therefore,

talent development is expected to stimulate innovative behavior and indirectly improve brand innovation performance (Pham et al., 2019; Lee et al., 2022).
Hypothesis 1 (H1): Talent development has a positive effect on innovative behavior.
Hypothesis 2 (H2): Talent development has a positive effect on brand innovation performance through innovative behavior.

Organizational Culture
Organizational culture refers to shared values, norms, and beliefs that guide employees' attitudes and behaviors within an organization. It shapes how members interpret problems and respond to challenges. Culture influences whether risk-taking and experimentation are encouraged or discouraged (Kim & Park, 2020). A supportive culture promotes openness, trust, and collaboration. Such environments reduce fear of failure and increase idea sharing. In contrast, rigid cultures emphasize compliance and routine, limiting creativity. Therefore, organizational culture is a critical context for innovation-related behavior (Zhang et al., 2021).
According to Innovative Work Behavior theory, organizational culture affects the idea promotion and implementation stages of innovation. Even when employees generate ideas, cultural resistance can prevent adoption. The theory explains that social acceptance and peer support are necessary for innovative behavior to translate into outcomes (Montani et al., 2021). Cultures that value learning and flexibility legitimize experimentation. This alignment strengthens the behavioral pathway toward innovation. Conversely, control-oriented cultures suppress employee initiative. Thus, organizational culture functions as a social enabler of innovative work behavior (Caniëls et al., 2022).
Prior studies confirm the relationship between culture and innovative behavior. Donate and de Pablo (2019) showed that learning-oriented cultures enhance employee innovation through psychological empowerment. Similarly, Rhee et al. (2020) found that innovative culture directly predicts employees' idea implementation behavior. These findings indicate that culture operates through behavioral mechanisms rather than direct output. This supports the logic of mediation through innovative behavior. Therefore, organizational culture is expected to influence brand innovation performance via employee innovative actions (Donate & de Pablo, 2019; Rhee et al., 2020).
Hypothesis 3 (H3): Organizational culture has a positive effect on innovative behavior.
Hypothesis 4 (H4): Organizational culture has a positive effect on brand innovation performance through innovative behavior.

Innovative Behavior
Innovative behavior refers to employees' intentional actions to generate, promote, and implement new ideas in the workplace. It is distinct from creativity because it includes both idea creation and application. Innovative behavior requires initiative and social interaction. Employees must persuade others to support their ideas. It also involves risk-taking and persistence. As a result, innovative behavior reflects both cognitive and social processes (Janssen, 2020). It represents the practical expression of innovation at the employee level (Afsar et al., 2021).
Within Innovative Work Behavior theory, innovative behavior is the central mechanism linking organizational practices to innovation outcomes. The theory explains that organizational inputs only matter when employees actively engage in innovation-related actions. Talent development supplies skills, while culture provides social legitimacy. Innovative behavior transforms these inputs into concrete organizational change (Montani et al., 2021). It serves as a behavioral bridge between internal systems and external performance. This makes it an appropriate mediating variable. Without innovative behavior, learning and culture remain symbolic rather than productive (Caniëls et al., 2022).
Empirical evidence supports the role of innovative behavior in explaining innovation performance. Sok et al. (2020) found that employee innovative behavior significantly predicts firm-level innovation success. Similarly, Anwar and Abdullah (2021) demonstrated that innovative behavior mediates the relationship between training and innovation performance. These studies show that innovation depends on how employees act, not merely on policies. This justifies treating innovative behavior as a mediator. Therefore, innovative behavior is expected to directly enhance brand innovation performance (Sok et al., 2020; Anwar & Abdullah, 2021).
Hypothesis 5 (H5): Innovative behavior has a positive effect on brand innovation performance.

Brand Innovation Performance
Brand innovation performance refers to the effectiveness of an organization in renewing and differentiating its brand through new ideas, concepts, and value propositions. It reflects the ability to adapt brand identity to changing market needs. Brand innovation performance includes new branding strategies, product symbolism, and communication styles. It goes beyond product innovation by emphasizing meaning and customer perception (Hult et al., 2020). Strong brand innovation performance strengthens competitiveness. It also enhances customer loyalty and market recognition. Thus, it

represents a strategic innovation outcome (Mishra & Singh, 2021).

From the perspective of Innovative Work Behavior theory, brand innovation performance is an outcome of accumulated employee innovation efforts. Employees contribute ideas that shape brand narratives and service delivery. The theory explains that innovation emerges from repeated behavioral actions rather than single strategic decisions (Zhang et al., 2021). When innovative behavior is supported, brand-related ideas are more likely to be developed and implemented. This links internal behavior to external brand outcomes. Therefore, innovative behavior provides a theoretical explanation for variations in brand innovation performance (Caniëls et al., 2022).

Previous studies support the link between employee innovation and brand outcomes. Kang and Lee (2022) found that internal innovation capabilities improve brand performance through employee engagement. Another study by Li et al. (2020) showed that innovative behavior enhances market differentiation. These findings indicate that brand innovation is socially produced inside organizations. This supports the proposed model in which innovative behavior transmits the effects of talent development and culture. Thus, brand innovation performance is positioned as the ultimate dependent variable (Kang & Lee, 2022; Li et al., 2020).

Hypothesis 6 (H6): Talent development and organizational culture jointly influence brand innovation performance through innovative behavior.

RESEARCH METHODS

This study employs a quantitative research design with an explanatory approach to examine the relationships among talent development, organizational culture, innovative behavior, and brand innovation performance. A survey method is used to collect primary data because it allows the measurement of perceptions and behaviors of respondents in a structured and comparable manner. The research is cross-sectional, meaning that data are collected at one point in time to capture the current condition of UMKM. This design is appropriate for testing causal relationships among latent variables and for evaluating the mediating role of innovative behavior. The unit of analysis in this study is individual employees who are involved in operational and marketing activities of UMKM. The research object is UMKM operating in Purwakarta Regency, Indonesia, across various sectors such as food and beverage, fashion, and creative industries.

The population of this study consists of all UMKM in Purwakarta Regency that are officially registered with the local government and business associations. Based on data from the local UMKM office, the estimated number of active UMKM is approximately 4,500 units. Given the large population size, a sample is selected to ensure feasibility while maintaining representativeness. The sampling technique used is purposive sampling, with criteria including: (1) UMKM that have been operating for at least two years, (2) UMKM that employ at least three workers, and (3) UMKM that have conducted branding or product development activities. Using the minimum sample size requirement for Structural Equation Modeling Partial Least Squares (SEM-PLS), a sample of 200 respondents is determined to be adequate for model estimation and hypothesis testing. Each UMKM is represented by one key informant, namely the owner or senior employee who understands organizational practices and innovation activities.

Data are collected using a structured questionnaire distributed directly and online to respondents. All measurement items are adapted from established international scales to ensure content validity and reliability. Talent development is measured using items related to training opportunities, skill development, and career support. Organizational culture is measured through indicators reflecting shared values, openness to change, and support for innovation. Innovative behavior is assessed using indicators of idea generation, idea promotion, and idea implementation. Brand innovation performance is measured using indicators related to brand renewal, differentiation, and innovation in brand communication. All items are rated using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Before the main survey, a pilot test involving 30 UMKM respondents is conducted to ensure clarity and consistency of the instrument.

Data analysis is conducted using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach. This method is chosen because it is suitable for prediction-oriented studies and does not require strict normality assumptions. The analysis is carried out in two stages: evaluation of the measurement model and evaluation of the structural model. The measurement model is assessed through convergent validity, discriminant validity, and reliability tests using indicators such as factor loadings, Average Variance Extracted (AVE), Cronbach's alpha, and composite reliability. The structural model is evaluated by examining path coefficients, coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). Hypothesis testing is performed using a bootstrapping procedure with 5,000 resamples to obtain t-values and p-values.

The mediating effect of innovative behavior is tested using indirect effect analysis within the SEM-PLS

framework. Mediation is confirmed if the indirect path from talent development and organizational culture to brand innovation performance through innovative behavior is statistically significant. This approach allows a more precise understanding of how organizational practices influence brand innovation outcomes through employee actions. Ethical considerations are addressed by ensuring voluntary participation, anonymity of respondents, and confidentiality of data. Respondents are informed about the research purpose and assured that their responses are used solely for academic purposes. Through this methodological design, the study aims to provide robust empirical evidence on the role of talent development and organizational culture in enhancing brand innovation performance of UMKM in Purwakarta through innovative behavior.

RESULT AND DISCUSSION

RESULT

Respondent Profile

Descriptive analysis is used to present the characteristics of respondents in order to understand the composition of the sample. Respondent characteristics are important because they provide contextual information about who participated in the study and whether the sample reflects the target population. The variables commonly described include gender, age, education level, business sector, and length of business operation. This information supports the credibility of the data and helps assess sample diversity. Frequency and percentage distributions are used because they provide a clear overview of respondent composition. Descriptive statistics do not test hypotheses but serve as a foundation for further analysis. A representative profile indicates that the data can reasonably be used for inferential analysis. Therefore, respondent characteristics are presented as preliminary results. The total number of valid responses analyzed in this study is 200.

Table 1. Respondent Characteristics

Category	Description	Frequency	Percentage
Gender	Male	112	56.0%
	Female	88	44.0%
Age	≤ 30 years	52	26.0%
	31–40 years	76	38.0%
	> 40 years	72	36.0%
Education	High school or lower	68	34.0%
	Diploma	54	27.0%
	Bachelor or higher	78	39.0%
Business Sector	Food & Beverage	84	42.0%
	Fashion	48	24.0%
	Creative Industry	68	34.0%
Business Age	2–4 years	61	30.5%
	5–7 years	79	39.5%
	> 7 years	60	30.0%

The table shows that most respondents are male and belong to the age group of 31–40 years. The education level is dominated by respondents with bachelor degrees, indicating relatively adequate educational background among UMKM actors. Food and beverage businesses represent the largest sector in the sample, followed by creative industries. Most businesses have been operating for between five and seven years, indicating stable operational experience. This distribution suggests that respondents have sufficient exposure to organizational practices and innovation activities. The variation in sectors also indicates heterogeneity of the sample. Such diversity supports the generalizability of findings within the UMKM context in Purwakarta. Overall, the respondent profile reflects a balanced representation of demographic and business characteristics. Therefore, the sample is considered suitable for subsequent statistical analysis.

Convergent Validity Test

Convergent validity evaluates whether indicators of a construct are strongly correlated with their underlying latent variable. It is assessed using factor loadings and Average Variance Extracted (AVE). A loading value above 0.70 indicates that an indicator shares substantial variance with its construct. AVE values above 0.50 indicate that the construct explains more than half of the variance of its indicators. These criteria ensure that each construct is measured accurately by its indicators. Convergent validity is essential for establishing construct credibility before testing structural relationships. Without sufficient convergent validity, interpretation of causal paths becomes unreliable. Therefore, factor loadings and AVE are examined for all variables. Constructs tested include Talent Development, Organizational Culture, Innovative Behavior, and Brand Innovation Performance.

Table 2. Convergent Validity Results

Construct	Indicator Range	AVE
Talent Development	0.721 – 0.861	0.613
Organizational Culture	0.734 – 0.884	0.642
Innovative Behavior	0.746 – 0.893	0.659
Brand Innovation Performance	0.758 – 0.902	0.671

The results show that all indicator loadings exceed the minimum threshold of 0.70. This indicates that each indicator has a strong relationship with its respective construct. The AVE values for all constructs are above 0.50, confirming that more than half of the indicator variance is captured by the latent variable. Innovative Behavior shows the highest AVE value, indicating strong indicator representation. Brand Innovation Performance also demonstrates high convergent validity. These findings suggest that the measurement items used are appropriate for capturing their respective constructs. No indicators needed to be removed because all met the criteria. Thus, convergent validity is established for all variables. The constructs can be reliably used for further model evaluation.

Discriminant Validity Test

Discriminant validity assesses whether a construct is truly distinct from other constructs in the model. It ensures that constructs do not measure the same concept. The Fornell–Larcker criterion is commonly used to assess discriminant validity by comparing the square root of AVE with inter-construct correlations. A construct achieves discriminant validity when the square root of AVE is greater than its correlation with other constructs. This criterion indicates that the construct shares more variance with its indicators than with other constructs. Discriminant validity is essential to prevent conceptual overlap among variables. Without discriminant validity, relationships among constructs may be biased. Therefore, the Fornell–Larcker criterion is applied. The square root of AVE values is compared to correlation coefficients.

Table 3. Discriminant Validity (Fornell–Larcker Criterion)

Construct	TD	OC	IB	BIP
Talent Development (TD)	**0.783**			
Organizational Culture (OC)	0.512	**0.801**		
Innovative Behavior (IB)	0.574	0.546	**0.812**	
Brand Innovation Performance (BIP)	0.498	0.523	0.601	**0.819**

The diagonal values represent the square roots of AVE, and they are all higher than the off-diagonal correlation values. This indicates that each construct is more strongly related to its own indicators than to other constructs. Talent Development shows a square root of AVE of 0.783, which exceeds its correlations with other constructs. Organizational Culture and Innovative Behavior also meet the criterion clearly. Brand Innovation Performance demonstrates strong discriminant validity relative to other variables. These results confirm that the constructs are empirically distinct. There is no evidence of multicollinearity or construct redundancy. Therefore, discriminant validity is supported for the model. The measurement structure is considered adequate for structural testing.

Reliability Test

Reliability measures the internal consistency of indicators in measuring a construct. It is evaluated using Cronbach's alpha and composite reliability. Cronbach's alpha values above 0.70 indicate acceptable internal consistency. Composite reliability values above 0.70 indicate that the indicators consistently represent the construct. Reliability ensures that the measurement produces stable and consistent results. High reliability indicates low measurement error. Reliability testing is required before interpreting structural relationships. If reliability is low, the constructs cannot be trusted for hypothesis testing. Therefore, both Cronbach's alpha and composite reliability are examined. All constructs in the model are assessed for reliability.

Table 4. Reliability Results

Construct	Cronbach's Alpha	Composite Reliability
Talent Development	0.872	0.901
Organizational Culture	0.884	0.912
Innovative Behavior	0.893	0.918
Brand Innovation Performance	0.899	0.921

The results show that all Cronbach's alpha values exceed 0.70, indicating good internal consistency. Composite reliability values also exceed the recommended threshold of 0.70. Brand Innovation Performance shows the highest reliability among the constructs. Innovative Behavior also demonstrates strong reliability. These findings suggest that the indicators consistently measure their respective constructs. No reliability issues are detected in the model. The measurement instruments are therefore considered stable and dependable. This confirms that the questionnaire items are suitable for further analysis. As a result, the model meets the reliability requirements.

Structural Model (R^2 and Q^2)

The structural model evaluates the predictive power of the independent variables on the dependent variables. The coefficient of determination (R^2) indicates how much variance of an endogenous variable is explained by its predictors. R^2 values of 0.25, 0.50, and 0.75 represent weak, moderate, and substantial explanatory power, respectively. Predictive relevance is assessed using the Stone–Geisser Q^2 value. A Q^2 value greater than zero indicates that the model has predictive relevance. Structural model evaluation ensures that the model is meaningful beyond measurement quality.

Both R^2 and Q^2 are reported for endogenous constructs. Innovative Behavior and Brand Innovation Performance are evaluated. This step precedes hypothesis testing.

Table 5. Structural Model Results

Endogenous Variable	R^2	Q^2
Innovative Behavior	0.471	0.312
Brand Innovation Performance	0.523	0.347

The R^2 value for Innovative Behavior indicates that 47.1% of its variance is explained by Talent Development and Organizational Culture. This reflects moderate explanatory power. The R^2 value for Brand Innovation Performance shows that 52.3% of its variance is explained by Innovative Behavior and the antecedent variables. Q^2 values for both endogenous constructs are above zero. This indicates that the model has adequate predictive relevance. The results suggest that the proposed model explains a meaningful portion of variance. The explanatory power is considered acceptable for behavioral research. These findings justify proceeding to hypothesis testing. Therefore, the structural model demonstrates satisfactory predictive performance.

Hypothesis Testing

Hypothesis testing is conducted using path coefficients obtained from bootstrapping procedures. The significance of relationships is assessed using t-statistics and p-values. A path is considered significant if the t-value exceeds 1.96 and the p-value is less than 0.05. Path coefficients indicate the direction and strength of relationships among constructs. Hypothesis testing allows evaluation of proposed causal relationships. Both direct and indirect effects are examined. The mediating role of Innovative Behavior is tested through indirect paths. Bootstrapping with 5,000 resamples is used to ensure robust estimates. The results of hypothesis testing are presented in the following table.

Table 6. Hypothesis Testing Results

Hypothesis	Path	β	t-value	p-value	Result
H1	TD → IB	0.356	5.214	0.000	Supported
H3	OC → IB	0.319	4.762	0.000	Supported
H5	IB → BIP	0.411	6.028	0.000	Supported
H2	TD → IB → BIP	0.146	3.874	0.000	Supported
H4	OC → IB → BIP	0.131	3.462	0.001	Supported
H6	TD & OC → IB → BIP	0.277	4.895	0.000	Supported

The results indicate that Talent Development has a significant positive effect on Innovative Behavior. Organizational Culture also shows a significant positive influence on Innovative Behavior. Innovative Behavior significantly affects Brand Innovation Performance. The indirect effect of Talent Development on Brand Innovation Performance through Innovative Behavior is significant. Similarly, the indirect effect of Organizational Culture on Brand Innovation Performance through Innovative Behavior is significant. These results confirm the mediating role of Innovative Behavior. All proposed hypotheses are supported by the empirical data. The strongest effect is observed between Innovative Behavior and Brand Innovation Performance. Thus, the structural relationships proposed in the model are empirically validated.

DISCUSSION

The findings demonstrate that talent development has a significant positive effect on innovative behavior among UMKM actors in Purwakarta. This result indicates that when UMKM invest in structured training, skill enhancement, and career-related learning, employees are more likely to generate and apply new ideas in their daily work. The result supports the logic of Innovative Work Behavior theory, which emphasizes that knowledge and competence are critical foundations for idea generation and experimentation. In the context of UMKM, talent development appears to function not only as a technical resource but also as a psychological signal that the organization values growth and creativity. This encourages employees to move beyond routine tasks and engage in innovation-oriented activities. The result is consistent with prior empirical evidence showing that learning-oriented human resource practices stimulate innovative actions. Therefore, the study confirms that talent development is a strategic driver of innovative behavior rather than a purely administrative activity.

Organizational culture is also found to significantly influence innovative behavior, suggesting that shared values and norms shape how employees respond to innovation demands. A culture that promotes openness, collaboration, and tolerance for mistakes appears to reduce fear of failure and increase willingness to experiment with new ideas. This finding aligns with the view that innovative behavior is socially embedded and cannot be sustained without cultural support. In UMKM settings, where interpersonal relationships are often close and informal, cultural cues may be particularly influential in shaping employee conduct. The results imply that even when employees possess adequate skills, innovation may not emerge if cultural norms discourage risk-taking or independent thinking. Thus, organizational culture operates as a social mechanism that legitimizes innovation-related behavior. This reinforces the idea that innovation is not only an individual act but also a collective process supported by organizational values.

The significant effect of innovative behavior on brand innovation performance highlights the importance of employee actions in shaping brand-related outcomes. Brand innovation does not occur solely through managerial decisions or marketing strategies but emerges from repeated interactions between employees and customers. Employees who actively propose and implement new ideas contribute to the renewal of brand meanings, service concepts, and communication styles. This result indicates that brand innovation performance is rooted in internal behavioral processes rather than external market forces alone. In UMKM, where brand identity is often closely tied to personal interaction and service quality, innovative behavior becomes a visible expression of the brand itself. Consequently, innovation at the employee level directly translates into perceived brand differentiation. The finding underscores the need to view brand innovation as an outcome of internal innovation dynamics rather than as a purely symbolic marketing construct.

The mediating role of innovative behavior provides further insight into how talent development and organizational culture influence brand innovation performance. The results show that both variables affect brand innovation performance indirectly through innovative behavior, indicating that organizational inputs must pass through behavioral channels to produce meaningful outcomes. This supports the theoretical assumption that innovation is a process rather than an automatic result of investment in training or culture building. Talent development equips employees with the ability to innovate, while organizational culture provides the social permission to act on new ideas. Innovative behavior integrates these two forces into observable actions that shape brand innovation. This mediation effect clarifies why some UMKM fail to achieve brand innovation despite having training programs or strong cultural identities. Without innovative behavior, these organizational resources remain latent and do not translate into performance.

Taken together, the results extend Innovative Work Behavior theory into the domain of brand innovation performance, which has been relatively underexplored in prior research. The study demonstrates that employee-level innovation is not limited to operational or product improvements but also influences strategic brand outcomes. This finding bridges micro-level behavioral theory and macro-level branding performance, providing a more integrated understanding of organizational innovation. It also supports calls for research that connects human resource practices with market-facing results. By positioning innovative behavior as a mediator, the study offers a clearer causal pathway linking internal management systems to external performance indicators. This contributes to the theoretical refinement of innovation research by emphasizing the behavioral mechanism underlying strategic outcomes. From a practical perspective, the results imply that UMKM should not treat talent development, organizational culture, and branding as separate domains. Training programs need to be aligned with innovation goals and supported by cultural values that encourage idea sharing and experimentation. Managers should focus not only on developing employee skills but also on creating an environment in which new ideas are welcomed and implemented. Innovative behavior should be recognized and rewarded as part of everyday work practices. In the UMKM context, where resources are often limited, this alignment becomes even more critical because behavioral change can generate innovation without requiring large financial investments. The study suggests that sustainable brand innovation can be achieved through internal capability building rather than relying solely on external marketing interventions.

Overall, the discussion highlights that brand innovation performance in UMKM is a socially constructed outcome shaped by internal learning and cultural dynamics. Talent development and organizational culture do not operate independently but interact through innovative behavior to produce brand-related innovation. This integrated perspective emphasizes the importance of human-centered innovation strategies in small business environments. The findings reinforce the idea that innovation begins inside the organization and is enacted through everyday employee behavior. By demonstrating these relationships empirically, the study provides a coherent explanation of how internal management practices can enhance external brand performance. This understanding offers a foundation for future research to explore contextual factors such as digitalization or market turbulence that may further shape these relationships.

CONCLUSION

This study demonstrates that talent development and organizational culture play critical roles in shaping innovative behavior, which in turn enhances brand innovation performance in UMKM. The results confirm that innovation at the brand level is not merely a marketing outcome but is rooted in employee behavior supported by organizational systems. Innovative behavior serves as a central mechanism through which learning investments and cultural values are translated into observable brand-related innovation. These findings extend the Innovative Work Behavior perspective by positioning employee

actions as the primary conduit between internal management practices and external brand performance. By integrating human resource and branding perspectives, the study contributes to a more holistic understanding of organizational innovation.

From a theoretical standpoint, the study advances innovation literature by empirically linking micro-level behavioral processes with macro-level brand outcomes. It refines the role of Innovative Work Behavior as a mediating construct that connects talent development and organizational culture with strategic performance indicators. This contribution responds to calls for research that explains how organizational inputs become innovation outputs through behavioral mechanisms. The findings also suggest that innovation theory should increasingly account for branding as an outcome of internal innovation dynamics rather than treating it solely as a market-driven construct.

Managerially, the results imply that UMKM should align training systems and cultural values with innovation objectives. Talent development initiatives should emphasize not only technical competence but also creative problem-solving and initiative. At the same time, organizational culture should encourage openness, collaboration, and tolerance for experimentation. Managers are advised to institutionalize practices that recognize and support innovative behavior in daily operations. Such alignment enables UMKM to achieve sustainable brand innovation without relying exclusively on external promotional strategies.

Despite its contributions, this study has limitations. The use of cross-sectional data restricts causal interpretation over time. The focus on UMKM in one regional context limits generalizability to other sectors or geographical areas. Future research may employ longitudinal designs to capture dynamic innovation processes and include contextual moderators such as digital capability or market turbulence. Comparative studies across regions or industries could further validate the proposed model. These directions will deepen understanding of how internal organizational factors shape brand innovation performance.

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