

INFLUENCE SUPERIORITY COMPETING, CREATIVITY AND INNOVATION IN SUPPORT SUSTAINABILITY OF MSMES

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Abstrak

Usaha Mikro, Kecil, dan Menengah (UMKM) berperan krusial dalam mendukung pertumbuhan ekonomi nasional, terutama dalam menciptakan lapangan kerja dan mendorong pemerataan kesejahteraan. Lokasi penelitian ini berada di Sentra Kerajinan Batik Mukti Rahayu, Kabupaten Magetan. Tujuan penelitian ini adalah untuk membuktikan keberlanjutan UMKM dalam hal keunggulan kompetitif, kreativitas, dan inovasi. Sumber data primer yang digunakan dalam penelitian ini adalah jawaban responden melalui item kuesioner. Populasi terdiri dari 45 karyawan, dengan metode Non-Probability Sampling. Metode penelitian kuantitatif digunakan dengan menggunakan perangkat lunak SPSS 25. Hasil penelitian ini menunjukkan bahwa Keunggulan Kompetitif tidak berpengaruh positif signifikan terhadap keberlanjutan UMKM, Kreativitas berpengaruh negatif tidak signifikan terhadap keberlanjutan UMKM, dan Inovasi berpengaruh positif signifikan terhadap keberlanjutan UMKM.

Kata Kunci: Keunggulan Kompetitif, Kreativitas, Inovasi, Keberlanjutan UMKM

Abstract

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in supporting national economic growth, particularly in creating jobs and promoting equitable welfare. The location of this study is in the Mukti Rahayu Batik Craft Center in Magetan Regency. The purpose of this study is to prove the sustainability of MSMEs in terms of competitive advantage, creativity, and innovation. The primary data source used in this study is the respondents' answers through questionnaire items. The population consists of 45 employees, with a Non-Probability Sampling method. A quantitative research method was employed using SPSS 25 software. The results of this study indicate that Competitive Advantage does not have a significant positive effect on the sustainability of SMEs, Creativity has a non-significant negative effect on the sustainability of SMEs, and Innovation has a significant positive effect on the sustainability of SMEs.

Keywords : *Competitive Advantage, Creativity, Innovation, Sustainability of MSMEs*

A. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in supporting national economic growth, particularly in creating jobs and promoting equitable prosperity. However, the challenges to MSME sustainability lie not only in capital or marketing aspects, but also in the quality of their Human Resources (HR). Competent HR is a strategic asset for MSMEs to survive and thrive amidst the dynamics of business competition and technological change. Research by Sari & Sijabat (2022) shows that HR competencies, including knowledge, skills, and attitudes, significantly influence business performance and sustainability in the MSME sector. In the current era of digitalization and globalization, MSMEs are required to be adaptive, innovative, and able to integrate technology into business processes. The quality of HR is a key determinant in this adaptation process.

For country develop such as Indonesian Micro, Small, and Medium Enterprises (MSMEs) is one of the factor For increase economy country (Ramdani *et al.* , 2021). According to Megawati *et al.* , (2024) the MSME sector does not off from mix hand humans , along with development current MSME sector This show that Indonesia has entering a new era in the business world . In the sector craft Can be one of sector For overcome problem the economy in Indonesia. One of them that is batik crafts , heritage culture from ancestors who must Keep going developed as strong as energy . Potential batik crafts are very tall if managed with Good And follow development of the times without reduce unique batik values archipelago . This is in line with objective development industry For increase quality life nation that originates from on source Power natural And source Power man .

In facing global dynamics and increasingly complex competition, competitive advantage (Hilarianty & Maisela, 2023; Mirza, 2024; Mugni *et al.*, 2022) (Zatia Zatia *et al.*, 2023) (Masruchiyah *et al.*, 2024; Srijani & Ardiyani, 2025) (Ariandri, 2024) (Juli *et al.*, 2021) (Rahmadi & Indrawijaya, 2024) (Anwar *et al.*, 2023) (Sugiyono, 2019) is an important element for MSMEs to survive and grow sustainably. According to Aslia *et al.* , (2024) Competitive advantage reflects

a business's ability to produce unique, valuable, and difficult-to-imitate products or services, whether in terms of price, quality, design, or speed of service. This advantage is generally achieved through optimizing internal resources, a keen understanding of the market, and a business strategy that is adaptive to change. Without a strong competitive advantage, MSMEs are vulnerable to losing their market position and being eroded by more innovative and efficient competitors.

According to Solikha *et al.* , (2023) creativity is reconnecting information that allows the human mind to think more freely and produce new thoughts or ideas that surprise others by creating useful things. However, many batik MSMEs in various regions, including in Magetan Regency, face obstacles in developing creativity due to limited resources, lack of design training, and minimal access to technology and market information. This has an impact on the difficulty of maintaining business sustainability, both financially, socially, and environmentally. Creativity not only gives birth to something completely new, but can also be a combination of things that already exist but are combined in new ways to create something new and different (Mirza, 2024).

Innovation is the ability to apply creative solutions to problems and opportunities to improve or enrich human life . (Hilariant y and Maisela 2024) innovation from employees is also a crucial component in realizing the sustainability of MSMEs, according to Mugni *et al.* , (2022), in the era of the digital economy and creativity-based competition, innovation includes the ability to create new ideas, utilize technology, develop product designs, and build adaptive and flexible business models.

In the local context, batik craftsmen in the Magetan Regency area, specifically Pring Sedapur batik, are located in Sidomukti Village, Kec. Plaosan Magetan Regency Java The East is an important part of MSMEs, possessing high cultural, historical, and economic value. The distinctive batik from this region has distinctive motifs . And thick attachment with culture Java , making batik unique Magetan This hunted by the para Batik lovers and the philosophy that is the identity of the region, but the challenges of modernization, low regeneration, and global market competition are making its existence increasingly threatened.

This phenomenon is caused by several factors, including a lack of regeneration of young batik makers, low managerial and digital marketing skills, and suboptimal technology-based training and product innovation. The workforce, which is largely comprised of middle- and upper-aged housewives, also faces limitations in adapting to changing consumer preferences and trends in the modern batik industry. In fact, the sustainability of MSMEs is determined not only by capital and markets, but also by the ability of human resources to innovate, manage production efficiently, and identify long-term business opportunities. Therefore, strengthening human resource capacity across technical, creative, and managerial aspects is an absolute requirement for Batik Mukti Rahayu to survive and thrive as a key player in the culture-based local economy.

Research conducted by Zulfikri Mirza (2024) highlights the importance of creativity and innovation as core human resource competencies in supporting the sustainability of MSMEs . According to Zatia, *et al.* , (2022) " The Influence of Dynamic Capabilities and Innovation Capabilities on Competitive Advantage (Case Study of MSMEs in Kolaka Regency) " adds an important perspective in relation to the relationship between innovation and competitiveness in a local context. This study shows that innovative skills built by skills Dynamics such as capture, seizure, and new compositions significantly increase the competitive advantage of MSMEs . Although various previous studies have shown that competitive advantage, creativity, and innovation have a significant influence on the performance and sustainability of MSMEs, particularly in the culinary sector, the focus of these studies has been limited to the general aspects of creativity and innovation without delving deeper into the context of the specificities of certain sectors such as the batik industry, which is cultural, artistic, and based on local heritage. Furthermore, there are not many studies that comprehensively integrate the role of human resources (HR), such as craftsman competence, local wisdom, and adaptive ability to modern market trends, in bridging the relationship between creativity and business sustainability in the batik sector. Therefore, this study aims to fill this gap by examining more specifically how HR creativity in the form of design innovation, batik patterns, and production techniques encourages

the sustainability of batik MSMEs, as well as adding a new dimension to academic studies through a contextual, empirical approach based on local uniqueness.

Theoretical review

Management Source Power Man

Srijani & Ardiyani (2025) found that MSMEs require structured improvements in knowledge, skills, and work motivation. Competency-based training programs have been shown to improve business performance and long-term adaptability . In the context of digital transformation, Masruchiyah *et et al.* , (2024) explained that human resource management in the digital era requires technology training, digital competency analysis, and policy strategies to significantly increase MSME worker productivity . This study highlights how effective human resource management can drive product added value and business quality.

Competitive Advantage

Competitive advantage is a benefit obtained when a company has and produces products or services that are considered superior by the target market compared to those of its closest competitors (Melliana , 2021). Ariandri (2024) adds that superiority compete can achieved through benefit strategy that is built on base collaboration And effective partnership in face competition market .

Creativity

According to (Syafi'i *et al.* , 2025) creativity is the ability to think of something new and different. Something new and different can be in the form of results such as goods and services, and can be in the form of processes such as ideas, methods, and ways. Something new and different that is created through the process of creative thinking and innovative action is an added value and is a valuable advantage. Creativity is very necessary in a business because creativity can have a

positive influence in maintaining business stability so that it continues in the future (Trisnadewi & Wulan , 2023).

Innovation

Innovation Product is repair and changes made batik craftsmen to products that have been There is previously or can also be done through a real product new and others from previously (July *et al .* , 2021). According to Rahmadi And Indrawijaya (2024), innovation is introduction tools , systems , laws , products or services , technology new production process , structure new or system administration , or system planning new that will adopted by organization .

Sustainability of MSMEs

Sustainability of SMEs, or Small and Medium Enterprises Intermediate , related with capacity business This For endure And develop in term long time with manage source Power in a way effective And uphold harmonious balance between factor economic , social , and environment (Anwar *et al .* , 2024). According to Megawati *et al .* , (2024) sustainability business is something the main thing from A company Where all existing activities inside it shown For reach something sustainability , meaning sustainability show something more circumstances Good than previously used reject measuring from Work hard work done .

B. RESEARCH METHODS

Method quantitative with technique data collection used in study This that is , with method spread questionnaire . On study this technique taking the sample is sample saturated which includes in *Non Probability Sampling*. When referring to on Sugiyono (2019) *non-probability sampling* is technique taking samples that are not give the same for every population . Saturated sampling often used if amount population relatively small . Instrument study will functioned For do measurement with the target of obtaining quantitative data , by Because That every instrument

must own scale . The instruments shared to respondents will counted with Likert scale and data analysis was carried out in a way quantitative using SPSS software version 25, including statistics descriptive , testing tool research , testing assumptions classic , and analysis regression multiple .

C. RESULTS AND DISCUSSION

Research Data Description

Test Normality

The purpose of the normality test in this study is to analyze whether the data population in the residual variable normally distributed . The normality test in this study can be calculated using One Sample Kolmogorov-Smirnov . The questionnaire responses from the normality test results can be declared normal if the significance value is > 0.05 (Sugiyono, 2019). The findings of the normality test can be seen in the following table :

Table 1. Test Results Table Normality

<i>One-Sample Kolmogorov-Smirnov Test</i>	
<i>Unstandardized Residual</i>	
<i>N</i>	<i>45</i>
<i>Normal Parameters^{a,b}</i>	
<i>Mean</i>	<i>,0000000</i>
<i>Standard Deviation</i>	<i>2.86526059</i>
<i>Most Extreme Differences</i>	
<i>Absolute</i>	<i>,067</i>
<i>Positive</i>	<i>,051</i>
<i>Negative</i>	<i>-,067</i>
<i>Kolmogorov-Smirnov Z</i>	<i>,452</i>
<i>Asymp . Sig. (2-tailed)</i>	<i>,987</i>

Source : SPSS output

Based on results analysis the table above , obtained sig value (2-tier) $0.096 > 0.05$ then the data is normally distributed .

Analysis Multiple Linear Regression

Analysis multiple linear regression is one of the technique existing tests in method data analysis used For detect to what extent the variables free in study This give influence on variables bound in study this (Sugiyono , 2019).

Table 2. Analysis Multiple Linear Regression

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	28,871	6,836		4,223	,000
superiority compete (X1)	,198	,190	,192	1,045	,302
creativity (X2)	-,297	,175	-,217	-1,694	,098
innovation (X3)	,615	,205	,593	3,008	,004

Source : SPSS output

Based on table results testing multiple linear regression said , then can made something equality regression that is :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Y = 28.871 + 0.198 + (-0.297) + 0.615$$

Based on results testing regression so can explained as following :

1. The constant of 28.871 shows that if X1, X2, and X3 have a value of 0, the value of Y remains at 28.871 .
2. Competitive advantage (X1) has a regression coefficient with a positive direction of 0.198 so it can be stated that for every 1 point increase in the competitive advantage variable, the job satisfaction variable increases by 0.198.
3. Creativity (X2) has a regression coefficient with a negative direction of -0.297 so it can be stated that for every 1 point decrease in the creativity variable, the job satisfaction variable experiences a decrease of -0.297.

4. Innovation (X3) has a regression coefficient with a positive direction of 0.615 so it can be stated that for every 1 point increase in the competitive advantage variable, the job satisfaction variable increases by 0.615.

t-test

Partial tests are used to describe how much the independent variable explains the dependent variable (Sugiyono, 2019).

Table 3. Results t- test

		Coefficients ^a				
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.562	1,292		.435	.664
	Ethos Work (X1)	.167	.032	.269	5,282	.000
	Culture Organization (X2)	.231	.028	.444	8,313	.000
	Environment Work (X3)	.124	.032	.207	3,823	.000

a. Dependent Variable: Productivity Work (Y)

Source : *SPSS output*

Based on analysis table on obtained :

1. Based on the analysis results from the table above , the calculated T value (1.045) < T table (2.017) and sig (0.302) > 0.05 were obtained, so it can be concluded that competitive advantage does not have a significant positive effect on the sustainability of the Mukti Rahayu Production House MSME. **H1 is rejected, H0 is accepted.**
2. Based on the analysis results from the table above , the calculated T value (-1.694) < T table (2.017) and sig (0.098) > 0.05 were obtained, so it can be concluded that creativity has a negative but insignificant effect on the sustainability of the Mukti Rahayu Production House MSME. **H2 is rejected, H0 is accepted.**

3. Based on the analysis results from the table above , the calculated T value (3.008) > T table (2.017) and sig (0.004) > 0.05 were obtained, so it can be concluded that innovation has a significant positive effect on the sustainability of the Mukti Rahayu Production House MSME. **H3 is accepted and H0 is rejected.**

Test Coefficient Determination

According to Sugiyono (2019), the coefficient of determination R² test is conducted to determine the extent to which the regression line formed is accurate or suitable. R² is a measure of the proportion or percentage of the total variation in the dependent variable explained by the regression model. The R² value will increase with the increase in the number of independent variables, therefore, R² is used which already considers degrees of freedom. The results of the coefficient of determination test can be seen in the following table:

Table 4. Coefficients determination

<i>Model Summary</i>				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Standard Error of the Estimate</i>
1	,687 ^a	,472	,434	2,968

Based on analysis the table above , we get R² value (0.434) which means influential independent variable (X) against variables dependent (Y) of 43.4% and the rest 56.6 % influenced by other factors that are not explained in study This .

D. CONCLUSION

Based on test hypothesis research that has been done , then can concluded on study This namely (1) Excellence compete No influential positive significant to Sustainability of MSMEs. (2) Creativity influential negative No significant to Sustainability of MSMEs. (3) Innovation influential positive significant to Sustainability of MSMEs.

E. SUGGESTION

Based on conclusion above , there is some suggestions from researchers who need noticed And considered by object and also research furthermore is as following :

1. For Companies

House Mukti Rahayu Batik Production operates in Magetan Regency need notice creativity And superiority compete And still maintain And develop innovation in order to be able to maintain sustainability of MSMEs.

2. For Researchers Furthermore

Result of study This There is some suggestions for researchers next , including is :

- a. For future researchers, they can consider the influence of other independent variables that are not included in this study.
- b. For further researchers to look for batik production houses with a larger number of employees.

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