

Optimizing The Role Of Digitalization, Human Resource Practices, And Product Innovation As Mediation In Efforts To Build Resilience In Culinary Umkm In Garut District

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ABSTRACT: Changes in the current digital era occur very quickly and lead to conditions that continue to change dynamically, so overcoming the increasing uncertainty in the organization becomes important and urgent, and the organization's ability to develop resilience is also essential. MSMEs face various challenges in the digital era, such as changes in consumer behavior, global competition, and economic uncertainty. The resilience of MSMEs is the primary determinant in overcoming these uncertainties. Understanding how digitalization and HR can complement each other creates excellence and product innovation. This study aims to determine how digitalization, human resources practices, and product innovation affect resilience (Study on Culinary MSMEs in Garut Regency). The research method used is quantitative with a descriptive approach. Primary data was obtained by distributing questionnaires to 100 respondents using probability and random sampling. The data analysis technique used in this study used PLS-SEM. The analysis results show that digitalization does not directly affect resilience; it directly affects resilience by being mediated by product innovation variables.

Keywords: MSMEs, Resilience, Digitalization, Human Resources, Product Innovation.



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INTRODUCTION

Changes in the current digital era are happening very quickly and creating conditions that are constantly changing dynamically, so overcoming increasing uncertainty in an organization is important and urgent. The organization's ability to develop resilience or resilience is also essential (Putra et al., 2022). With these conditions, many have encouraged several studies focusing on organizational resilience; this is interesting because all organizations need to survive and recover after facing difficulties and challenges (Istiyani et al., 2022). MSMEs face various challenges in the digital era, such as changes in consumer behavior, global competition, and economic uncertainty. MSME resilience is the main determinant in overcoming this uncertainty. It is essential to

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understand how digitalization and HR can complement each other to create a competitive advantage.

Facts show that MSMEs are often unprepared for crises and can experience negative impacts when they occur; research discussing resilience in small and medium enterprises is rarely conducted, and empirical and theoretical research on organizational resilience has historically focused on larger companies (Supriatna et al., 2023). In the current conditions, MSMEs are one of the organizations that have difficulty surviving amid and after the pandemic, so understanding organizational resilience for MSMEs, especially in the current uncertainty, is important (Thaha, 2020). For MSMEs, awareness of organizational resilience needs to be increased so that when faced with disasters such as Covid-19 or other conditions, MSMEs can have organizational resilience so that they can survive and win in the face of crisis conditions.

One study stated that digitalization and human resource practices can increase the resilience of MSMEs. Digitalization and proper human resource practices will help MSMEs survive and make them more resilient in facing every challenge. In addition, other studies state that human resource practices are a crucial factor in building organizational resilience (Duchek, 2020). Human resource practices that can be applied include applying a more appropriate leadership style and increasing employee competency. In this case, the owner or manager of MSMEs must try to train their staff to adapt to the ever-changing work environment, which can be done gradually according to their finances (Belso-Martínez, 2008). Furthermore, other studies state that digitalization cannot be avoided to build the resilience of today's MSMEs because the use of digital media will greatly help the survival of these MSMEs so that they can remain competitive (Sundah et al., 2021).

MSME product innovation in Garut can develop. Looking at previous research, Ahdi Topan Sofyan (2021) used the SWOT analysis method with research results utilizing broad environmental potential to produce quality value and technology-based innovation potential. Another study by Uche and Accra (2015) discussed the importance of product innovation in strengthening company resilience. This is a primary need for an institution or company (Uche & Accra, 2015). In addition, that product innovation can run if MSME owners can strengthen and evaluate their product innovation (Setiasr, 2017).

This study has a novelty in that there is a concept on how to build and improve the resilience of MSMEs through digitalization, namely by utilizing various digital platforms as promotional media and using market places for additional media in sales activities and through the best possible human resource practices. So, each MSME used as this study's object has a unique strategy for surviving uncertain conditions. MSME actors must be able to take advantage of every opportunity, as done by the Culinary MSME actors in Garut Regency, who take advantage of strategic locations, market opportunities, places, and times in running their businesses (Widyastuti & Mukti, 2021).

With various theories that have been put forward, the researcher is interested in researching "Building MSME Resilience Through the Role of Digitalization, Human Resource Practices, and Product Innovation," which will be carried out on MSMEs in Garut Regency, especially on MSMEs that run businesses in the culinary sector. The purpose and urgency of this research is to

contribute to the development of Culinary MSMEs so that they have strong organizational resilience and can adapt to the dynamic changes that occur.

THEORETICAL STUDY

Digitalization

Digitalization is defined as digital technology that changes business models and provides sources of income in the latest ways (Kurnia & Wulandari, 2022). Digitalization of MSMEs has become something that can no longer be avoided and is one of the solutions for MSME actors, whose numbers are quite large in Indonesia. Digitalization of MSMEs is an effort to shift business activities digitally from marketing and products by MSME actors (Kurnia & Wulandari, 2022). Increasingly sophisticated technology should make it easier for business actors to market and sell their products online. Some business actors also no longer need a trading stall because of changes in how to sell through social media and e-commerce as a new space.

The digitalization of MSMEs that have shifted to online sales patterns through marketplaces has become a solution for micro, small, and medium enterprises (MSMEs) to survive. According to the Secretary of the Ministry of Cooperatives, Rully Indrawan (2021), three reasons underlie the importance of digitalization for MSMEs namely the ease of reaching customers digitally, the efficiency of costs incurred for promotion, transportation, storage, and being able to expand the marketing network into regions in Indonesia, and can even reach other countries (Sufi & Suharti, 2021). An MSME will be more effective and efficient if, in its implementation, it can take advantage of current technological developments (Sundah et al., 2021).

Human Resources Practices

Human resource practices are one aspect that determines the competitiveness and long-term survival of MSMEs (Thaha, 2020). There must be a concern for quality, educated, and innovative human resources for the MSME market competitiveness and long-term survival. Human resource practices play a major role in improving the resilience and performance of organizations, especially MSMEs (Arifin & Haryanto, 2021). Human resources are not only a means of production but also a driver and determinant of the ongoing production process and all organizational activities (Putra et al., 2023).

Human resources play a significant role in determining an organization's progress or development. Therefore, an organization's progress is also determined by the quality and capabilities of its human resources (Teixeira & Werther, 2013). Thus, human resources are the most critical asset in an organization or company, large or small (Rose, 2019). Resilience is not limited to large companies. Integrating sustainability into company plans is much more difficult for small businesses (Halim, 2020).

Thus, it can be concluded that the quality of human resources will significantly impact the ability of MSMEs to maintain their sustainability. In direct field activities, the implementation of MSME

digitalization can utilize digital technology to generate income and improve finances by implementing digital transformation in the sales function in a sustainable manner.

Resilience

Resilience is a condition that can be built and improved, because considering the current environmental conditions that are vulnerable to natural disasters, pandemics, economic recessions, system failures, and human errors, managing anxiety in organizations is a major problem for managers, and efforts to overcome these problems are significant for organizational resilience (Istiyani et al., 2022). Furthermore, the increasing difficulties in today's dynamic environment require stability and adaptation efforts for organizations to have good resilience (Köse et al., 2021). Although the term resilience Organizations is often used in many disciplines and discussed in many ways. Research on organizational resilience is still fragmented, and there is no consensus on the term or concept of organizational resilience.

Resilience is an essential concept in entrepreneurial crisis management (Hunain Akmal & Arifa, 2023); it not only disrupts business actors to continue to innovate during disruptive events but is a conceptual aspect that considers which resources are accumulated before the crisis and then used during the crisis and after (Sofyan, 2021). How to manage this crisis of uncertainty can be used to encourage resilience, which is very important in an era of rapid development. Crisis management is used to minimize the impact of the crisis (Suardi & Nugroho, 2016)

Product Innovation

Distanont & Khongmalai (2020) stated that product innovation involves the creation and commercialization of new or significantly improved products, which include changes in technical specifications, components, materials, included software, ease of use, or other functional characteristics (Distanont & Khongmalai, 2020). In addition, product innovation is also defined as the process of developing and introducing new or significantly improved products or services in terms of their characteristics or intended uses (Pratiwi et al., 2019).

Product innovation in MSMEs in Indonesia can be realized through several interrelated approaches. The primary key is the use of digital technology. Adopting e-commerce and social media can expand market reach and increase customer interaction. This allows MSMEs to collect customer feedback more efficiently, which can then be used for product development (Tayibnapi et al., 2021).

Hypothesis Development

The Role of Digitalization in Resilience

Digitalization has been a booster, increasing power competitiveness and sustainability in businesses, including the MSME sector. According to research conducted by (Putra et al., 2022), digitalization plays a significant role in strengthening MSMEs' resilience with methods expanding market access, increasing operational efficiency, and strengthening management risk. By adopting

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digital technology, SMEs can overcome external challenges, such as rapid market changes and an uncertain economy. However, another study by (Praseptiawan et al., 2021) discloses that although digitalization can increase the flexibility and responsiveness of MSMEs, its influence on resilience is not always significant, especially for MSMEs that have limitations in source power and lack of readiness to adopt technology. In this context, role internal factors such as management sources, Power humans, and innovation products are often more dominant.

H1: The Role of Digitalization influential to Resilience of Culinary MSMEs Garut

Human Resources Towards Resilience

Recent studies show that resilience organizations are influenced by several factors from various levels, including individual-level employees and leaders (Suartana et al., 2020). Therefore, management sources of power and human resources (HR) are needed so that the factors can maximize their role in increasing resilience during a crisis. This is because there is a direct connection between HR and resilience organizations. In addition, HR can also make two contributions that are important to an organization: first, the ability of individuals in the field to manage crises, and second, intervention HR to support the performance of the organization in an individual and collective, which ultimately increases response to crisis.

Practice source power among effective human beings is key to building the resilience of MSMEs, especially when facing challenges and uncertainties in the environment business. Research conducted by Aula et al. (2022) shows that good HR practices, such as training and development of employees and proper management performance, significantly influence the improvement of the resilience of MSMEs. Through optimal human resource management, MSMEs can increase internal capabilities, adaptability, and ability to endure a crisis.

H2: Human Resource Practices Influence the Resilience of Garut Culinary MSMEs

The Role of Digitalization in Product Innovation

Digitalization has become a major catalyst in driving product innovation, especially among MSMEs seeking to remain competitive in an increasingly dynamic market. Research conducted by Suroto (2023) shows that adopting digital technology enables MSMEs to accelerate the process of developing new products, increase product customization according to customer needs, and improve product quality through more sophisticated data analysis.

However, a study by Pratama (2021) revealed that although digitalization offers excellent potential for product innovation, many MSMEs still face challenges in its implementation. They found that around 60% of MSMEs in Indonesia have difficulty adopting digital technology due to limited resources and a lack of digital skills among employees. This shows that although digitalization is an essential driver of product innovation, its effectiveness highly depends on MSMEs' digital readiness and capabilities.

H3: The Role of Digitalization Influences Innovation of Garut Culinary MSME Products

Human Resources Towards Product Innovation

Human resources (HR) are crucial in driving product innovation, especially among MSMEs seeking to improve their competitiveness. Research conducted by Khairiyah (2024) shows that effective HR management practices, such as employee training and development and reward systems that support creativity, significantly increase the product innovation capacity of MSMEs (Khairiyah et al., 2024).

However, a study conducted by Pratama (2021) revealed that although HR is a key factor in product innovation, many MSMEs still face challenges in optimizing the potential of their employees (Pratama et al., 2021). They found that around 65% of MSMEs in Indonesia have difficulty implementing effective HR management practices due to limited resources and a lack of knowledge about employee development strategies. This shows that although HR is an important driver of product innovation, its effectiveness is highly dependent on the ability of MSMEs to manage and develop their employees.

H4: Human Resource Practices influence Product Innovation of Garut Culinary MSMEs.

The Role of Digitalization in Resilience Through Product Innovation

Digitalization has become an essential catalyst in increasing the resilience of MSMEs through its role in driving product innovation. Adopting digital technology allows MSMEs to adapt quickly to market changes through more responsive product innovation (Ginting & Muslihah, 2024). Their research shows that MSMEs that integrate digital technology in the product innovation process experience a 28% increase in business resilience during periods of economic uncertainty.

Then, revealed that although digitalization offers great potential to increase resilience through product innovation, many MSMEs still face challenges in its implementation (Ulhaq et al., 2023). They found that around 62% of MSMEs in Indonesia have difficulty adopting digital technology for product innovation due to limited access to digital infrastructure and a lack of technological literacy among MSME owners and employees.

H5: 5. digitalization influences the resilience of Garut culinary MSMEs, which is mediated by the Product Innovation variable.

The Relationship of Human Resources to Resilience Through Product Innovation

Human resources (HR) plays a vital role in increasing the resilience of MSMEs through their contribution to product innovation. Effective HR management practices, especially in developing employee competencies and creativity, significantly increase the capacity of MSMEs to innovate and adapt to market changes (Fidela et al., 2020).

Furthermore, emphasized the importance of an organizational culture that supports learning and innovation in strengthening the relationship between HR, product innovation, and MSME resilience (Sari et al., 2024). They found that MSMEs with a work culture that encourages experimentation and tolerance for failure produce 35% more product innovations and show a 30%

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higher level of resilience during periods of economic crisis than those with a more rigid work culture.

H6: Human Resource Practices have an effect on the Resilience of Garut Culinary MSMEs which is mediated by the Product Innovation variable.

Based on the relationship of each variable with existing theory and empirical evidence, the following is a research model framework formulated and shown in Figure 1.

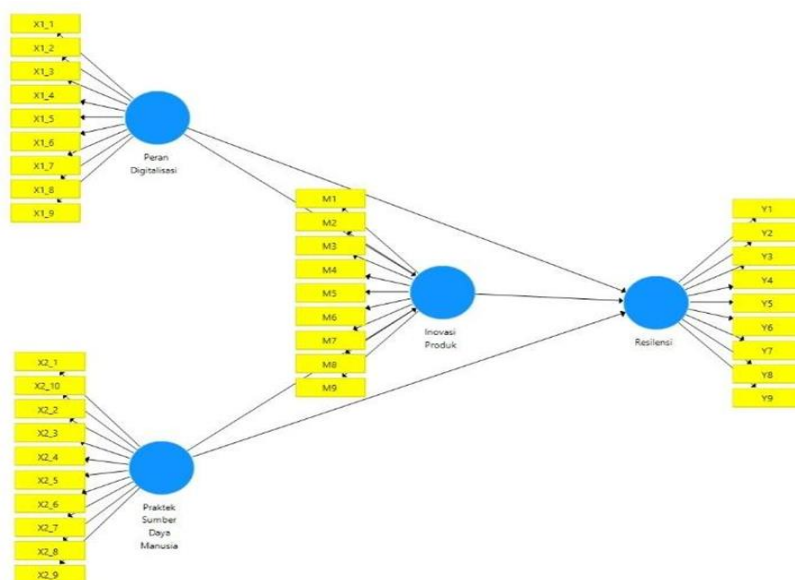


Figure 1 Research Model

METHOD

Types of research

This is the method used to study quantitative causality in research. According to Sugiyono (2017), the quantitative causal approach in research seeks to identify the connection between one variable and other variables that have a result. Research This test the hypothesis is set to find the influence between variable free and variable bound. Its use method is quantitative. This aims to obtain a comprehensive analysis and answers about the problem expected research can explain the influence of endogenous and exogenous variables in research.

Population and Sample

Population is the area of generalization in the research. This area includes objects or subjects from which conclusions can be drawn (Sugiyono, 2017). In this research, the population of the perpetrators of the Culinary MSME businesses in the Regency Garut. With a type population that is not known amount specifically in research, This uses level 5% error and level 95 % confidence in a sample that is not known its population. There are limitations that researchers have in the sampling technique used in this study, which is probability sampling. sampling means not

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providing equal opportunities or chances for each element or member of the population selected as a sample. Researchers use sampling, namely random sampling using the Lemeshow formula with the obtained sample of as many as 100 respondents for sample in research.

Data collection technique

Data collection in the study This was done through a distribution Questionnaire. A questionnaire is a data collection technique that provides written questions or statements to respondents. Furthermore, questionnaires were distributed in the form of grain statements to the respondents directly through Scan Barcode containing Google Form and alternative answers through the Likert scale, which was used to measure the interval scale model that the researcher provided. The Likert scale allows the variables studied to be measured and analyzed through several indicators. These indicators are then used as the basis for compiling items in the research instrument, usually as questions or statements (Sugiyono, 2017).

Studies were also conducted literature for get secondary data sources with study and analyze literature and sources written relevant to the topic research. In the method This covers searching, reading, understanding and synthesis information from various reference like books, journals scientific, articles or related sources with subject of research and accompanied by related with phenomenon the problem being studied.

Data Analysis Techniques

Data analysis in research Uses PLS SE M as an analysis technique, a combination of structural approaches to solving problems in multiple regression using the SMART PLS analysis tool through a series of stages: Outer model, inner model, and testing hypothesis. The choice type study Is based on observation. The primary study is used to evaluate the connection causality between one dependent variable and two or more independent variables. This helps in understanding the contribution relative to each variable, independent to variable dependent. Two groups of variables are included in the study: two variables are exogenous and one endogenous.

RESULT AND DISCUSSION

Respondent characteristics describe the identity of the culinary UMKM actors in Garut Regency who were used as research samples. Overall data obtained from distributing questionnaires to 100 respondents are divided into several characteristic categories, namely gender, online availability, and monthly turnover, presented in Table 1.

Table 1 Respondent Characteristics

Information	Category	Amount	Percentage
Gender	Man	46	46%
	Woman	54	54%
Availability By online	Available online	93	93%
	Not available Online	7	7%
Turnover Per month	< 1 Million	11	11%
	1-5 Million	64	64%
	6-10 Million	16	16%
	10-15 Million	5	5%
	> 15 Million	4	4%

Source: Processing Results Researcher, 2024

Based on the data in Table 1, most culinary UMKM actors in Garut Regency are women, with 54 people (54%), while men are 46 people (46%). In the Online Availability category, 93% of respondents reported that their businesses are available online, and only 7% reported that they are not. On the other hand, based on the monthly turnover of these culinary UMKM actors, the majority have a monthly turnover of 1-5 million rupiah, with a percentage of 64%.

Descriptive Analysis

1. Descriptive Analysis of Resilience Role Variables

This study describes digitalization's role, which consists of 4 dimensions: technology used, raw material innovation, product improvement intensity, and expansion of marketing channels and social relations.

Table 2 Descriptive Analysis of the Role of Digitalization

No	Dimensions	Average	Criteria
1	Level of Technology Used	394	Good
2	Raw Material Innovation	417	Good
3	Intensity Improvement Product	417	Good
4	Expansion Channel Marketing and Relationships Social	406	Good
Average Value of Variables		408.5	Good

Source: Processing Results Researcher, 2024

Based on the analysis results, Table 2 shows that the overall picture of the role of digitalization is in the “Good” category. This shows that most respondents believe that digitalization has a role in the resilience of MSMEs in the defense activity efforts of UMKM on Jalan Ibrahim Adjie. This aligns with Putra et al.'s (2022) study that digitalization can help build MSME resilience through role source power human and power competition to develop MSMEs. This reflects that digitalization has played an important role in increasing MSME resilience through technology

adoption, raw material innovation, product improvement, and expansion of marketing channels and social relationships.

2. Descriptive Analysis of Human Resource Practice Variables

This study describes the practice source Power Man, which consists of 5 dimensions: leadership, competence, and Employees. Coordination. Development employees and welfare employee.

Table 3 Descriptive Analysis of Human Resource Practices

No	Dimensions	Average Score	Criteria
1	Leadership	399	Good
2	Competence Employee	413	Good
3	Coordination	421	Very good
4	Development Employee	409.5	Good
5	Welfare Employee	417.5	Good
Average Value of Variables		411	Good

Source: Processing Results Researcher, 2024

Based on the analysis results, Table 3 shows that the overall picture is that Practice Human Resources is in the "Good" category. This shows that most respondents assume that in its implementation practice, the power man becomes a strategy for business defense. This is in line with a study from The Last Supper (2021) that studies the role of source Power man in increasing resilience and emphasizes the importance of management of source Power man in resilience organization. More carry-on Again study This is supported by research from Hall et al. (2022) that studies literature can highlight the importance of preparation source Power man as a factor key resilience organization and its implications for management business. Studies This, in a way, collectively underlines the importance of sourcing power men to grow resilience in individuals and organizations.

3. Descriptive Analysis of Product Innovation Variables

This study describes an innovative product that consists of 4 dimensions: novelty product, uniqueness product, synchronization technology product, and excellence product.

Table 4 Descriptive Analysis of Product Innovation

No	Dimensions	Average Score	Criteria
1	<i>Product Newness</i> (Newness) Product)	399.5	Good
2	<i>Product Uniqueness</i> (Uniqueness) Product)	419	Good
3	<i>Technology Synergy</i> (Synchronization Technology)	420.5	Good
4	<i>Product Superiority</i> (Excellence) Product)	412.5	Good
Average Value of Variables		419	Good

Source: Processing Results Researcher, 2024

Based on the analysis results, table 4 shows that the overall picture Innovation Product is in the "Good" category. This result shows that the majority assumption is that essential products are

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done in innovation and can become a strategy for maintaining business. Product innovation carried out by culinary MSMEs in Garut Regency was assessed positively by respondents. Although in the "Good" category, it is essential in supporting business competitiveness and sustainability. This innovation is key for MSMEs to survive and thrive in increasingly tight market competition.

Interpretation Reliability and Validity

Table 5 Reliability and Validity

Variables	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Innovation Product	0.910	1,049	0.917	0.555
The Role of Digitalization	0.910	0.955	0.919	0.561
Practice Human Resources	0.925	0.927	0.937	0.597
Resilience	0.933	0.937	0.944	0.653

Source: Processing Results Researcher, 2024

Table 5 explains the results of testing reliability, The Role of Digitalization, Resilience, Human Resources, and Innovation variables, Product use method, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). On testing, Cronbach's Alpha, the fourth variable, has a high alpha value, namely 0.910 for the Role of Digitalization, 0.841 for Resilience, 0.933 for Human Resources, and 0.910 for Innovation Product, showing a level of good consistency in measuring the concept of each variable. In testing Composite Reliability, the fourth variable also has a high value, namely 0.919 for the Role of Digitalization, 0.944 for Resilience, 0.937 for Human Resources, and 0.927 for Innovation Product, which shows high reliability in measuring the concept of each variable with consider correlation. In testing Average Variance Extracted (AVE), the Role of Digitalization variable owned mark of 0.561, the variable Resilience owned mark of 0.653, the variable Human Resources own mark of 0.597, and the variable innovation product as big as 0.555 shows that a considerable variance from each variable can be explained by the items used for measure it.

Interpretation Correlation

Table 6 Correlation

Variables	Innovation Product	The Role of Digitalization	Practice Human Resources	Resilience
Innovation Product				0.370
The Role of Digitalization	0.415			0.531
Practice Human Resources	0.506			0.613
Resilience				

Source: Processing Results Researcher, 2024

Table 2 shows the results of the correlation between the "Role of Digitalization " and " Resilience " of 0.531, which shows a positive existence connection between both. In addition, the correlation between "The Role of Digitalization " and " Innovation" Product " is as significant as 0.415, indicating a positive connection between both of them. This indicates that the rise of the "Role of Digitalization " tends to be accompanied by "Innovation" enhancement "Product." The correlation between "Practice Human Resources" and "Innovation Product" is as significant as 0.506. The correlation between " Innovation Products " and " Resilience " is only as significant as 0.370. This means that, at least, innovative products are related to the resilience of MSMEs but do not have such a significant impact. Furthermore, the correlation between " Resilience " and " Human Resources " by 0.613, which shows a strong relationship between them, indicates that an increase in the level of "Resilience" is very close to an improvement in "Human Resources." All connections have high significance.

Table 7 T Statistics

Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Innovation Product -> Resilience	0.582	0.536	0.032	2,347	0.000
The Role of Digitalization -> Innovation Product	0.549	0.551	0.010	2,478	0.000
The Role of Digitalization -> Resilience	0.571	0.136	0.132	1,377	0.169
Practice Human Resources -> Innovation Product	0.520	0.580	0.032	2,517	0.000
Practice Human Resources -> Resilience	0.567	0.572	0.086	6,588	0.000

Source: Processing Results Researcher, 2024

The Influence of the Role of Digitalization on Resilience

Based on the results from Table 7, data processing shows a connection. This is not significant in the way statistics, as shown by estimates coefficient as significant as 1.377. In addition, the P - P-value as significant as 0.169 shows sufficient data to deny hypothesis zero, which states a correlation between resilience and role digitalization. Thus, it can be said that the role of digitalization does not influence the resilience of MSMEs too much. This is related to findings from interviews with several MSME actors, which show that lack of utilization of digitalization makes UMKM not become more resilient and sustainable; there are also additional technology application costs and price increases borne by consumers. This is in line with a study by Sudaryono et al. (2020), which shows that from the amount of profit from e-commerce, there is still a significant effect on owner-owned businesses offline that are not using social media or e-commerce. Another analysis of why digitalization is not influential to the survival of MSMEs where Lots of Business actors who tend not to adapt to these development shifts experience setbacks and go bankrupt (Muharram et al., 2024; Orinaldi, 2020).

The Influence of Human Resources on Resilience

Based on results from data processing, This shows the estimated coefficient value of 6.588, indicating statistical significance, and the P- value of 0.000 indicates sufficient evidence to reject the null hypothesis that the relationship between HR and Resilience is zero at a confidence level of 0.05. This indicates that good HR management will affect the resilience of MSMEs. The study's results align with the findings of Putra et al. (2023), which show that HR practices are an essential variable in building MSME resilience. From the results of the research, it can concluded that good human resource management plays a role in increasing the resilience of MSMEs, according to the findings previously, which shows that HR practices are variable essential in building resilience of MSMEs supported by the results study from Arifin & Haryanto (2021) mention that all MSME actors must be aware of the importance of investing in Human Resources so that the business being run can continue to exist even though environmental changes occur.

The Influence of the Role of Digitalization on Product Innovation

Based on the results of the T Statistics of the Role of Digitalization on Product Innovation, which is 2.478. The T statistic value shows that this relationship is statistically significant because it is greater than 1.96. Furthermore, the P-value of 0.000 shows sufficient evidence to reject the null hypothesis that the relationship between the Role of Digitalization and Product Innovation is zero. This relationship is significant at a confidence level of 0.05. Effective utilization of digital technology by MSME entrepreneurs will encourage the creation of better product innovation; one thing you can learn is that digitalization inspires you to innovate. This condition is in line with the results of research by Tayibnapi & Wuryaningsih (2021), which found that the utilization of digital technology is a crucial variable in encouraging MSME product innovation in facing dynamic market changes.

The Influence of Human Resources on Product Innovation

Based on the results of the T Statistics of Human Resource Practices on Product Innovation, which is 2.517. The T statistic value shows that this relationship is statistically significant because it is greater than 1.96. Furthermore, the P-value of 0.000 shows sufficient evidence to reject the null hypothesis that the relationship between Human Resource Practices and Product Innovation is zero. This relationship is significant at a confidence level of 0.05. MSME entrepreneurs who can manage and develop their human resources effectively will encourage the creation of better product innovation. This condition is in line with the results of research by Sulisty & Siyamtinah (2016), where human resource management practices are essential in increasing the innovation capabilities of MSMEs in facing increasingly tight business competition.

The Influence of Product Innovation on Resilience

Based on results from T Statistics, the role of digitalization in resilience through innovation products is 2,555. The T statistic value shows that the connection is not direct. This is significant in a way statistics because it is bigger than 1.96. Next, the P-value of 0.000 indicates enough proof to reject the null hypothesis that There is no direct relationship between the role of digitalization and resilience through innovative products. Relationships This is significant at the level of confidence of 0.05. This condition aligns with Cenamor's (2019) results, which found that

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digitalization is vital in driving product innovation in MSMEs, contributing to increasing business resilience (Cenamor et al., 2019). Digitalization allows MSMEs to be more responsive to market changes and more efficient in developing new products.

Outer Model Analysis

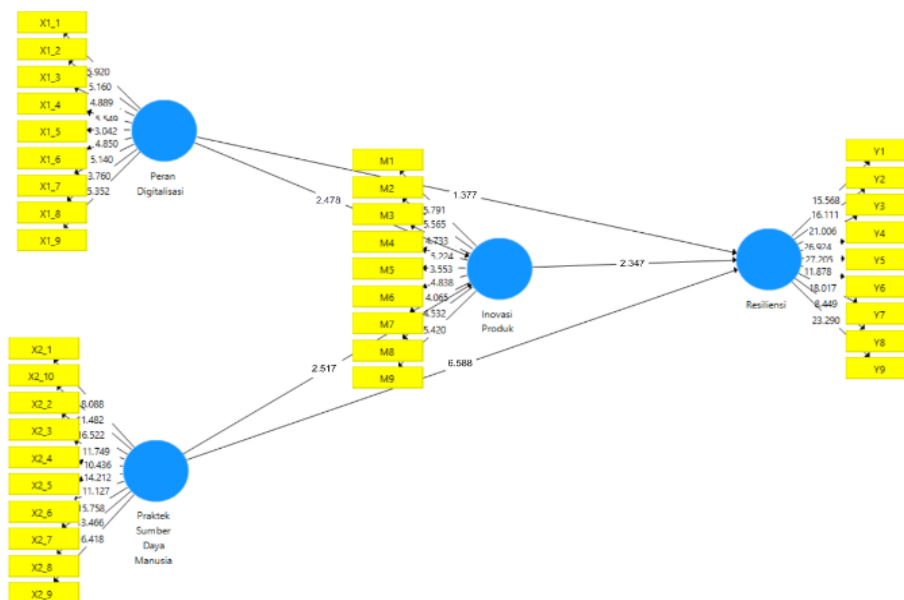


Figure 2 SEM Model

Image 2 above shows that all correlations are positive, indicating that as one variable increases, the other variable tends to increase as well. A higher correlation (closer to 1) indicates a stronger relationship between the variables.

CONCLUSION

Based on the discussion in the previous chapter, this study aims to examine the relationship between the role of digitalization, human resources, and the resilience of small and medium enterprises (SMEs) in Indonesia. The study results indicate that digitalization's role is not significant to the resilience of SMEs. However, good human resource management affects the resilience of SMEs. This study also shows high scores for the role of digitalization, resilience, and human resources, indicating good consistency in measuring these concepts. In addition, the correlation between the role of digitalization and resilience, the role of digitalization and human resources, and resilience and human resources indicates a strong relationship between the two. It can be concluded that good human resource management affects the resilience of MSMEs, while the role of digitalization is not significant in the resilience of MSMEs. Based on the analysis provided, this study aims to examine the relationship between the role of digitalization, human resource practices, and product innovation on the resilience of micro, small, and medium enterprises (MSMEs) in Indonesia. The study's results indicate that digitalization's role is significant in product innovation. Human resource practices also have a significant effect on product

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innovation. In addition, this study shows that product innovation mediates the relationship between the role of digitalization and resilience. From the results of this study, it can be concluded that both the role of digitalization and human resource practices significantly influence product innovation, which in turn contributes to increasing the resilience of MSMEs.

SUGGESTION

The author recommends that digitalization be implemented in the current era so that all MSME actors, especially culinary, can adapt better. In addition, MSME players must improve their technological literacy amid business competition. Although a large investment will be required at first, the hope is that it will be more efficient in the future and reach a wider market.

Study Several necessary limitations are noted. The scope of the research area is limited only to Indonesia, without considering the variation conditions, economy, and technology in each region, making the result not representative enough for all MSMEs in this country. In addition, the number and diversity limited the potential cause of the respondents, and the study results were not reflected all over the MSME sector. Research is also just to study specific, namely the role of digitalization, sources of Power humans, and innovation products, while other factors such as access financing, support government, or influence social and cultural factors have Not yet been analyzed. Using the quantitative method gives good generalization but cannot investigate the qualitatively related perception of individuals or constraints specific at the micro level.

For study Next, it is recommended to add variables like the role of government, access finance, or local policy economy that can influence MSMEs' resilience. The study can also be carried out in other MSME sectors outside the culinary sector to give a holistic picture. A mixed-method approach, which combines quantitative and qualitative, can obtain more in-depth insight. In addition, research is required to see the impact of digitalization and innovation products on the resilience of MSMEs throughout the long term. Research comparisons between countries can also be made to obtain more perspective, especially by comparing MSMEs in Indonesia with countries with different levels of digitalization.

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