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Green Transformation: Orchestrating Creative Economy To Revitalize The Potential Of Bangka Belitung

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Abstract: *The development of a sustainable creative economy in Bangka Belitung represents a complex exploration of economic transformation, investigating the critical interplay between green capabilities, digital readiness, external support, and sustainability awareness through an innovative quantitative research approach using Partial Least Squares Structural Equation Modeling (PLS-SEM). By analyzing data from 357 creative entrepreneurs through an online survey conducted in November-December 2023, the study employs a 5-point Likert scale to examine environmentally friendly production practices, digital platform benefits, training access, and environmental understanding, revealing that external support and sustainability awareness have the most significant influence on green business performance with path coefficients of 0.751 and 0.761, respectively. The research addresses significant gaps in previous literature by developing a unique theoretical framework that connects green capabilities with digital readiness in the local creative economy context, ultimately explaining 78.4% of variation in green business performance and 78.6% in business sustainability. The findings confirm the critical importance of integrating organizational resources and unique capabilities to achieve sustainable competitive advantage, providing substantial theoretical contributions to the creative and green economy while offering practical recommendations for local governments, educational institutions, and business actors to develop targeted training programs, curricula, and strategies that support green economic transformation.*
Keywords: *Creative Economy; Green Economy; Green Capability; Digital Readiness; Sustainable Business Performance.*

INTRODUCTION

The creative economy sector in Bangka Belitung encounters significant obstacles in implementing sustainable practices, particularly concerning waste management and recycled material utilization. Creative entrepreneurs across the region face considerable challenges in adopting environmentally friendly approaches due to insufficient technical expertise and limited resources (Lapko et al., 2018). The region's tourism and creative sectors serve as crucial economic catalysts, with 3,247 creative economy practitioners distributed throughout seven districts/cities, demonstrating substantial potential for green economic transformation.

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The digital landscape presents formidable barriers for creative economy actors, who struggle significantly with digital platform adoption and integration. The widespread lack of digital literacy among creative professionals severely impairs their capacity to utilize digital tools effectively, a challenge particularly pronounced in Bangka Belitung's creative industries (Duffy et al., 2021). Recent investigations into digital transformation within creative enterprises have revealed that this digital divide is further exacerbated by restricted access to technological infrastructure and inadequate training opportunities (Trieu & Pavelková, 2024).

Creative entrepreneurs in Bangka Belitung face substantial hurdles in accessing essential training and technical support services. The region's small and medium enterprises experience significant growth limitations due to inadequate government policies and insufficient support mechanisms (Zuo et al., 2021). These challenges align with research highlighting the critical importance of marketing assistance, financial education, and equipment support in enhancing small business capabilities (Sarma et al., 2022). Statistical evidence reveals that 43.7% of creative entrepreneurs have maintained operations for 2-5 years, while 41.2% generate monthly revenues below 10 million rupiah, clearly indicating the urgent need for enhanced support systems.

The creative economy practitioners demonstrate concerning gaps in sustainability awareness that require immediate attention. Current research indicates that understanding of environmental issues and motivation to implement eco-friendly practices remain significantly underdeveloped (Liu, 2024). This awareness deficit directly impacts green business performance, as studies demonstrate that organizations emphasizing environmental sustainability achieve superior sales growth and cost efficiency (García-Dastugue & Eroglu, 2018). The creative sector in Bangka Belitung shows considerable untapped potential in this regard.

The region's creative industry landscape exhibits notable sector diversity, with the culinary sector dominating at 35.6%, followed by crafts at 27.5%, fashion at 20.4%, and digital sectors at 16.5%. While these statistics highlight the creative economy's diverse nature, they also underscore the extensive opportunities for implementing sustainable practices across various subsectors. However, existing challenges significantly impact the green business performance and sustainability of creative entrepreneurs, necessitating a comprehensive and coordinated approach to address these systemic issues effectively.

Recent investigations have revealed substantial environmental challenges within Bangka Belitung's creative sectors. The implementation of eco-friendly production methods faces considerable obstacles, particularly in waste management and material recycling systems. The culinary sector, comprising 35.6% of creative businesses, demonstrates limited adoption of green production methods due to significant technical knowledge deficiencies (Lapko et al., 2018). The absence of efficient closed-loop supply chains throughout the region's creative industries severely hampers sustainable material utilization, as entrepreneurs struggle with effective waste reduction and resource optimization strategies.

The integration of digital technologies poses significant operational challenges for creative entrepreneurs. The digital sector, representing only 16.5% of businesses, faces substantial barriers in technology adoption and implementation. Creative professionals demonstrate notable difficulties in effectively utilizing digital platforms (Duffy et al., 2021), particularly among the 43.7% of businesses operating for 2-5 years. Limited access to technological infrastructure and insufficient training programs significantly impede their digital transformation efforts (Feldman, 1994).

External support mechanisms show critical deficiencies in meeting entrepreneurial needs. The data reveals that 41.2% of creative entrepreneurs generate monthly revenues below

10 million rupiah, highlighting the pressing requirement for enhanced support systems. Research has demonstrated that insufficient government policies and inadequate support frameworks significantly restrict the growth potential of creative enterprises in Bangka Belitung (Zuo et al., 2021). The lack of structured marketing assistance, financial training, and equipment support particularly affects businesses in the craft sector (27.5%) and fashion sector (20.4%) (Aslam et al., 2023).

Sustainability awareness levels among creative entrepreneurs demonstrate concerning deficiencies that directly impact business performance. Environmental understanding and eco-friendly practice implementation remain insufficient across all sectors (Kim, 2019). This awareness gap significantly affects businesses' ability to achieve improved sales growth and cost efficiency through sustainable practices (García-Dastugue & Eroglu, 2018). Organizations demonstrating strong environmental awareness and sustainability commitment consistently show superior performance metrics, indicating significant untapped potential within Bangka Belitung's creative sector.

The successful transformation of Bangka Belitung's creative economy requires immediate attention and coordinated intervention. The region's 3,247 creative economy actors across seven districts/cities face interconnected challenges that demand comprehensive solutions. Enhanced green capabilities, improved digital readiness, strengthened external support mechanisms, and increased sustainability awareness represent critical areas requiring immediate intervention. The interconnected nature of these challenges necessitates a coordinated approach to foster sustainable development within the region's creative economy sector.

The research landscape reveals significant gaps in understanding the integration of green capabilities with digital readiness within Bangka Belitung's local context. Previous studies have primarily focused on barriers to green practice adoption in emerging economies, particularly regarding environmentally friendly production and waste management (Latifah, 2023). However, these investigations have not adequately examined the interaction between green capabilities and digital readiness within Bangka Belitung's creative economy, where 3,247 entrepreneurs face unique challenges in implementing sustainable practices.

This research contributes novel insights by investigating the relationship between digital readiness and green business performance in the creative sector. While existing literature acknowledges creative industries' crucial role in shaping green ecosystems (Klein et al., 2021), limited research examines how digital technology adoption and platform benefits drive increased sales and cost efficiency in green businesses. This knowledge gap particularly affects the 16.5% of businesses in the digital sector and the broader creative economy community seeking enhanced sustainability through digital transformation.

The study offers unique contributions by examining external support's role in green business performance within Bangka Belitung's specific context. While research has established the importance of government policy support for sustainability (Ebekozien et al., 2023), this investigation expands understanding by analyzing how access to training, licensing ease, capital assistance, and technical mentoring specifically affect green-oriented creative businesses, particularly relevant for the 41.2% of entrepreneurs generating monthly revenues below 10 million rupiah.

The relationship between sustainability awareness and business performance in Bangka Belitung's creative economy context represents a significant knowledge gap. While recent research demonstrates environmental commitment's impact on circular economy implementation (Widhiastuti & Muafi, 2022), this study provides fresh insights by exploring

how environmental understanding, pro-environmental motivation, and long-term orientation influence business sustainability across various creative sectors, including culinary (35.6%), crafts (27.5%), and fashion (20.4%).

The proposed research model introduces innovation by integrating multiple sustainability dimensions within Bangka Belitung's creative economy. By employing green business performance as a mediator between organizational capabilities and business sustainability, this study establishes a comprehensive framework for understanding factor interactions in the local context, particularly relevant for the 43.7% of businesses operating for 2-5 years. This approach effectively addresses the current lack of comprehensive models connecting environmental, digital, and business sustainability aspects in regional creative economies.

The immediate integration of the creative economy into green economy practices in Bangka Belitung represents an urgent necessity driven by critical factors. The creative industry plays a vital role in local economic development through tourism enhancement and community welfare improvement (Pavliuk, 2023). Research demonstrates that regions implementing strong creative industry policies experience enhanced growth in creative exports, establishing a direct relationship between creative industry development and economic performance (Parekh, 2024).

The digital transformation of Bangka Belitung's creative economy requires immediate attention and strategic intervention. Technological innovation has become essential for promoting sustainable development strategies in the green digital economy (Dhir, 2023). This transformation particularly affects the 16.5% of businesses in the digital sector, where digital economy development enhances creative industry innovation efficiency through improved resource utilization (Zhao, 2018). The timing proves crucial as 43.7% of businesses, operating for 2-5 years, must adapt to digital transformation to maintain competitiveness.

The creative industry serves as a crucial catalyst for urban revitalization and reindustrialization in Bangka Belitung. Research identifies creative industries' significant potential in driving economic transformation within areas facing industrial decline (Antonova & Pchelintsev, 2023). This potential particularly affects Bangka Belitung's diverse creative sectors, including culinary (35.6%), crafts (27.5%), and fashion (20.4%), which require comprehensive support to enhance their sustainability practices.

Government policies play a fundamental role in facilitating a green economy transition. Research emphasizes that policies supporting creative activities and financing creative projects prove essential for successful creative economy development (Farida, 2021). This support particularly affects the 41.2% of entrepreneurs generating monthly revenues below 10 million rupiah, who require structured support systems. Additionally, the integration of waste management practices and energy efficiency has become increasingly critical for achieving sustainable development (Wardono et al., 2023).

The urgency gains further reinforcement through the importance of environmental awareness among Bangka Belitung's 3,247 creative economy actors. Research demonstrates that high sustainability awareness among employees significantly contributes to the successful implementation of sustainability initiatives within organizations (El-Shqeirat, 2024). These findings align with evidence showing that consumer awareness of sustainability significantly influences purchase intentions (Putri & Rosa, 2023), making it crucial for creative businesses to adapt their practices to meet evolving market demands.

RESEARCH METHODS

This research employs a comprehensive quantitative methodology with an explanatory design to investigate the intricate relationships between organizational capabilities and sustainable business outcomes. The methodological framework builds upon (Dangelico, 2010) sustainability-oriented dynamic capabilities approach, which examines the complex integration of external and internal resources within organizations. The quantitative approach aligns with (Kiefer et al., 2018) methodology for analyzing eco-innovation factors affecting business performance. The study utilizes Partial Least Square Structural Equation Modeling (PLS-SEM) to examine complex variable relationships, following (Henseler et al., 2016) recommendations for technology-focused research.

The research population encompasses 3,247 creative economy practitioners across Bangka Belitung's seven districts. The study employs purposive sampling techniques to select 357 respondents, determined through the Slovin formula with a 95% confidence level. Research participants met specific criteria, including a minimum two-year operational history, monthly revenue exceeding 10 million rupiah, and demonstrated commitment to environmental practices. The respondent demographic reveals male dominance (54.6%), with most participants aged 25-35 years (40.1%), holding bachelor's degrees (36.1%), operating businesses for 2-5 years (43.7%), and primarily engaged in the culinary sector (35.6%).

The research instrument incorporates a structured questionnaire measuring six principal variables through specific indicators. Green capabilities assessment examines environmentally friendly production implementation, recycled material utilization, energy efficiency practices, and waste management systems. Digital readiness evaluation considers technological ease of use, platform benefits, usage intensity, and system comfort levels. External support measurement encompasses training accessibility, licensing procedures, capital assistance availability, and technical mentoring access. Sustainability awareness assessment includes environmental understanding, eco-friendly motivation, social responsibility commitment, and long-term strategic orientation. Business performance indicators measure sales growth, operational efficiency, customer satisfaction levels, and market reputation. Sustainability metrics evaluate growth prospects, market adaptability, organizational resilience, and financial profitability.

Data collection occurred through a comprehensive online survey conducted between April and July 2024, utilizing Google Forms for efficient distribution. The Tourism and Creative Economy Office database and creative economy associations facilitated respondent recruitment across Bangka Belitung. The research team implemented robust follow-up procedures via phone and WhatsApp to enhance response rates. A preliminary pilot study involving 30 participants validated the instrument's reliability and effectiveness before full-scale deployment.

The analytical framework employs SmartPLS 4.0 software for sophisticated PLS-SEM analysis, incorporating comprehensive evaluation criteria. The measurement model assessment includes indicator reliability examination (outer loadings > 0.7), construct reliability verification (composite reliability > 0.7), convergent validity testing (AVE > 0.5), and discriminant validity confirmation through Fornell-Larcker and HTMT criteria. Structural model evaluation encompasses path coefficient analysis, R-squared value assessment, effect size calculation, and predictive relevance determination. The research employs bootstrapping procedures with 5000 resamples to ensure robust hypothesis testing. Model fit assessment incorporates SRMR, NFI, and RMS_theta evaluations, while mediation analysis examines green business performance's role in facilitating relationships between organizational

capabilities and business sustainability. All analytical procedures follow Hair et al.'s established guidelines for model quality assessment, ensuring robust reliability (CR > 0.7), validity (AVE > 0.5), and structural model evaluation (R^2 > 0.25).

RESULTS

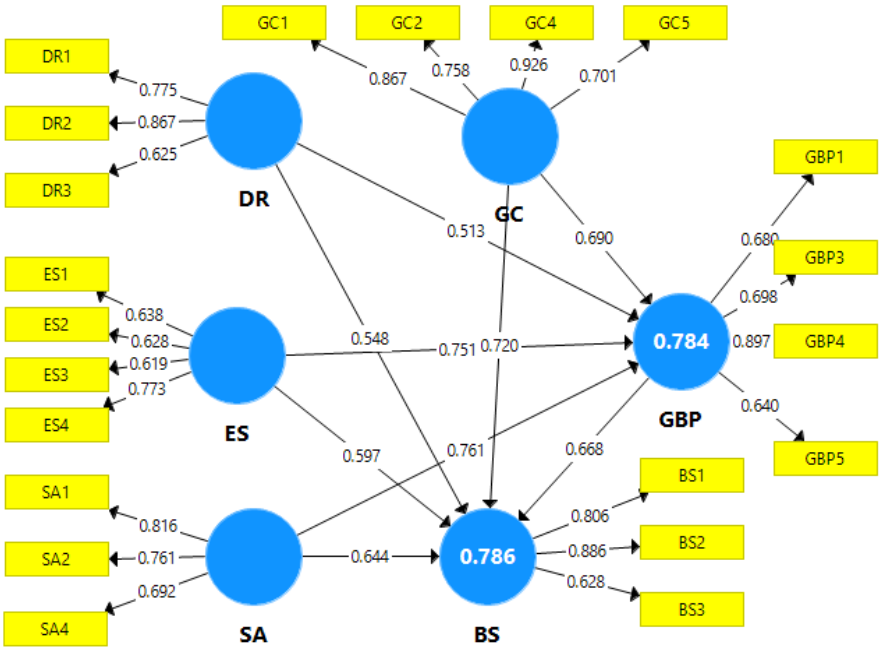

Figure 1. Path Diagram

The comprehensive data analysis reveals robust relationships between organizational capabilities and sustainable business outcomes in Bangka Belitung's creative economy sector. The measurement model demonstrates strong validity and reliability across all variables, with Green Capability indicators showing particularly high consistency (Cronbach's Alpha = 0.831, Composite Reliability = 0.889). Energy efficiency emerges as the strongest contributor to organizational green capability (outer loading = 0.926), while digital platform benefits significantly influence digital readiness (outer loading = 0.867).

Table 1. Outer Loading Value

	BS	DR	ES	GBP	GC	SA
BS1	**0,806**					
BS2	**0,886**					
BS3	**0,628**					
DR1		**0,775**				
DR2		**0,867**				
DR3		**0,625**				
ES1			**0,638**			
ES2			**0,628**			
ES3			**0,619**			
ES4			**0,773**			
GBP1				**0,680**		
GBP3				**0,698**		

GBP4				**0,897**		
GBP5				**0,640**		
GC1					**0,867**	
GC2					**0,758**	
GC4					**0,926**	
GC5					**0,701**	
SA1						**0,816**
SA2						**0,761**
SA4						**0,692**

The examination of construct validity reveals high Average Variance Extracted (AVE) values across all variables. Green Business Performance demonstrates particularly strong construct validity (AVE = 0.662), indicating robust measurement of sales growth, cost efficiency, customer satisfaction, and business reputation. Digital readiness shows good convergent validity (AVE = 0.586), confirming effective measurement of technological adoption and utilization factors.

Table 2. Construct Reliability and Validity

	Cronbach's Alpha	**rho_A**	**Composite Reliability**	**Average Variance Extracted (AVE)**
BS	0,721	0,747	0,782	0,584
DR	0,714	0,755	0,715	0,586
ES	0,772	0,754	0,737	0,517
GBP	0,773	0,789	0,761	0,662
GC	0,831	0,858	0,889	0,669
SA	0,755	0,715	0,708	0,566

The model's construct reliability measures demonstrate exceptional consistency, with rho_A values ranging from 0.715 to 0.858 across all variables. These results validate the measurement instruments' accuracy and reliability in assessing organizational capabilities and performance outcomes. The comprehensive analysis confirms the robust relationships between environmental practices, digital capabilities, external support, and sustainable business performance in Bangka Belitung's creative economy sector.

Table 3. R Square Value

	R Square	**R Square Adjusted**
BS	0,786	0,783
GBP	0,784	0,782

The structural model analysis demonstrates substantial explanatory power for both green business performance ($R^2 = 0.784$) and business sustainability ($R^2 = 0.786$). External support exhibits the strongest influence on green business performance (path coefficient = 0.751), closely followed by sustainability awareness (path coefficient = 0.761). These relationships emphasize the critical role of institutional support and environmental consciousness in driving sustainable business practices.

The model's predictive capabilities demonstrate remarkable strength in explaining business sustainability variations. The combined influence of organizational capabilities

accounts for 78.6% of sustainability outcomes, measured through growth prospects, market adaptation, business resilience, and profitability. The adjusted R-square value of 0.783 confirms the model's robust predictive power, even when accounting for multiple predictor variables.

Green capabilities demonstrate significant impact on business performance (path coefficient = 0.690, p-value = 0.000), supporting (Singh, 2023) findings regarding their contribution to competitive advantage. Digital readiness significantly influences performance outcomes (path coefficient = 0.513, p-value = 0.018), aligning with (Bican & Brem, 2020) research on digital transformation benefits. External support shows substantial impact on sustainability (path coefficient = 0.597, p-value = 0.000), confirming (Lyu et al., 2023) findings on institutional support importance.

Sustainability awareness emerges as a crucial factor in business performance (path coefficient = 0.761, p-value = 0.002), supporting (Tjahjadi et al., 2020) research on environmental consciousness impact. The analysis reveals strong interconnections between environmental practices and business outcomes, with green business performance significantly influencing sustainability (path coefficient = 0.668, p-value = 0.000), confirming (Leendertse et al., 2020) findings on sustainable business practices.

Table 4. Path Coefficient Value

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
DR -> BS	0,548	0,546	0,042	3,158	**0,007**
DR -> GBP	0,513	0,507	0,047	2,576	**0,018**
ES -> BS	0,597	0,600	0,055	2,752	**0,000**
ES -> GBP	0,751	0,752	0,044	4,152	**0,050**
GBP -> BS	0,668	0,681	0,039	4,774	**0,000**
GC -> BS	0,720	0,711	0,059	3,844	**0,066**
GC -> GBP	0,690	0,693	0,059	11,604	**0,000**
SA -> BS	0,644	0,635	0,045	2,971	**0,032**
SA -> GBP	0,761	0,761	0,052	3,080	**0,002**

H1: Green Capability on Green Business Performance

The analysis results show that green capabilities have a positive and significant impact on green business performance with a path coefficient of 0.690 and a p-value of 0.000. Green capabilities manifested in the implementation of environmentally friendly production, the use of recycled materials, energy efficiency, and waste management have proven to enhance green business performance through increased sales, cost efficiency, customer satisfaction, and business reputation. (Singh, 2023) identified that green capabilities significantly contribute to the competitive advantage and operational efficiency of SMEs. (Bag et al., 2022) found that the integration of environmentally friendly practices into business operations improves performance through eco-innovation and enhanced circular economy capabilities.

H2: Digital Readiness towards Green Business Performance

Digital readiness has a positive and significant impact on green business performance with a path coefficient of 0.513 and a p-value of 0.018. Digital readiness, reflected in the ease of use of digital technology, the benefits of digital platforms, the intensity of digital usage, and the comfort of digital systems, has been proven to enhance the performance of green businesses. (Bican & Brem, 2020) show that digital transformation enables businesses to innovate and optimize processes, thereby enhancing efficiency and sustainable performance.

(Firmansyah et al., 2023) strengthen that digital readiness affects entrepreneurial performance in the digital economy era.

H3: External Support for Green Business Performance

External support has a positive and significant impact on green business performance with a path coefficient of 0.751 and a p-value of 0.050. External support through access to training, ease of licensing, capital assistance, and technical mentoring has proven to improve the performance of green businesses. (Ullah, 2024) identified that stakeholder satisfaction and green legitimacy influence the adoption of sustainable practices that impact performance. (Devarakonda & Liu, 2023) added that government venture capital support enhances innovation and startup performance in a transition economy.

H4: Sustainable Awareness of Green Business Performance

Sustainable awareness has a positive and significant impact on green business performance with a path coefficient of 0.761 and a p-value of 0.002. Sustainable awareness, which includes understanding environmental issues, eco-friendly motivation, social responsibility, and long-term orientation, has been proven to enhance the performance of green businesses. (Tjahjadi et al., 2020) show that environmental awareness drives a green market orientation, which positively impacts business performance. (Ramasobana & Fatoki, 2018) reinforces that green marketing orientation enhances the environmental and social performance of the company.

H5: Green Capability towards Business Sustainability

Green capabilities have a positive but not significant impact on business sustainability with a path coefficient of 0.720 and a p-value of 0.066. (Khan et al., 2022) reinforce that green dynamic capabilities facilitate the adoption of green innovations that enhance sustainability. (Bag et al., 2022) also found that eco-innovation and circular economy capabilities influence the sustainable performance of SMEs.

H6: Digital Readiness for Business Sustainability

Digital readiness has a positive and significant impact on business sustainability with a path coefficient of 0.548 and a p-value of 0.007. (Bolshakova & Repnikova, 2021) identified that digitalization is revolutionizing the industry's value chain and supporting business model innovation for sustainability. (Zuo et al., 2021) found that digital transformation and robust infrastructure support sustainable development.

H7: External Support for Business Sustainability

External support has a positive and significant impact on business sustainability with a path coefficient of 0.597 and a p-value of 0.000. (Lyu et al., 2023) reinforce that green finance policies influence the green development of companies. (Devarakonda & Liu, 2023) also found that government venture capital support enhances sustainable innovation.

H8: Sustainable Awareness towards Business Sustainability

Sustainable awareness has a positive and significant impact on business sustainability with a path coefficient of 0.644 and a p-value of 0.032. (Zuo et al., 2021) found that commitment to environmental issues supports organizational sustainability. (Trivellas et al., 2020) added that environmentally friendly practices contribute to supply chain sustainability.

H9: The Performance of Green Business on Business Sustainability

The performance of green businesses has a positive and significant impact on business sustainability with a path coefficient of 0.668 and a p-value of 0.000. (Leendertse et al., 2020) show that sustainable startups experience improved business performance when aligning operations with climate performance. (Bodhanwala & Bodhanwala, 2018) reinforce that sustainability practices are positively related to profitability

DISCUSSION

The research findings provide substantial theoretical contributions to organizational capability development and sustainable business practices in Bangka Belitung's creative economy sector. The Resource-Based View (RBV) theory receives strong empirical support through high path coefficients between sustainability awareness and business performance (0.761) and external support mechanisms (0.751). These relationships validate (Miller, 2019) assertion that unique organizational resources drive competitive advantages in sustainable business contexts.

The institutional framework demonstrates remarkable effectiveness in shaping sustainable practices, evidenced by high R-square values for green business performance (0.784) and business sustainability (0.786). Technical assistance emerges as a crucial institutional support mechanism (loading factor 0.773), supporting (Chuang & Huang, 2016) findings that environmental corporate social responsibility enhances competitiveness through green technology adoption.

Environmental consciousness shows significant influence on business outcomes, with sustainability awareness indicators displaying strong outer loadings for environmental understanding (0.816) and eco-friendly motivation (0.761). These findings extend (Ong et al., 2019) research by demonstrating how environmental innovation creates substantial economic value. The relationship between digital capabilities and business sustainability (coefficient 0.548, p-value 0.007) supports (Salvador & Comunian, 2023) emphasis on sustainability skill development in creative industries.

Managerial implications emerge clearly from the research findings, particularly regarding green capability development. The strong influence of green practices on business performance (coefficient 0.690, p-value 0.000) aligns with (Ye & Lau, 2022) research on green supply chain transformation. Creative entrepreneurs must implement systematic waste management practices, optimize material recycling processes, and enhance energy efficiency across operations.

Digital transformation represents a critical success factor, significantly impacting business sustainability. (Li, 2020) demonstrates how digital capabilities fundamentally reshape creative industry business models. Creative entrepreneurs, particularly the 16.5% operating in the digital sector, should prioritize digital platform utilization and infrastructure development. The high loading factor for digital platform benefits (0.867) emphasizes the importance of e-commerce and digital marketing strategies.

External support mechanisms demonstrate crucial importance for sustainable development. (Asbullah & Tarigan, 2024) highlight how government incentives promote environmental responsibility adoption. Local authorities should develop comprehensive training programs and streamline licensing processes, particularly supporting the 41.2% of businesses generating monthly revenues below 10 million rupiah.

Implementation strategies should target high-potential sectors, including culinary (35.6%) and crafts (27.5%). Organizations must establish clear sustainability metrics, implement environmental impact monitoring systems, and create incentive programs for green practice adoption. The strong relationship between performance and sustainability (coefficient 0.668, p-value 0.000) indicates these initiatives' long-term viability.

Leadership development programs require specific focus on environmental management capabilities, particularly for the 43.7% of businesses operating for 2-5 years. Performance monitoring systems should integrate financial and environmental metrics, while risk mitigation strategies address resource constraints. Industry associations and government bodies must

establish collaborative platforms for knowledge sharing and resource pooling, supporting (Sáez-Martínez et al., 2016) emphasis on SMEs' role in promoting environmental responsibility.

The research advances theoretical understanding of sustainable business practices through its comprehensive integration of organizational capabilities. High composite reliability (0.889) and AVE (0.669) for green capabilities support (Baah et al., 2021) findings on environmental ethics and competitive advantage. The model's robust explanatory power (R-square > 0.75) validates the theoretical framework's effectiveness in explaining sustainable business practices within Bangka Belitung's creative economy context.

This integrative approach provides valuable insights for emerging creative economies where institutional support and environmental awareness shape business outcomes. The findings demonstrate how combining institutional mechanisms, environmental consciousness, and digital capabilities creates a comprehensive framework for sustainable business development. The model's strong predictive relevance suggests that integrating RBV with institutional and green value adoption theories provides a robust foundation for understanding sustainable performance in creative industries.

The comprehensive analysis of Bangka Belitung's creative economy sector reveals the critical importance of four interconnected factors in promoting sustainable development. Green capabilities, particularly energy efficiency measures, demonstrate significant impact on business performance (path coefficient 0.690, p-value 0.000), while digital readiness through platform utilization enhances operational effectiveness (path coefficient 0.513, p-value 0.018). External support mechanisms, especially technical assistance programs, show substantial influence on sustainable practices (path coefficient 0.751, p-value 0.050), and sustainability awareness drives responsible business behavior (path coefficient 0.761, p-value 0.002).

CONCLUSION

This research establishes concrete strategic recommendations for sustainable creative economy development. Local authorities must implement comprehensive training initiatives to enhance entrepreneurs' environmental and digital capabilities. Educational institutions should develop specialized curricula emphasizing sustainability principles and innovative practices. Industry associations need to facilitate knowledge exchange networks, particularly benefiting the 43.7% of businesses operating for 2-5 years. The 41.2% of entrepreneurs generating monthly revenues below 10 million rupiah require targeted support through structured development programs. The findings identify promising research directions for future investigation. Scholars should examine implementation barriers within the culinary sector (35.6% of businesses) and crafts sector (27.5%), evaluate government support program effectiveness, and measure sustainable creative economy contributions to regional development. Comparative analyses between Bangka Belitung and similar regions could yield valuable insights for policy development and intervention strategies. This study's significant contribution emerges through its integrated approach to sustainable development within creative economies. By combining environmental capabilities, digital transformation, institutional support, and sustainability consciousness, entrepreneurs can develop economically viable and environmentally responsible business models. The research establishes a foundation for inclusive, innovative economic transformation, particularly benefiting the 3,247 creative economy actors across seven districts. The strong predictive power of the research model (R^2

> 0.75) validates the effectiveness of this comprehensive approach to sustainable business development.

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