

## THE INFLUENCE OF HR COMPETENCE ON MSME TRADITIONAL CAKE AND BAKERY POST PANDEMI COVID-19 IN BULUNGAN DISTRICT

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### ABSTRACT

The purpose of this study was to determine the effect of HR competence on Micro, Small and Medium Enterprises in Bulungan Regency. The method used is the quantitative method, with a total of 160 respondents. Data collection was in the form of a questionnaire, the data analysis technique used in this study was SPSS 23 and structural equation modelling (SEM). Based on the instrument test on the HR Competency, Innovation and Competitive Advantage variables it is declared valid and reliable, because it has a correlation value above 0.3, it also has a Cronbach alpha greater than 0.6. The results of the study show that HR competence has a significant positive effect on competitive advantage and innovation, but innovation has a positive but not significant effect on competitive advantage. HR competence and innovation variables affect the variation of data on competitive advantage variables by 0.91 or 91%, the remaining 9% is influenced by other factors

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## 1. INTRODUCTION

Human resources (HR) are not only a means of production but also act as a driver and determinant of the ongoing production process all organizational activities [1]. HR has a major contribution to the progress and development of an organization, therefore, to advance an organization can be determined by the HR that has quality and capabilities. HR is the most important asset in an organization or company large or small scale [2]. In the face of today's global competition, it provides an open challenge, where we have to compete by highlighting the advantages of existing resources with the existence of Micro Small Enterprises which will improve the economy, especially in Bulungan Regency.

Small Micro Enterprises or better known as economics which refers to productive economic businesses owned by individuals or business entities in accordance with the criteria stipulated by Law no. 20 of 2008 [3]. Micro Small Business means a business run by a person, household, or small business entity.

MSMEs in Bulungan Regency operate in all fields, one of which is in the field of traditional cakes and cakes bakeries, but this business is not so developed significantly. There are several obstacles encountered, such as the products that are produced or sold have the same shape and type, these products usually only follow the season or season. Trend just. Business products do not have distinctive characteristics, or the actors lack innovation and creativity in producing products.

Product innovation can be carried out by business actors who have good HR competencies so they can compete with other competitors, thus business actors must have skills, skills and abilities [4]. Innovation covers creativity in creating new products, services, ideas, or processes, both existing within the organization and those developed from outside the organization [5]. According to [6] that the development of a product through innovation, will be able to compete with other competitors.

Superiority Clean is capabilities possessed by a company and which are not owned by other competitors or have added value and differences in the products it has special and more profitable than other competitors. From this background the research aims 1) to determine the effect of HR competence on competitive advantage and innovation of traditional cakes and MSMEs Bakeries post-covid-19 pandemic in Bulungan Regency 2) To find out the effect of product innovation on the competitive advantage of traditional cakes and MSMEs Bakeries after the covid-19 pandemic in Bulungan Regency.

## 2. METHODS

Study this use quantitative approach, with the survey method, with a total sample of 160 respondents, using the slovin formula, level 5%. Data collection was carried out by distributing

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questionnaires. The stages of research include observation, interviews and data analysis. Data analysis used is *Structural Equation Modeling (SEM)* with SPSS-AMOS 23 software  
The Slovin formula

Information :

n : Number of Samples

N : Total Population

e : Error tolerance limit of 5% or 0.05

Study this done in Bulungan Regency, North Kalimantan Province. The implementation time is five (5) months. The variables analyzed include HR Competency Variables, Innovation and Competitive Advantage. The characteristics of the HR Competency variable are Motives, Character, Self-concept, Knowledge, and skills [7]. Characteristics of Innovation include Products, Services, Processes, Markets, Logistics, and Business Organization and Characteristics of Excellence such as Price Competitiveness, Quality, Reliable Delivery, Product Innovation, *Time To Market* [6].

### 3. RESULTS AND DISCUSSION

Product Effort Micro Small Medium and traditional cakes *Bakeries* This is interesting to do research. This is because MSMEs have a very important role in economic development in a region and nationally. In addition, the many competitors will have an impact and give influence to business actors to be able to develop and have an advantage in their products so they can compete. With the large number of competitors in Bulungan Regency, businesses must have characteristics and differences between their products and other products in order to attract the attention of consumers. Likewise with traditional cake products and *bakery* this is also always evolving, where business actors inevitably have to be able to read consumer desires or Seeing what market developments are like, in order to be able to compete with the resources that exist within him, he can be improved again. However, based on the results of researchers' observations that most business actors do not follow current trends and technologies, such as making changes or new innovations to the products they produce, this is because business actors lack adequate HR competencies to innovate so they are unable to gain competitive advantage. study Bulungan Regency, North Kalimantan Province. The implementation time is five (5) months. The variables analyzed include HR Competency Variables, Innovation and Competitive Advantage. this done in The characteristics of the HR Competency variable are Motives, Character, self concept, Knowledge, and skills. [7]. Characteristics of Innovation include Products, Services, Processes, Markets, Logistics, and Business Organization and Characteristics of Excellence such as Price Competitiveness, Quality, Reliable Delivery, Product Innovation, Time To Market [6].

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Figure 1. UMKM Products in the Regency Bulungan

**Characteristics of Respondents**

Characteristics Perpetrator MSME especially traditional cake and bakery products in Bulungan Regency from 160 sample respondents in the study with criteria based on gender, age, education, and length of business are as follows

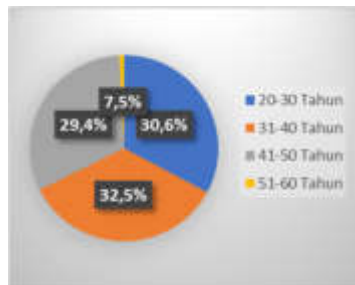


Figure 2. Characteristics of Respondents Based on Gender

Figure 3. Characteristics of Respondents by Age

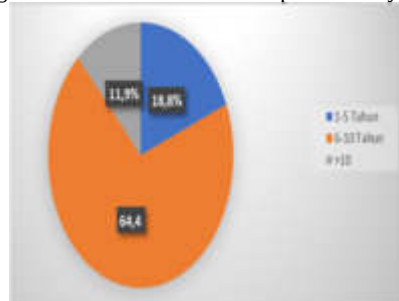


Figure 4. Characteristics of Respondents Base on Education

Figure 5. Characteristics of Respondents Based on Length of Business

**Table 1. Instrument Test of Validity and Reliability**

HR Competence (X1)		Innovation (Y1)		Competitive Advantage (Y2)	
Indicator	Collaboration	Indicator	Collaboration	Indicator	Collaboration
X1	0.699	Y6	0.574	Y12	0.678
X2	0.686	Y7	0.710	Y13	0.565
X3	0.650	Y8	0.808	Y14	0.753
X4	0.854	Y9	0.799	Y15	0.802
X5	0.854	Y10	0.788	Y16	0.510
		Y11	0.651		
Alpha Cronbach = 790		Alpha Cronbach = 789		Alpha Cronbach = 692	

Source: Results of Data Processing

Based on table 1 data, it is known that the characteristics of respondents based on gender are mostly women, namely as many as 126 people or 76%, based on age, the highest ranges from 31-40 years old with a total of 47 people or 32.5%, based on education level as many as 90 people or 56.2% are high school graduates, and based on the length of time the business has been conducted it ranges from 6-10 years with a total of 111 MSME of traditional cakes and bakeries in Bulungan Regency. Research Instrument Test validity is a measure that shows the level of validity of an instrument. Reliability is an instrument which, when used several times to measure the same object, will produce the same data (measurement). Based on shows that of the sixteen instruments in three research variables, namely HR Competence (X1), Innovation (Y1), table on Competitive Advantage (Y2) are all declared valid, because the correlation value is greater than 0.3 and reliable, because the coefficient value Alpha Cronba ch above 0.60. so data research obtained from the results of the instrument can be used for further data analysis. To interpret the results [8] , 4.1-5.0 = very good is used. 3.1-4.0 = good. 2.1-3.0 = enough. 1.1-2.0 = less. 0.0-1.0 = fail. The results of the descriptive analysis of the average value of the respondents' answers are presented in the following table: Results of Variable Description Analysis Questionnaires were distributed using liqueur scalet with a range of answer values, strongly agree = 5. Agree = 4. Neutral = 3. Disagree 2. Strongly disagree = 1.

**Table 2. Results of Variable Description Analysis**

HR Competence (X1)		Innovation (Y1)		Competitive Advantage (Y2)	
Indicator	Average	Indicator	Average	Indicator	Average
X1	4.09	Y6	2.81	Y12	2.20
X2	4.26	Y7	3.78	Y13	3.83
X3	3.34	Y8	3.94	Y14	2.76
X4	2.94	Y9	4.11	Y15	3.04
X5	3.06	Y10	4.14	Y16	4.13
		Y11	4.03		
Variable average = 3.53		Variable average = 3.80		Variable average = 3.19	

Source: Results of Data Processing

Based on table 2 data. seen that variable - 4.13 with the average of the variables on 3.19 which means good. HR competence has an average value range for each indicator between 2.94 - 4.26 with an average variable of 3.53 which means good, while the Innovation variable value average range for each indicator between 2.81 - 4.14 with the average of the variables 3.80 which means good, and the value of



the Competitive Advantage variable range for each indicator is between 2.20 SEM Analysis Test Results Prior to the SEM analysis, normality, linearity, and outlier assumption tests were carried out. the results show that the assumption test has been fulfilled. The results of SEM analysis graphically can be displayed as follows:

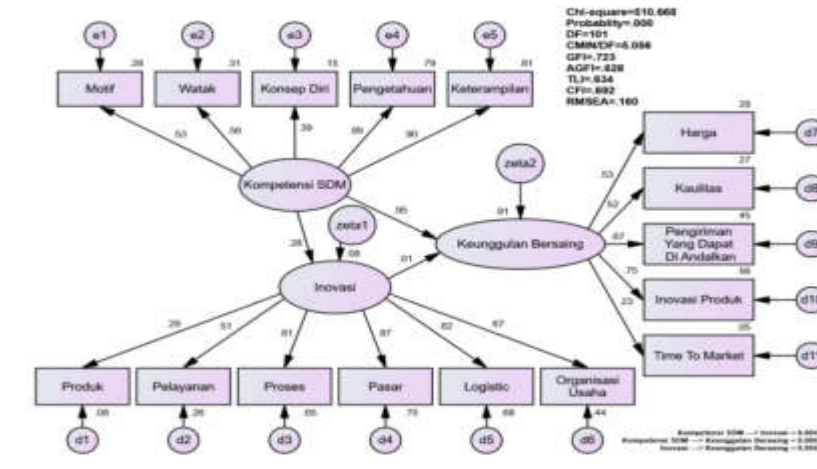


Figure 6. SEM test analysis data

Based on Tables 3 and 4. shows that Copetence Influential HR signigicant towards Innovation with p-Value of  $0.004 < \alpha (0.05)$ , meaning that the higher the competence of the human resources of traditional cake and bakery MSME, the higher the resulting product innovation. Competence significant effect competitive advantage with a pvalue Valueof  $0.000 < \alpha (0.05)$ , meaning that the higher the competence of the human resources of traditional cake and bakery MSME, the higher the competitive advantage. Innovation has no significant effect on Competitive Advantage with a p-valuevalue equal to  $0.859 > \alpha (0.05)$ , meaning that regardless of the value of innovation, it will not affect the high or low value of excellence Influence no between HR Competence (X1) to Competitive Advantage (Y2) through Innovation (Y1), a coefficient value of 0.0028 is obtained. Due to direct influence (Competence HR to Innovation, and Innovation to Excellence significant, increasing the value of HR Competence indirectly does not affect the value of Competitive Advantage through Innovation.

Table 3. Structural Model of SEM Results: Direct Influence

Relationship between variables	Coefficient	P-values	Information
HR Competence (X1) -> Innovation (Y1)	0.28	0.004	Significant
HR Competence (X1) -> Competitive advantage (Y2)	0.95	0.000	Significant
Innovation (Y1) -> Competitive Advantage (Y2)	0.01	0.859	Non significant

Source: Processed Data Results

Table 4. Structural Model of SEM Results Indirect Influence

Influence No Live	Coefficient Influence Live	Coefficient Influence Live	Coefficient Influence No Live	Information
X1 -> Y1 -> Y2	X1 -> Y1 = 0.28	Y1 -> Y2 = 0.01	0.0028	Non Significant

Source: Processed Data Results

## DISCUSSION

### Influence Copetence HR to MSME on Traditional Cake and Bakery Innovations in Bulungan Regency

Based on the results of the analysis, the hypothesis testers between the relationship between HR Competence (X1) and Innovation (Y1) are as follows: based on the results of the analysis, the coefficient

of the relationship between HR Competence (X1) and Innovation (Y1) is 0.28 with pvalue of 0.004. Because the p-value value.

Based results model Test variable on measurements HR competence has five (5) indicators, namely Motive, Character, SelfConcept, Knowledge, and Skills. Where is the most important Skill as an indicator for measuring HR Competence, which is equal to (0.90), which shows that the better a person's Skills, the more HR Competence will also increase in MSME actors in Bulungan Regency. Based on the RBV theory that knowledge competence is a tool to gain competitive advantage and assets in an organization [9], [10] The relationship between knowledge competence and innovation with the company is that the higher the knowledge competence, the greater the level of innovation [11].

On variable results Innovation based on measurement the Innovation variable model has six (6) indicators namely Product, Service, Process, Market, Logistics, Business organization. Where is the most important market as a measurement of innovation, namely 0.87. This indicates that measuring the innovation variable from the market. This means that the more the market increases, the more innovation in MSME actors in Bulungan Regency, especially in the field of traditional cakes and Bakeries.

The results of the research from 160 respondents to traditional cake and bakery business actors show that Competence to HR Innovation. Influential Viewed from HR Competence has an influence on Innovation. In accordance with the opinion of that HR competence has a significant positive effect on innovation [12].

Influence MSME Compete in Bulungan Regency Competence to Excellence HR Based on the results Testing the hypothesis that the relationship between HR Competence (X1) and Competitive Advantage (Y2) is as follows: based on the results of the analysis, the coefficient of the relationship between HR Competence (X1) and Competitive Advantage (Y2) is 0.95 with a P-value of 0.000. Because the P-value < 0.5 indicates HR competence influential Superiority the higher HR Competence then the more Competitive Advantage. [13] that for achieve excellence a company must have different/ unique resources from other MSME actors. SMEs must have the ability to build networks, look for other business opportunities and must be brave take risk for improve its business performance. product innovation is important for every SME to be able to improve business performance [14],[15].

Based on the results testing *measurements* model variable HR competence has five (5) indicators, namely Motive, Character, Self- Concept, Knowledge and Skills. Where is the most important Skill as a measure of HR Competence that is equal to (0.90). This indicates that the high value of HR Competence from Skills. This means that the more Skills increase, the HR Competence in MSME actors in Bulungan Regency also increases. especially in the field of Traditional Cakes and Bakeries.

On variable Superiority Compete based on test results *measuremet* variable models Competitive Advantage has five indicators namely Price, Quality, Reliable Delivery, Product Innovation, Time To Market. Where Product Innovation is the most important as a measure of Competitive Advantage, namely 0.75. This indicates that measure variable Superiority Compete from Product Innovation. This means that the more Product Innovation increases, the Competitive Advantage of MSME players in Bulungan Regency, especially in the field of Traditional Cakes and Bakeries. From analysis state the higher the HR Competence in MSME Actors, the Competitive Advantage will increase. This shows that if the Skills indicator is increased again, the HR Competence of MSME players will increase, so that Innovation will also increase, which can be seen from the high Product Innovation obtained. With increasing competence HR will affect Competitive Advantage [16]

### **Influence Competence HR on Innovation and Competitive Advantage in Bulungan Regency.**

Based on the results of the analysis, the relationship tester between Innovation (Y1) and Competitive Advantage (Y2) is 0.01 with a Pvalue of 0.000. Because the Pvalue < 0.859 indicates that innovation has a positive effect and no effectsignificant to Excellence Compete. will not affect the high or low level Superiority Compete.

Based on the results testing measurement model variable Innovation has six (6) indicators namely Product, Service, Process, Market, Logistics, Business organization. Where the market is the most important element as a measurement of innovation, which is equal to (0.89). This indicates that the high value of innovation from the market.

The more the market increases, the more innovation in MSME actors in Bulungan Regency, especially in the field of traditional cakes and bakery, while the Competitive Advantage variable has five indicators, namely Price, to Quality, Reliable Delivery, On the Product Innovation as big indicator, Time To Market. Where Product Innovation is the most important as a measure of Competitive Advantage, namely 0.75. This indicates that measuring the variable Competitive Advantage of Product Innovation. This

means that the more Product Innovation increases, the Competitive Advantage of MSME players also increases Regency Bulungan, in particular in the field of traditional cake and bakery.

From the analysis that has been carried out, it shows that the higher the Innovation in MSME actors will not have a significant effect on Competitive Advantage, so it is necessary to develop related product innovations for MSME actors to increase, so that Competitive Advantage will also increase, which is mainly seen from the high feedback received. [17] that Innovation influential positive significant to Superiority Compete. This means that regardless of the value of Innovation,

## 5. CONCLUSION

From the results of the study it can be concluded that: 1. HR competence has a positive effect on the innovation variable, with the highest loading factor of 0.90, namely the skills indicator. 2. HR Competence influences Competitive Advantage, with factor loading on product innovation indicators 3. Innovation has a positive but not significant effect competitive advantage. 0.91 or 91%, and 9% is influenced by other factors.

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