

Article

Reconstruction of Spiritual Marketing, Culture of Innovation, Quality of Work Life, and Retainers for Tourism Industry SMEs in East Java

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Abstract: The purpose of this study is to reconstruct and develop a more comprehensive competitive advantage concept model by combining the variables of spiritual marketing, innovation culture, quality of work life, and rewards for the tourism industry's Small and Medium-Sized Enterprises (SMEs) in East Java. This research uses a positive (quantitative) approach. A quantitative approach involves a survey method applied to a sample taken from the population. Data analysis was performed using the statistic method known as IPA (importance performance analysis). The analysis unit encompasses the employees of tourism industry SMEs in East Java Province. Among all the variables in this study, the biggest analysis gap is innovative culture. Tourism industry SMEs in East Java Province should prioritize innovative culture to help improve the performance of SMEs. The smallest analysis gap in this study is spiritual marketing. Tourism industry SMEs must at least maintain their performance. The scientific contribution of this study is its research object, which is tourism industry SMEs in East Java Province. Another scientific contribution is that this study attempts to reconstruct or develop a more comprehensive model of competitive advantage by including spiritual marketing and quality of work life as explanatory variables.

Keywords: spiritual marketing; innovative culture; quality of work life; retainers



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1. Introduction

The tourism industry is crucial for the economic growth of Indonesia. Tourism contributes 9% of the gross domestic product and is also the biggest supplier of foreign exchange to the country. Tourism growth improves people's well-being (Chawla and Guda 2017). The business opportunities provided by the tourism industry are so promising that the Indonesian Government (Agyabeng-Mensah et al. 2020) has included tourism in its priority development sector to focus more on collecting foreign exchange. President Joko Widodo declared the tourism industry a leading sector in scaling up the national economy.

However, the decline in tourist visits from 2017 to 2021 is a quantitative paradigm and a critical issue. Strategic solutions are needed to deal with this issue. Figure 1 shows the problematic phenomenon of declining tourist visits.

The quantitative paradigm of tourist visits is used as a guide to conceptualizing strategic solutions for this problematic phenomenon. Tourist destination perspectives are included to facilitate the problem-solving process. Then, strategic solutions are solidified as success indicators for a national development program that is oriented toward sustainable tourism. One way to materialize this orientation is through the empowerment of the tourism industry's small and medium-sized enterprises (SMEs) (Hermawati and Mas 2017;

Hermawati et al. 2020). The Indonesian Government convinces Indonesian citizens to help maximize tourist destinations through the initiative of empowering tourism industry SMEs (Sengupta et al. 2013). As a business sector, small and medium enterprises successfully survived a multi-dimension crisis in 1998 and a global crisis in 2008. SMEs have an important role in supporting economic growth and have become a driving force for the Indonesian economy in recent years. The number of SMEs in Indonesia is 57.9 million, the largest among other countries since 2014. In 1997, the number of SMEs was 39,765,110 units. In 1998, there was a decrease in the number of SMEs due to the economic crisis to 36,813,578 units. The number of SMEs in Indonesia grew to 64.19 million between 1999 and the end of 2020.

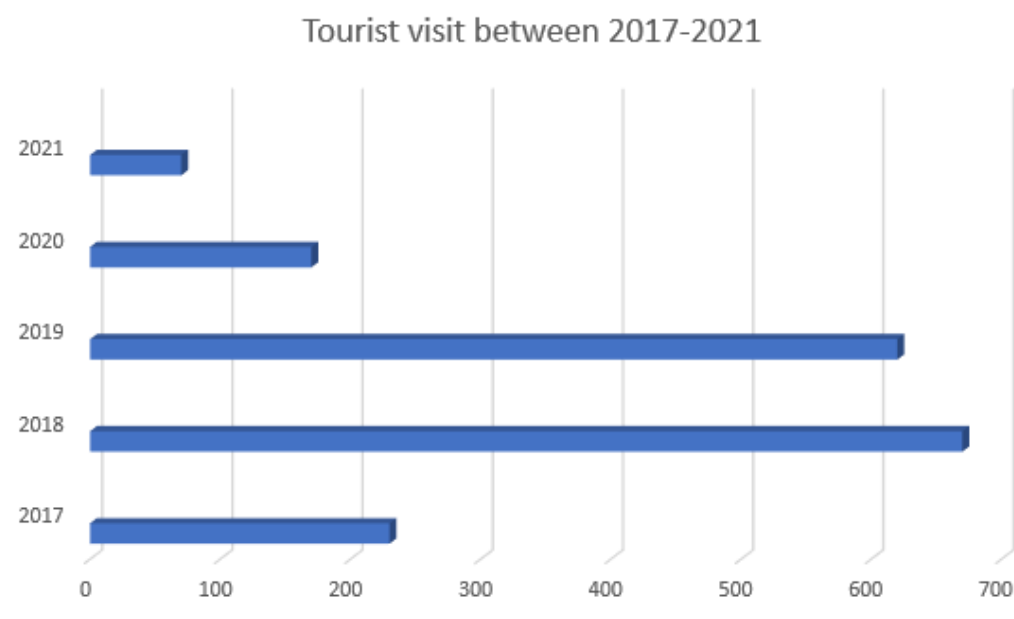


Figure 1. Tourist visits between 2017–2021. **Source:** bps.co.id.

The growth of SMEs can contribute to the number of job opportunities and income. Based on statistical data, the number of SME workers in 1997 was 65,601,591. In 1998 there was a decrease in the workforce to 64,313,573 due to the monetary crisis in Indonesia. Therefore, from 1999 to 2013, the SME workforce grew to 114,144,082 workers. SMEs also contributed to the growth of Gross Domestic Product, from IDR 363,200.44 billion in 1997 to 61.97% or IDR 8573.89 trillion in 2020. The contribution of SMEs to the Indonesian economy includes the ability to absorb 97% of the total workforce and can collect up to 60.4% of the total investment. The presence of SMEs has supported local and regional economies and actuated the national economy (Njoroge et al. 2015). One confirmation of this fact is that tourism industry SMEs have been recognized as the biggest contributor to gross domestic product. The empowerment of tourism industry SMEs will surely drive the economy to grow, which will result in a better life for individuals and the country as a whole. Tourism industry SMEs have provided jobs to more than 11 million Indonesian citizens. Tourism industry SMEs in cities and regencies are capable of setting a marketing strategy, optimizing a human resource management (HRM) strategy and combining the HRM and marketing strategies to enable their empowerment. Indeed, this empowerment successfully elevates tourism industry SMEs to the priority development sector and strengthens their existence as the key producer of foreign exchange. With a 92.38% contribution to gross domestic product (Kalogiannidis and Mavratzas 2020), the role of the Indonesian tourism sector in improving people's well-being is already quite significant. The integration of HRM and marketing strategies guarantees this.

So far, business and marketing practices have only relied on rational and emotional considerations. At the rational level, someone is trying to achieve financial profit alone,

and does not think about whether the business is run according to religious law or not at this level, marketing relies on the power of logic and scientific concepts. In contrast, at the emotional level, marketing uses human feelings and empathy at this level, the ability of marketers to understand the emotions and feelings of customers is important. Therefore, the spiritual level is present as a solution to problems, and marketing is based on the whisper of conscience and the call of the soul, in practice marketing is based on ethics and morality. Social principles such as caring for others, empathy, love and honesty become dominant.

It is important to practice a culture of innovation even though business still feels safe because, in the current business climate (apart from COVID-19), that sense of security can disappear very quickly, and there will not be enough time if we only begin cultivating innovation later when conditions are not safe. Therefore, building a culture of innovation is crucial for companies to survive in an era of rapid change.

In addition to a culture of innovation, quality of work life is also important. It enables an organization to attract and retain quality workers, increase the loyalty of workers to the company, and work comfortably and safely to create a good work climate that results in a good work environment. This impacts on effectiveness and productivity workers become motivated to innovate and perform creatively. For workers, applying principles that pay attention to the quality of work life in the workplace can provide several benefits such as ensuring their welfare, having a good working climate and conditions, and ultimately, having a psychological impact on each employee's personality. This is in line with rewards because retainers have a specific purpose including appreciating employee achievements, ensuring the fairness of employee salaries, retaining employees or reducing employee turnover, obtaining quality employees, controlling costs, and complying with government regulations.

This study emphasizes the interdependency of the HRM strategy, marketing strategy and competitive advantage sustainability (Queiroz et al. 2020). Market orientation and individual performance are effective and efficient mediators (Hermawati and Mas 2017). This potential needs to be explored to produce a positive effect in terms of strengthening, managing, developing, and empowering tourism industry SMEs attain a sustainable competitive advantage (Sengupta et al. 2013; Hermawati and Mas 2017; Hermawati et al. 2020). The urgency of this study is caused by the fact that tourism industry SMEs have been relied on to improve people's well-being. This answers the question about labor absorption amid an industrial trend that favors machinery. Indeed, this becomes "the homework" that the government should do to optimize the capability of tourism industry SMEs to develop their competitive advantage in a global era (Zhou et al. 2008).

There are two novel aspects to this study. The first is the research object, which is tourism industry SMEs in East Java Province. The other novel aspect is this study's attempt to reconstruct or develop a more comprehensive model of competitive advantage by including spiritual marketing and quality of work life as explanatory variables.

2. Literature Review

2.1. Theoretical

Generalization theory (Oliver 1980) states that consumers tend to generalize their experiences (i.e., feelings arising from perceived performance) in their evaluations, especially for important product/service attributes. Applied to the measures of importance and performance, this implies that the two concepts tend to produce a positive or negative correlation. Given the causal relationship between interest and performance, traditional IPA networks can offer serious misinformation depending on the nature and magnitude of the relationship. Mathematically, a high positive correlation causes the attributes to spread along a solid line that runs through Quadrants 1 and 3, whereas a high negative correlation between the two variables causes the attributes to spread along the dashed line.

This indicates that the positive correlation between the two variables tends to result in more suggestions for continuing to work well (Quadrant 1) or low priority (Quadrant 3).

Conversely, a negative correlation will tend to lead to overprescribing possibly overprescribing (Quadrant 2), or concentration here (Quadrant 4). Therefore, as much as importance and performance ratings vary, the IPA network becomes ineffective as a basis for developing management advice because suggestions tend to be influenced by the causal relationship between importance and performance and the main effects of the two. Although most scientific studies have measured importance and performance using each attribute independently, some items always tend to be correlated with each other. A fine gourmet restaurant, for example, might perform well in terms of courtesy, this could lead customers to infer high responsiveness from employees even if the latter may not be experienced firsthand. This type of correlation between attributes is likely to cause both attributes to fall in the same quadrant.

The theory presented by (Meyer and Tett 1993) stated that if the needs of employees are met, then employees will feel satisfied, be able to work optimally, and be more committed. This has implications for optimal individual performance and, contributes to organizational performance. This is similar to the theory by (Kanungo 1982), which states that work involvement can be measured by one's performance. The existence of a positive relationship between job involvement and performance has an impact on employee performance and organizational performance. This is in line with the theory that states that there is a close relationship between individual performance and organizational citizenship behavior (Smith et al. 1983; Podsakoff et al. 1996; Efraty and Wolfe 1988; Eastman and Eastman 1994).

2.2. Spiritual Marketing

Spiritual marketing is a marketing effort that focuses on spiritual values. More specifically, spiritual values are taken into account before the product reaches the consumer. Spiritual values are considered during raw material selection, the production process, marketing and the impact of the product on the consumer (Queiroz et al. 2020). The real reflection of spiritual marketing can be found in syariah marketing. As a marketing concept, syariah marketing requires the marketer to bring happiness to every individual involved in the business, including themselves, customers, suppliers, distributors, capital owners and competitors (Kim and Sullivan 2019).

The marketer also needs to respect customers and competitors. A marketing concept with a spiritual approach is associated not only with religiosity, but also with the implementation of spiritual values such as openness, honesty, humility, trustworthiness and noble deeds. The concept of spiritual marketing is clear and the main focus of spiritual marketing is on God. Products and services must be beneficial and not detrimental to all people (Bambang et al. 2021).

2.3. Innovative Culture

Innovative culture is a combination between innovation and culture. As a concept, innovative culture is rarely studied. Innovative culture is affected by human resource management but affects organizational ownership (Cimbaljević et al. 2019). Factors influencing innovative culture include organizational structure and flexibility (Astuty and Suryana 2018). The impact of innovative culture on innovative performance was proven in a study that positioned performance as a dependent variable against innovative performance in SMEs in Malaysia (Lekmat et al. 2018). In the education sector, innovative culture in higher education positively affects innovative behavior among students (Ali and Anwar 2021). These previous studies focus on explaining factors that shape innovative culture and the impact of innovative culture on innovative performance (Gomes et al. 2015).

Type of innovation include product innovation, process innovation, organizational innovation and business innovation. Product innovation is defined as new products (goods or services) brought to market to meet the demands of the market (Bare et al. 2020). There are three characteristics of product innovation: product excellence, product cost and product credibility. Product innovation can be understood from two angles. One angle relates to the innovative ideas used in all corporate operations, which help new products

to be created and brought to market. The other angle is the function and utilization of products (Sampaio et al. 2019).

2.4. Quality of Work Life

A high quality of work life is crucial for organizations to hire and retain employees. The quality of work life is a comprehensive program that aims to increase the satisfaction of employees, convince them to conduct job learning and help them manage change and transition in a better way (Bare et al. 2020). Dissatisfaction with the quality of work life is a problem experienced by almost all employees, regardless of position or status (Sampaio et al. 2019). The main goal of quality of work life is to develop a better job environment for employees and production. The main focus of quality of work life is the job environment and creating a balance between people and technology (Sampaio et al. 2019).

A good quality of work life is crucial for the company to attract and retain employees or workers. Therefore, many company managers are trying to reduce dissatisfaction with employees' quality of work life (Tinoco et al. 2020). QWL is an organizational activity or effort that is carried out systematically (planned and directed) provide the maximum opportunity for workers to participate in organizational activities and make an optimal contribution in order to achieve organizational goals.

2.5. Retainers

Realizing how valuable human resources are, companies need to pay attention to compensation as a proper retainer for employees. The compensation given to employees determines their standard of living and social standing in society. Compensation for employees greatly affects their behavior and performance. The welfare of the employees of a company increases with higher compensation. This motivates employees to carry out their work responsibilities. If the compensation received is low, the welfare of employees is reduced, which results in a decrease in morale at work. This causes losses to the company, and the company does not achieve its goals properly (Martin et al. 2020).

A retainer is a reward given to employees, or something received by employees, in recognition of their job achievements in the workplace (Ho et al. 2021). An economic retainer usually takes the form of a salary, wage, benefits, bonus, incentives and so on. The experts generally divide retainers into intrinsic retainers and extrinsic retainers. An intrinsic retainer results from employees finishing a job, performing well, having autonomy, and showing personal development. An extrinsic retainer does not come from employees and relates to things such as salary, benefits, interpersonal relationships (status and recognition), and promotions (Alhakimi and Mahmoud 2020).

2.6. Market Orientation

Market orientation refers to how much satisfaction a company creates by fulfilling the demands and desires of customers in compliance with corporate principles (Hermawati and Mas 2017). Market orientation is highly valuable, rare, non-exchangeable and non-imitable. Market orientation is a measure of internal capacity and is a potential resource for developing competitive advantage (Cimbaljević et al. 2019). The marketing of a product or service helps a company attain excellent performance and bring a positive experience to the customer. If the market is served effectively, this capacity protects the company from competitors (Lekmat et al. 2018).

In an international marketing context, organizational earnings (loss) from marketing a product or service to a global market are measured by the competitiveness of a company (Ho et al. 2021). Individual performance refers to a job outcome that is qualitatively and quantitatively achieved by an individual after performing their job and responsibilities (Alhakimi and Mahmoud 2020). Individual performance is associated with finishing tasks with the support of information technology. On the other hand, marketing performance is a characteristic that determines business performance. A company improves if it is able to select and implement the proper approach (Baker and Sinkula 2009). Marketing perfor-

mance is generally used to measure the impact of a corporate strategy. Theoretically, there are several ways to attain and maintain marketing performance. One way is establishing an orientation toward customers and competitors (Kamboj and Rahman 2017). These two orientations can be used by the company if it wants to achieve better performance and win the competition.

Successful marketing performance is marked by good sales growth compared to previous years, higher economic growth than competitors, and a wider market share (Hermawati and Mas 2017). Poor marketing performance is signified by lower sales, economic setbacks compared to that of previous years and competitors and a declining market share. In a study by Menon, outcome measures were represented by marketing performance, which was measured on a three-item scale. Through this measurement, the achievement or performance of a strategy is confronted with the expectation of achievement, performance, sales and earnings (Hult 2012). Taking into consideration the theories explained in this section, we used the grand theory as the theoretical base for this study.

3. Materials and Methods

This research was conducted using a positive (quantitative) approach. A quantitative approach is applied by using a survey method that takes samples from the population. Sample selection was by the random sampling method. The unit of analysis in this study is the individual in the form of employees of tourism industry SMEs in East Java. The sample in this study consisted of 11 regions in East Java with 40 SMEs in each region and 3 SMEs employees in each SMEs. Therefore, 120 respondents were obtained for each region, thus the total respondents in this study were 1320 East Java tourism industry SMEs employees. The variables included in this study, spiritual marketing, culture of innovation, quality of work life, and retainers were used to analyze and compare the expectations and reality received by respondents regarding these variables in the tourism industry SMEs in East Java. Variables were measured using a Likert scale, with a score of 1–5. The indicators of each variable for (Table 1) and the research questionnaire can be seen in Appendix A.

Table 1. Variable Measurement.

Number	Variables	Indicators	Source
1.	Spiritual Marketing	Theistic Ethic Realistic Humanistic	(Queiroz et al. 2020)
2.	Innovative Culture	Creativity Risk taking Teamwork	(Gomes et al. 2015)
3.	Quality of Work Life	Employee participation Conflict resolution Communication Work health Work safety Work security Fair compensation Pride Career development	(Tinoco et al. 2020)
4.	Retainer	Sense of equity Reward for achievement Benefiting jobs	(Martin et al. 2020)
5.	Market Orientation	Customer orientation Competitor orientation Function coordination	(Baker and Sinkula 2009)

In this study, data analysis was performed using a known statistical method, the IPA (Importance Performance Analysis) method. Importance–Performance Analysis (IPA) is a simple and useful technique for identifying product or service attributes that most require improvement or are candidates for possible cost-saving conditions without compromising overall quality (Abalo et al. 2007). (Martilla and James 1977) designed IPA as a simple graphical tool to further develop an effective marketing strategy based on an assessment of the importance and performance of each attribute. The main purpose of IPA is to diagnose and facilitate the identification of attributes, their importance, and whether the product or service is performing poorly or well. For this purpose, the importance measure represents the vertical axis, and the performance measure represents the horizontal axis of the two-dimensional graph. These two axes divide the IPA grid into four quadrants where each attribute appears according to its average rating on the importance and performance scale. In the original version of IPA, the appearance of an attribute in the upper left quadrant of the grid indicates underperformance, and its occurrence in the lower right quadrant indicates overperformance. Therefore, IPA can provide a useful and easy-to-understand guide to identify the most important product or service attributes in terms of their need for managerial action, as a means to develop a successful marketing program to achieve an edge over competitors.

4. Results

A total of 1500 questionnaires, were distributed, but only 1320 questionnaires were returned. The questionnaires were distributed to 11 regions, including Pacitan, Lumajang, Malang Regency, Batu City, Surabaya, Banyuwangi, Blitar, Kediri, Jombang, Ponorogo and Pasuruan. The questionnaire was filled out by 815 male respondents (61.74%) and 505 (38.26%) female respondents. The majority of respondents were aged 25 to 40 years, 657 (49.77%); 430 (32.58%) respondents were aged 41 to 50 years, 120 (9.09%) respondents were over 51 years; 113 respondents less than 25 years. The highest education level of the majority of the respondents was at the high school level, namely 680 (51.52%) respondents, 415 undergraduate respondents (31.44%), 210 diploma graduates (15.91%), and at least 15 respondents with postgraduate education level. (1.13%). The majority of respondents were employees in restaurants, lodging, travel services, transportation, recreational facilities, and tourist attractions. The average length of work for those aged between 15 and 25 years was 530 (40.15%), working age more than 25 years was 345 (26.14%), working age between 5 years and 15 years was 305 (23.11%), and the least is the working age of fewer than 5 years, which was 140 (10.6%), so it can be concluded that the majority of employees in MSMEs are employees who are loyal to their companies.

4.1. Spiritual Marketing

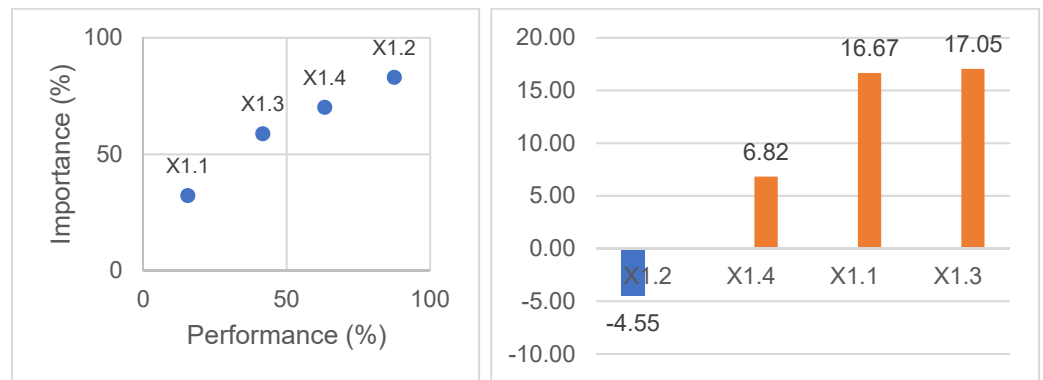
Data of these importance and performance values are presented in Table 2.

Table 2. Importance and performance values per indicator.

Variable	Indicator	Performance (%)	Importance (%)
Spiritual Marketing (X1)	Theistic	15.53	32.20
	Ethic	87.50	82.95
	Realistic	41.67	58.71
	Humanistic	63.26	70.08

Source: Primary data were processed in 2022.

The data are compared to importance and performance values perceived by respondents and the comparison is arranged on a Cartesian chart. The results of the comparison are described in Figure 2.



X1.1 : Theistic
 X1.2 : Ethic
 X1.3 : Realistic
 X1.4 : Humanistic

Figure 2. Importance performance analysis with a Cartesian chart.

Based on the results of the Cartesian chart IPA, quadrant 2 comprises two indicators: ethic and humanistic. The ethic indicator is perceived by respondents as having a high importance value, precisely 82.95%. This high importance value is balanced by the performance value of 87.50%. The humanistic indicator is perceived by respondents as having a high importance value of 70.08%. This high importance value is already balanced by the performance value of 63.26%. Both indicators are related to spiritual marketing. The indicators in quadrant 2 are perceived by respondents as important and the performance of both is satisfying. This finding should be used by tourism industry SMEs in East Java Province as a guide to maintaining the performance quality of the factors in quadrant 2. These are the expected factors that indicate that performance needs to be monitored and maintained.

In quadrant 1, there is a realistic indicator. This indicator is a factor perceived by respondents as important but in reality, the performance of this factor is not satisfying. Therefore, this indicator needs to be prioritized to improve performance and to keep the balance with the importance level.

Meanwhile, quadrant 3 comprises the theistic indicator. This indicator is perceived by respondents as less important and to be giving a less satisfying performance. This indicator should not necessarily be prioritized because it is not important. Existing resources can be used to improve the performance of other indicators that may be more important.

4.2. Innovative Culture

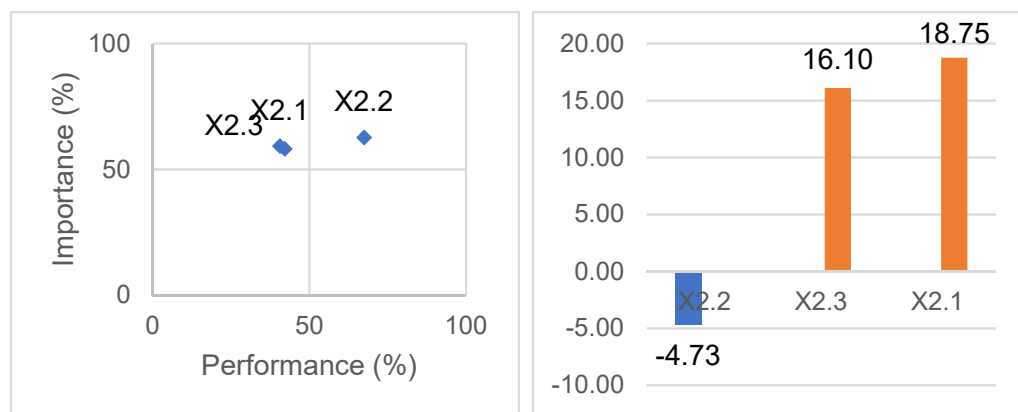
Data of these importance and performance values are arranged in Table 3.

Table 3. Importance and performance values per indicator.

Variable	Indicator	Performance (%)	Importance (%)
Innovative Culture (X2)	Creativity	40.53	59.28
	Risk Taking	67.42	62.69
	Team Work	42.05	58.14

Source: Primary data were processed in 2022.

The data in the table above were compared to importance and performance values perceived by respondents, and the comparison was plotted on a Cartesian chart. The results of the comparison are illustrated in Figure 3.



X2.1 : Creativity
 X2.2 : Risk-Taking
 X2.3 : Team Work

Figure 3. Importance performance analysis with a Cartesian chart.

According to the results of the Cartesian chart IPA, quadrant 2 is occupied by one indicator, which is that the performance level of this indicator needs to be maintained. The risk-taking indicator is perceived by respondents as having a high importance value, which is 62.69%. This high importance value is already balanced with its performance value by 67.42%. Risk-taking is perceived by respondents as important and having a satisfying performance. This finding needs to be used by tourism industry SMEs in East Java Province as a guide to maintaining the performance of the factor in quadrant 2. The performance of this factor is expected to be monitored and maintained.

Meanwhile, quadrant 1 is occupied by two indicators: creativity and teamwork. These indicators are factors perceived by respondents as important but with a less satisfying performance. As a consequence, these factors need to be prioritized to balance their importance value.

4.3. Quality of Work Life

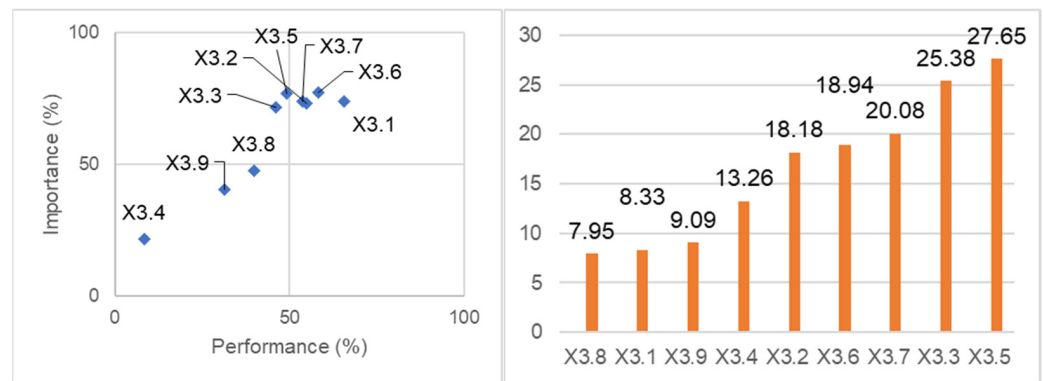
Table 4 presents the importance and performance values of the indicators.

Table 4. Importance and performance values per indicator.

Variable	Indicator	Importance (%)	Performance (%)
Quality of Work Life (X3)	Employee Participation	65.53	73.86
	Conflict Resolution	54.92	73.11
	Communication	46.21	71.59
	Work Health	8.33	21.59
	Work Safety	49.24	76.89
	Work Security	58.33	77.27
	Fair Compensation	53.79	73.86
	Pride	39.77	47.73
	Career Development	31.44	40.53

Source: Primary data were processed in 2022.

The data in the table above were compared to importance and performance values perceived by respondents and the comparison is organized on a Cartesian chart. Figure 4 displays the comparison results.



- | | |
|-------------------------------|---------------------------|
| X3.1 : Employee Participation | X3.6 : Work Security |
| X3.2 : Conflict Resolution | X3.7 : Fair Compensation |
| X3.3 : Communication | X3.8 : Pride |
| X3.4 : Work Health | X3.9 : Career Development |
| X3.5 : Work Safety | |

Figure 4. Importance performance analysis with a Cartesian chart.

Pursuant to the results of the Cartesian chart, quadrant 2 has four indicators: employee participation, conflict resolution, work security and fair compensation. These indicators are perceived by respondents as important and having a satisfying performance. Therefore, the performance of these indicators needs to be maintained.

The employee participation indicator has a high importance value, which is 73.86%. This high importance value is already balanced with its performance value of 65.53%. The conflict resolution indicator has a high importance value, which is 73.11%. This high importance value is already balanced with its performance value of 54.92%.

On the other hand, work security is perceived by respondents as having a high importance value, which is 77.27%. This high importance value is already balanced with its performance value of 58.33%. The fair compensation indicator is perceived by respondents as having a high importance value, which is 73.86%. This high importance value is already balanced with its performance value of 53.79%. The indicators in quadrant 2 are perceived by respondents as important with a satisfying performance. This finding should guide tourism industry SMEs to maintain the performance of these indicators because their performance is indeed expected to be maintained.

Meanwhile, quadrant 1 contains two indicators: communication and work safety. These indicators are perceived by respondents as important but with a less satisfying performance. These indicators need to be prioritized to improve their performance in order to balance their importance.

Furthermore, quadrant 3 consists of three indicators: work health, pride and career development. These indicators are perceived as less important with a less satisfying performance. Due to their status being less important, it is not necessary to prioritize these indicators. Other resources can still be used to improve the performance of other indicators, which are more important.

4.4. Retainer

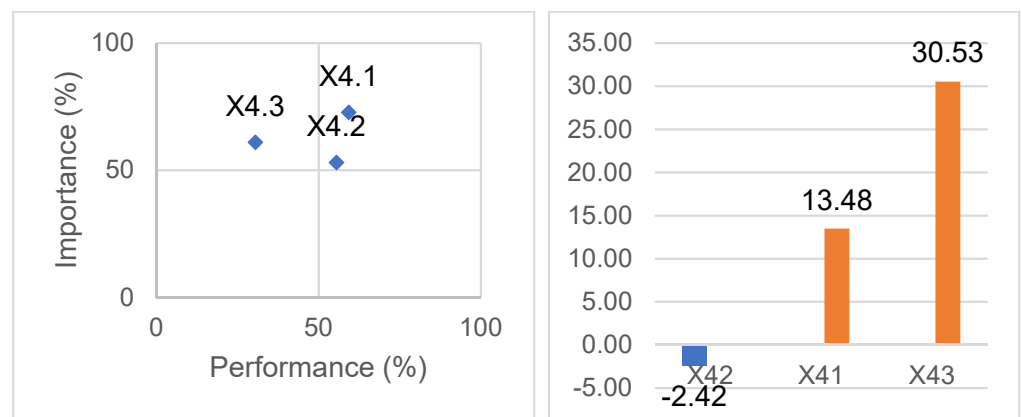
Data from the questionnaire were processed to make certain the importance and performance values of the indicators that measure retainers. Table 5 shows the importance and performance values of these indicators.

Table 5. Importance and performance values per indicator.

Variable	Indicator	Performance (%)	Importance (%)
Retainer (X4)	Sense of Equitable	59.24	72.73
	Reward for Achievement	55.45	53.03
	Benefiting Jobs	30.45	60.98

Source: Primary data were processed in 2022.

The data in the table above were compared to importance and performance values perceived by respondents and the comparison is out in a Cartesian chart. The comparison results are depicted in Figure 5.



X4.1 : Sense of Equity

X4.3 : Benefiting Jobs

X4.2 : Reward for Achievement

Figure 5. Importance performance analysis with Cartesian chart.

From the results of the Cartesian chart, quadrant 2 has two indicators: sense of equity and reward for achievement. These indicators are perceived by respondents as important with a satisfying performance. Therefore, the performance of these indicators is expected to be maintained.

In quadrant 1, there is one indicator, namely benefiting jobs. This indicator is perceived by respondents as important but with a less satisfying performance in reality. Priority should be given to this indicator to increase its performance to balance with its importance.

4.5. Overall Variable

Data on the questionnaire were processed to obtain the importance and performance values of research variables. Both importance and performance values of the research variables are presented in Table 6.

Table 6. Importance and performance values per indicator.

Variable	Performance (%)	Importance (%)
Spiritual Marketing (X1)	64.99	36.62
Innovative Culture (X2)	62.50	66.92
Quality of Work Life (X3)	56.61	39.42
Retainer (X4)	55.24	40.82

Source: Primary data were processed in 2022.

The data in the table above are compared to importance and performance values perceived by respondents and the comparison is arranged on a Cartesian chart. The comparison results are illustrated in Figure 6.

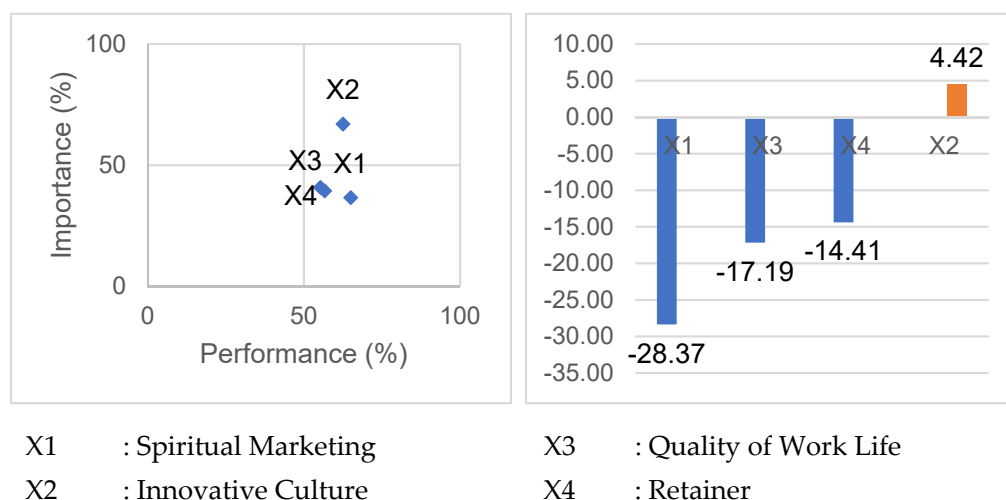


Figure 6. Importance performance analysis with a Cartesian chart.

Following the results of the Cartesian chart IPA, quadrant 2 is occupied by only one variable, which is innovative culture. This variable is perceived by respondents as having a high importance value, which is 66.92%. This high importance value has been balanced already with a performance value of 62.50%. Innovative culture is a variable perceived by respondents as important with a satisfying performance. This finding needs to be used by tourism industry SMEs in East Java Province to guide them in maintaining the quality of this variable's performance. The performance of innovative culture is indeed expected to be maintained.

Meanwhile, quadrant 4 has three variables: spiritual marketing, quality of work life and retainers. These variables are perceived by respondents as less important but with satisfying performance. The variables should not necessarily be prioritized because the prioritization of these variables will waste resources because their status is less important.

5. Discussion

For spiritual marketing, the biggest analysis gap is shown by the realistic indicator. This indicator should be prioritized by tourism industry SMEs in East Java Province in order to improve its performance value. The smallest analysis gap is shown by the ethic indicator. This position signifies that the performance of the ethic indicator should be monitored and maintained.

For innovative culture, the biggest analysis gap is shown by the creativity indicator. Tourism industry SMEs in East Java Province should prioritize this indicator to improve its performance value. The smallest analysis gap is shown by risk-taking. This position affirms that the performance value of the risk-taking indicator needs to be maintained.

For quality of work life, the biggest analysis gap is shown by the work safety indicator. This position demonstrates that this indicator needs to be prioritized by tourism industry SMEs in East Java Province to improve its performance value. The smallest analysis gap is shown by pride. This position confirms that the performance value of the pride indicator needs to be maintained.

For retainers, the biggest analysis gap is shown by the benefiting jobs indicator. This position asserts that tourism industry SMEs in East Java Province need to prioritize this indicator to improve their performance value. The smallest analysis gap is shown by reward for achievement. This position declares that the performance value of this indicator needs to be maintained.

The biggest analysis gap is shown by innovative culture. This variable should be prioritized by tourism industry SMEs in East Java Province to improve its performance value. The smallest analysis gap is shown by spiritual marketing. This position signifies that the performance of spiritual marketing needs to be maintained at all times.

IPA has been widely accepted in many fields and is widely used in the hospitality and tourism industry due to its simplicity and attractiveness in projecting results and in suggesting strategic actions to increase competitiveness. Although these characteristics are desirable in any technique, they do not represent the reliability and validity criteria underlying good research methodology (Oh 2001) and (Azzopardi and Nash 2013). As (Martilla and James 1977) emphasize, ease of application and attractive methods of presenting data and strategic advice seem to be factors, among other things, contributing to the broad acceptance of this technique. An enhanced IPA framework can offer tourism operators a quantitative, theoretically robust method that is relatively easy to apply in empirical studies (Azzopardi and Nash 2013).

Likewise (Feng et al. 2014) stated that their study contributed to the service industry literature in several aspects, the literature review helps to compare the advantages and disadvantages and the theoretical basis of the four science approaches. In summary, each of the four IPA approaches has unique advantages and a theoretical lens: traditional IPA attaches self-declared importance to self-declared performance; IPA with Gap 1 analysis considers expectations of satisfaction; IPA with Gap 2 analysis considers focus performance against performance competitors; and IPA with three factor theory distinguishing factors based on their importance category. This study helps identify the differences between the four science approaches.

In addition, (Sever 2015) also argues that IPA is considered a useful tool in examining customer satisfaction and management strategies. IPA can assist tourism stakeholders in diagnosing underlying deficiencies and setting priorities in tourism development. As a result, a more efficient allocation of limited resources can be achieved to increase tourist satisfaction and destination competitiveness. So it can be concluded that the combined use of different service theories to perform the same task can result in a better interpretation.

6. Conclusions

This study concludes that in relation to all the variables, innovative culture shows the biggest analysis gap. Therefore, this variable should be prioritized by tourism industry SMEs in East Java Province to improve its performance value. The smallest analysis gap is shown by spiritual marketing. This position emphasizes that the performance of spiritual marketing needs to be maintained at all times. The limitation of this research is the sample and research object. The sample used is limited to employees of tourism industry SMEs in East Java in Indonesia and the object of research is only the tourism industry in East Java, Indonesia. Therefore the results of this study cannot be generalized to all SMEs employees throughout the country.

The implications of this study are as follows. First, innovative culture is located in quadrant 2 and perceived by respondents as important with satisfying performance. Innovative culture has a high importance value, precisely 66.92%, which has been balanced already with a performance value of 62.50%. This finding needs to be used by tourism industry SMEs in East Java Province to guide them in maintaining the performance of this variable. The performance of innovative culture is indeed expected to be maintained. Three variables, namely spiritual marketing, quality of work life and retainers, reside in quadrant 4. These variables are perceived by respondents as less important but with a satisfying performance. The variables should not necessarily be prioritized because the emphasis on those variables will waste resources due to their less important status. This study suggests using an international sample for future research so that the results can be generalized or use comparisons from several countries.

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Appendix A
QUESTIONNAIRE

Resource Person

- 1. Name :.....
- 2. Age :.....
- 3. Gender :.....
- 4. Telephone :.....
- 5. Length of Work :.....
- 6. Position :.....
- 7. Date of Filling :.....
- 8. Name of SMEs :.....
- 9. Areas where SMEs are located :.....

Choose one of the alternative responses (answers) for each statement item that best fits your condition by putting a "√" mark.

Each statement has alternative answers as follows:

- Strongly Agree (SA):** You are of the opinion that what is contained in the statement submitted is truly in accordance with what is felt.
- Agree (A)** You are of the opinion that what is contained in the statement submitted is in accordance with how you feel.
- Undecided (U):** You do not have an opinion about what is contained in the statement (agree no, neither agree nor agree).
- Disagree (D):** You are of the opinion that what is contained in the statement submitted is not in accordance with what is felt.
- Strongly Disagree (SD):** You are of the opinion that what is contained in the statement submitted is really not in accordance with what is felt.

Statement		SA	A	U	D	SD
Spiritual Marketing						
Theistic						
1.	I instill the value of honesty in the whole buying and selling process					
2.	I never break a promise in the buying and selling process					
Ethic						
3.	I am polite in marketing the product					
4.	I am humble in marketing the product					
Realistic						
5.	I master the ins and outs of the product being sold					
6.	I look neat, clean, and unpretentious at work					
Humanistic						
7.	I do not discriminate in serving customers					
8.	I am always willing to help customers					

Statement		SA	A	U	D	SD
Innovative Culture						
Creativity						
1.	I have high creativity in developing SMEs business					
2.	I exemplify the value of creativity to other employees					
Risk Taking						
3.	I dare to take risks for every decision I take					
4.	I exemplify the value of courage in taking risks to other employees					
Teamwork						
5.	I am able to work well with a team					
6.	I like to work well with the team					
Quality of Work Life						
Employee Participation						
1.	I participate well as an employee					
2.	I help each other between employees in maximizing performance					
Conflict Resolution						
3.	I am able to resolve all conflicts by myself or together					
4.	I resolve conflicts quickly and responsively					
Communication						
5.	I make communication the main value in my smooth business					
6.	I always make corrections in the communication of each process					
Work Health						
7.	I prioritize healthy performance among other employees					
8.	I understand the importance of occupational health					
Work Safety						
9.	I attach importance to safety in every work process					
10.	I understand the importance of work safety					
Work Security						
11.	I define safety as one of the important values in every process of my work					
12.	I understand the importance of job security					
Fair Compensation						
13.	I am properly compensated					
14.	I was given knowledge of the importance of providing proper compensation by SMEs owners					
Pride						
15.	I can be proud of the SMEs where I work					
16.	I encourage myself to make teamwork a pride for all of us					
Career Development						
17.	I was given career development support by the SMEs owner					
18.	I understand the importance of career development for the future					

Statement		SA	A	U	D	SD
Retainer						
Sense of Equitable						
1.	I was given all rights and obligations as an employee					
2.	I was given an understanding of the importance of fairness in all actions by the owner of the SMEs I work for					
Reward for Achievement						
3.	I am rewarded for every achievement of my efforts					
4.	I was given an understanding of the importance of reward for achievement in all actions by the owner of the SMEs I work for					
Benefiting Jobs						
5.	I'm trying to be a profitable job for the SMEs I work for					
6.	I try to make my work satisfying for customers					

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