

Optimization of Human Resource Competencies Towards Business Performance and Organization Learning Capability as Moderating Variables

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Abstract. *Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the Indonesian economy, particularly within the fashion sector, which contributes significantly to Gross Domestic Product (GDP) and employment. This study aims to analyze the impact of Human Resource Competencies (HRC) on Business Performance (BP), with Organizational Learning Capability (OLC) serving as a moderating variable, within the context of fashion MSMEs in Semarang City. A quantitative approach was employed, using a survey of 100 fashion MSME owners in Semarang City selected through purposive sampling. Data were collected via questionnaires and analyzed using Partial Least Squares (PLS). The results indicate that Human Resource Competencies (HRC) have a significant positive effect on MSME Business Performance (BP), and that Organizational Learning Capability (OLC) significantly and positively moderates the relationship between HRC and BP. Enhancing Organizational Learning Capability (OLC) allows MSMEs to strengthen the link between HRC and BP, thereby improving their business performance. These findings underscore the importance of Human Resource Competencies (HRC) and Organizational Learning Capability (OLC) for MSMEs in maximizing their business potential.*

Keywords: *Business Performance (BP); Human Resource Competencies (HRC); Organization Learning Capability (OLC).*

1. Introduction

The era of globalization is a global trend in the form of modernization encompassing all aspects of people's lives. This includes the influence of increased business efforts or business transformation in an effort to maintain company competitiveness. Furthermore, the business era is also experiencing very rapid development. This refers to the increase in businesses in addressing the number of job opportunities (Arini, Onsardi, and Indriani 2023). One type of business frequently encountered among the general public is the micro, small, and medium enterprise (MSME).

One of the business sectors and a crucial asset for the sustainability of the Indonesian economy is micro, small, and medium enterprises (MSMEs). This sector plays a crucial role in driving economic growth and creating new jobs that can benefit the livelihoods of the Indonesian people. MSMEs play a crucial role in economic development and driving Indonesia's economic growth. The MSME sector can alleviate unemployment due to under-absorption of the labor force by starting businesses by creating new jobs for the Indonesian population (Nugraha Sugita and Seri Ekayani 2022). MSMEs are also believed to be capable of providing a multiplier effect to other business sectors so that it is considered capable of driving the wheels of the economy in society.

In 2023, the contribution of Indonesian MSMEs to the global supply chain was still relatively low, with 4.1% of Indonesian MSMEs integrated into two global supply chains. Overall, MSMEs contribute significantly to the Indonesian economy, contributing 60.51% of GDP and absorbing 96.92% of the workforce. However, only 15.65% of Indonesia's exports come from MSMEs, and of that number, e-commerce usage only reached 24% (Supply Chain Indonesia, 2022). Despite their significant contribution to the growth of the Indonesian economy, some micro, small, and medium enterprises (MSMEs) are still considered to face fundamental problems in their operations. The classic problem faced is low productivity. This situation is caused by internal problems faced by MSMEs, namely, low quality of human resources in management, organization, mastery of technology, and marketing, weak entrepreneurship of MSME actors, and limited access of MSMEs to information, technology and markets, as well as other production factors (Ulyasari et al. 2023).

The type of MSMEs suspected of being most impacted by modernization is the fashion sector. The impact of globalization is that fashion trends change every year. This is because most people don't want to wear the same clothes every year, and many...

Many people enjoy shopping through e-commerce because it is more effective and offers a wider variety of products. According to data from the Indonesian Ministry of Trade, the ASEAN digital economy is projected to grow by 15% by 2025, with a GMV value of nearly US\$300 billion. This increase is primarily driven by the e-commerce sector, which reached US\$181 billion, or around 60% of the total GMV of the digital economy, and is expected to grow to US\$359 billion by 2030. Various strategies and trends, such as video commerce, the application of Artificial Intelligence (AI), and the creator economy, are contributing to the accelerated development of e-commerce (Indonesian Ministry of Trade 2025). This proves that Indonesians are currently more interested in shopping online.

2. Research Methods

This study uses a quantitative approach with an explanatory research type. The quantitative approach was chosen because the primary objective of the study is to test the causal relationships between variables that have been formulated theoretically through hypotheses that can be tested statistically. According to (John W. Creswell, J. David Creswell 2018), a quantitative approach is appropriate when researchers intend to test a theory by connecting measurable variables so that the data can be analyzed using statistical procedures.

The type of explanatory research was chosen because this research does not merely describe phenomena (descriptive) or explore new concepts (exploratory), but aims to explain and test why and how Human Resource Competencies can influence the Business Performance of Fashion MSMEs in Semarang City through the mediation of Organization Learning Capability, as well as the extent to which Information Overload moderates the relationship. According to (Uma Sekaran, Roger Bougie 2016) defines explanatory research as research that seeks to explain the causal relationship between variables based on a strong theoretical foundation.

3. Results and Discussion

3.1. Research Data Description

In this study, the author used a descriptive quantitative research method by collecting data obtained from directly distributing questionnaires and filled out by respondents. This aims to achieve effectiveness in filling out the distributed questionnaires and explaining directly to respondents in the hope that respondents can better understand each question posed by the author to be studied and then draw systematic conclusions.

The objects or samples used in this study include micro, small and medium fashion business actors in the Semarang city area, totaling 100 respondents who meet the criteria listed by the author for the research sample as stated by the author in the previous discussion,

namely micro business actors small and medium enterprises operating in the fashion sector in Semarang city and are over 18 years old.

Next, after the questionnaire questions have been completed by the respondents, statistical calculations will be performed based on the reporting of the questionnaire distribution results. The data obtained from the questionnaire results are then tabulated into a table to summarize and describe the statistical values and number of respondents through calculations assisted by the PLS-3 software program for macOS. The table is created to facilitate the statistical calculation process, and then the analyzed calculation results can be presented in the research discussion.

a. Description of Respondent Characteristics

Below, the author will examine the characteristics of 100 research respondents so that they can be categorized based on gender, age, and last education of micro and small fashion business actors in Semarang City.

b. Respondent Characteristics Based on Gender

The results of the research regarding respondents based on gender of Micro, Small and Medium Fashion Business Actors in Semarang City can be seen in Table as follows:

Table Respondent Characteristics Based on Gender

Respondent Gender	Frequency	Presentation
Man	53	53%
Woman	47	47%
Total	100	100%

Based on Table, it shows that the number of male respondents is greater, amounting to 57 people with a percentage rate of 57%, while the respondents of Micro, Small, and Medium Fashion Business Actors in Semarang City are female, amounting to 43 with a percentage rate of 43% with a total of 100 respondents. This proves that there are more male entrepreneurs than female in running Micro, Small, and Medium Fashion Businesses in Semarang City, because basically men have an obligation to fulfill family needs.

c. Respondent Characteristics Based on Age

The results of the research regarding respondents based on the age of Micro, Small and Medium Fashion Business Actors in Semarang City can be seen in Table as follows:

Table Respondent Characteristics Based on Age

Age	Frequency	Presentation
18 Years – 30 Years	28	28%
31 Years – 40 Years	30	30%
41 Years – 50 Years	22	22%
51 Years – 60 Years	17	17%
> 60 Years	3	3%
Total	100	100%

Based on table above, the results can be obtained and show that the most dominant age of respondents of Micro and Small Culinary Business Actors in Semarang City is 31 years - 40 years with a total of 30 respondents with a percentage level of 30% then the age of 18 years - 30 years as many as 28 respondents with a percentage rate of 28%, then the respondents aged 41 years - 50 years as many as 22 respondents with a percentage rate of 22%, then respondents aged 51 years - 60 years amounted to 17 respondents with a percentage rate of 17%, and respondents aged > 60 years amounted to 3 respondents with a percentage rate of 3%. This means that more business actors establish businesses or start businesses at a productive age and have a broad view of creativity and mature competencies between the ages of 31-40 years.

d. Respondent Characteristics Based on Last Education

The results of the research regarding respondents based on the last education of Micro, Small and Medium Fashion Business Actors in Semarang City can be seen in Table as follows:

Table Respondent Characteristics Based on Last Education

Last education	Frequency	Percentage
Elementary School	8	8%
JUNIOR HIGH SCHOOL	17	17%
High School/Vocational School	70	70%
D3	1	1%
Bachelor	10	10%
Total	100	100%

Based on table, it shows that respondents of micro, small and medium fashion businesses in Semarang city consist of 8 respondents who have an elementary school education background with a percentage of 8%, respondents with a junior high school background numbering 17 respondents with a percentage of 17% then respondents with a high school or vocational high school educational background were 70 respondents with a percentage of 70%, respondents of micro, small and medium enterprises who had a D3 and bachelor's educational background each had 1 and 10 respondents with a percentage of 1% and 10% respectively. Statistical data shows that fashion MSME business actors in the city of Semarang are dominated by high school / vocational school graduates because every year there are more and more high school / vocational school graduates which makes it difficult to get work as well as economic pressures and needs that support life.

3.2. Descriptive Analysis of Variables

Descriptive analysis aims to determine and examine the answers of each respondent to the variables of Human Resource Competencies, Organizational Learning Capability, and Business Performance in Fashion MSMEs in Semarang City. To determine the frequency of the intensity of the conditions of each variable, the highest score in each variable can be calculated by multiplying the number of questions in each variable, which are then divided into 5 categories (Anwar Sanusi 2014). The categories have been grouped as follows:

$$RS = \frac{m-n}{k}$$

k

$$RS = \frac{5-1}{5}$$

5

$$RS = 0.08$$

Where :

Hos = Scale Vulnerability
pital

n

=Minimum Score

m =Maximum Score

k

=Number of Categories

Based on the calculation results above, the respondent's answer categories for each variable can be explained as follows:

1.00 – 1.80 : Very low or very bad, which indicates that the condition of the variable is still very low, aka very small.

1.81 – 2.60 : Low or not good, which indicates the condition of the variable is still low, aka small

2.61 – 3.40 : Moderate or sufficient, which indicates the condition of the variable is moderate or sufficient

3.41 – 4.20 : High or good which indicates the condition of the variable is high or good

4.21 – 5.00 : Very high or very good which indicates the condition of the variable is very high or very good

Based on the categories above, it can then be used for descriptive statistical calculations with a total of 100 respondents where each variable is Human Resource Competencies, Organization Learning Capability, and Business Performance in Fashion MSMEs in Semarang City.

3.3. Descriptive Statistics of Human Resource Competencies Variables

The Human Resource Competencies variable was measured using three indicators: Business Knowledge, Functional Expertise, and Change Management, which consisted of three questionnaire questions. Based on Table, it is known that the average value of respondents' answers to the Human Resource Competencies variable was 3.74, which is in the interval 3.41 - 4.20, or is classified as high or good. With the average Human Resource Competencies variable being classified as high or good, it can be interpreted that Human Resource Competencies are good.

Resource Competencies play a significant role in influencing the Business Performance of Fashion MSMEs in Semarang City. The Functional Expertise Indicator delivers clear instructions, reflected in the average score of 3.94, which is considered good. This suggests that in running a business, business owners and employees must possess these skills.

Functional well so that business actors have capital in several prominent aspects such as business operational expertise, expertise in applying digital marketing, expertise in finding suppliers online and expertise in customer service along with shopping complaints.

Meanwhile, in other results with the business knowledge indicator, the respondents conveyed their perceptions well, this is indicated by the highest average value with a value of 3.86 included in the good category, these results conclude that business knowledge allows business actors to access and utilize their understanding of entrepreneurship well and wisely for business operational needs and in business expansion. Good business knowledge in managing a business can help business actors plan the right strategy in utilizing every source of knowledge and science owned by business actors to support the growth of micro and small Fashion Business actors in Semarang City. This is comparable to the results of the average value of the management indicator for change with an average value of 3.42 which

Although it falls into the good category, this result is lower than the average value for other indicators. This low average value indicates that the business owner's Human Resource Competencies are still not optimal, which can impact business operations.

4. Conclusion

Based on the results of research and discussions that have been conducted regarding the optimization of human resource competencies towards business performance and organizational learning capability as moderating variables, the following research conclusions can be drawn:

1. There is a positive and significant influence between the Human Resource Competencies variable on the Business Performance variable as indicated by the Original Sample ($O = 0.398$) and T Statistics $4.330 > 1.984$ with a significance level of $0.000 < 0.05$. This means that the higher the Human Resource Competencies owned by business actors and employees, the higher the Business Performance of Fashion MSMEs in Semarang City. So the hypothesis about the suitability between the Human Resource Competencies variable and the Business Performance variable is supported by the results of the study.
2. There is a positive and significant influence between the Organization Learning Capability variable on the Business Performance variable indicated by Original Sample ($O = 0.555$) and T Statistics $6.261 > 1.984$ with a significance level of $0.000 < 0.05$. This means that the higher the Organizational Learning Capability of MSMEs, the higher the Business Performance of Fashion MSMEs in Semarang City. Therefore, the hypothesis about the suitability between the Organizational Learning Capability variable and the Business Performance variable is supported by the research results.

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