

THE ROLE OF MEDIATION COMPETITIVE ADVANTAGE: SHARING KNOWLEDGE AND TALENT MANAGEMENT IMPROVING THE PERFORMANCE OF SIDOARJO SMEs)

Virawati Tanaya^{1 *}, Ayu Lucy Larassaty², Jeziano Rizkita Boyas³, Sumartik⁴

Nahdlatul Ulama University Sidoarjo, Muhammadiyah University Sidoarjo

larassaty.mnj@unusida.ac.id

Jeziano403.mnj@unusida.ac.id

ABSTRACT

Purpose: This study aims to determine the test results of the effect of knowledge sharing and management talent on performance and competitive advantage as intervening variables in SMEs in Sidoarjo. **Methods:** The research method used is a quantitative descriptive method. This research was conducted on 90 respondents with a non-probability sampling technique, **Analysis data:** using the SEM-PLS3 analysis tool to measure the results of knowledge sharing and talent management on performance and competitive advantage as an intervening variable, **Result and discussions:** The results of this study explain the role of Knowledge sharing and talent management as very important factors for building HR skills and capacity development to achieve competitive advantage so that the performance of SMEs can survive. This is shown by the influence of knowledge sharing on performance. Management talent has no effect on performance. Knowledge sharing influences competitive advantage. Management talent influences competitive advantage. Knowledge sharing affects performance through competitive advantage. Management talent influences performance through competitive advantage. And competitive advantage has an effect on performance, **Conclusion:** increasingly dynamic global competition requires potential strength to win the business world competition by understanding self-concept, and the skills used to carry out business activities properly, therefore a strategy of implementing knowledge translation and exchange is needed in human resource development which aims to project and realize interactions between a group or organization in order to develop capacity in providing information and evidence in making decisions so that it can be easy to solve problems.

Keywords - *Knowledge Sharing, Talent Management, Performance and Competitive Advantage*

1. Introduction

Environmental movements are always changing, consumer tastes are always increasing, developments in science and technology in the 4.0 era make competition, economic growth grow more rapidly. Thus causing demands for organizations and companies to keep abreast of developments and optimize all of their resources, especially in SME organizations. UKM which are community economic activities managed by community groups that have good performance and have high competitiveness (Kader, 2018). This is needed in the development of human resources so that they have skills and intellectual abilities that can improve the quality of human resources in the

competitive business world (Larassaty, 2019). In improving the quality of human resources, knowledge sharing is needed.

Table 1 SME Production Development

Tahun	production amount				Information
	UD. Citra Jaya	Caping Sablon	Aliana	Raja seafood dan frozen food	
2019	35.000 pcs	1.400 pcs	29.000 pcs	20.000 kg	
2020	24.000 pcs	700 pcs	24.500 pcs	18.000 kg	Decrease due to the pandemic
2021	27.600 pcs	2.500 pcs	30.000 pcs	30.000	

Sumber : Processed primary data, 2022

From the table above it can be concluded that in 2020 SMEs have experienced a decrease in production due to the Covid-19 pandemic, which has caused employees to experience a reduction in working hours and even a reduction in the number of employees due to the implementation of social distancing, where social distancing is a preventive measure with restrictions between people one another by giving a distance of 1 meter and limiting the number of people in one room. This affects the ineffective and efficient performance and affects the knowledge sharing process.

Based on the results of observations and literature studies that have been carried out by researchers, it was found that in previous research there were still many who had not examined the competitive advantage of an UKM, especially in the city of Sidoarjo, where every UKM in Sidoarjo has different advantages. then this research is taken with a title “**THE ROLE OF MEDIATION COMPETITIVE ADVANTAGE: SHARING KNOWLEDGE AND TALENT MANAGEMENT IMPROVING THE PERFORMANCE OF SIDOARJO SMEs**”.

2. Theory and Hypothesis

a. Knowledge sharing

Knowledge sharing is a process that is carried out systematically in obtaining knowledge, distributing, and disseminating knowledge from various perspectives from one person to another, or from organization to organization through various media and methods. Knowledge sharing is a process of exchanging knowledge (tacit knowledge) and explicit knowledge. Or also called the process of sharing knowledge, experience, techniques, ideas and information owned by each individual.

b. Management Talent

Talent management which is an activity related to the recruitment, selection and development of human resources which involves a strategy designed to develop and retain human resources with skills and talents to meet the needs of quality human resources in an organization (Kalista Sabbatho Tetra Hidayati , 2020). Talent management is an activity related to human resources and its development process which aims to improve employee performance.

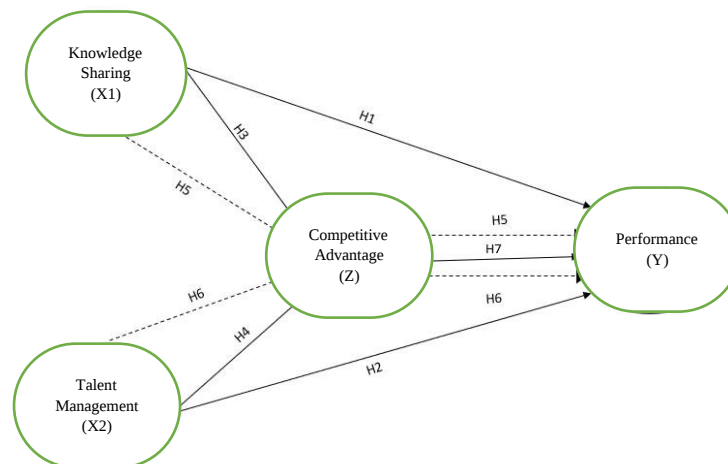
c. Performance

Performance or what is often referred to as performance is one of the most important things that must be achieved by every organization, because performance is considered a reflection of the organization's ability to manage its human resources, performance which is the level of success in carrying out its work is considered very influential in the process of achieving organizational goals (Nurjaya et al., 2021). performance is an achievement or results that have been achieved by employees in accordance with the quality and quantity as well as the responsibilities of each individual.

d. Competitive Advantage

Competitive advantage is not only competition between price and quality but also the development of creativity and technology, by implementing competitive advantage strategies in organizations will result in better business performance, competitive advantage consists of two main dimensions, namely low cost advantage and differentiation advantage (Maharani et al., 2020). Competitive advantage is a strategy to create an organizational image that is superior to other competitors in the market.

CONCEPTUAL FRAMEWORK



Sumber : Processed Primary Data, 2022

Hypothesis

Based on the above framework of thinking, the authors take the following hypotheses:

H1: There is an influence between knowledge sharing on performance in SMEs in Sidoarjo.

H2: There is an influence between management talent and performance in SMEs in Sidoarjo.

H3: There is an influence between knowledge sharing on competitive advantage in SMEs in Sidoarjo.

H4: There is an influence between management talent and competitive advantage in SMEs in Sidoarjo.

H5: There is an influence between knowledge sharing on performance through competitive advantage in SMEs in Sidoarjo.

H6: There is an influence between management talent on performance through competitive advantage in SMEs in Sidoarjo.

H7: There is an influence between competitive advantage on the performance of SMEs in Sidoarjo.

3 METHODS

The type of research used in this research is quantitative research with a causal approach. By using Partial Least Square (PLS) software as a tool to analyze data in the form of numbers.

a. Population and Sample

The population in this study is SMEs in the city of Sidoarjo, to be precise, in the Sidoarjo District with a total of 115 SMEs. The selected sample is a non-probability sampling, which means that the sampling technique is based on certain considerations or according to predetermined criteria. In this study the specified criteria are :

- a. UKM with 30 employees.
- b. SMEs with an annual turnover of around IDR 300 million / year.

Table SME sample

No.	Information	Amount
1.	UKM with 30 People	85
2.	SMEs with an annual turnover of around IDR 300 million / year	27

3.	SMEs have a total of 30 employees and an annual turnover of around Rp 300 million/year	3
----	--	---

Sumber : Primary data processed by the author, 2022

With the predetermined criteria, the number of samples taken was 90 employees from the 3 SMEs that met the predetermined criteria. These UKM are UKM UD Citra Jaya, Aliana and Ivan Furniture.

b. Variable Indicator

The independent variables in this study are knowledge sharing (X1) and management talent (X2) and the dependent variable is performance (Y) and the intervening variable is competitive advantage (Z). indicators of these variables namely :

1. Knowledge sharing according to (Aulia, 2016)

- a. *Embrained Knowledge*
- b. *Embodied Knowledge*
- c. *Encultured Knowledge*
- d. *Embedded Knowledge*
- e. *Encoded Knowledge*

2. Talenta manajemen

- a. *Recruitment*
- b. *Retain*
- c. *Developing*

3. Kinerja

- a. Work quality
- b. Working Time Accuracy
- c. initiative
- d. Ability
- e. Communication

4. Competitive Advantage
 - a. Competitive price
 - b. Opportunity Exploration
 - c. Competing Threat Defense
 - d. flexibility
 - e. Customer Relations

4 RESULTS AND DISCUSSION

a. Result

Based on the results of the questionnaire analysis, there is a classification of respondents based on gender which can be seen in the table below :

Charateristic	Gender	Frequency	Procentage
Gender	Laki – Laki	68	76%
	Perempuan	22	24%
Amount		90	100%

Source: Processed primary data 2022

Based on the results of the analysis above, it can be seen that the majority of MSME employees are male, with a percentage of 76%, and 24% of respondents are female.

b. Validity test

a) Convergent validity

Convergent Validity is the evaluation of construct validity by calculating convergent validity. Convergent validity is known through the value of the loading factor and the Average Variance Extrached (AVE). An instrument is said to meet convergent validity testing if it has a loading factor and AVE of 0.50-0.70. Following are the results of convergent validity testing, among others:

	Competitive Advantage (Z)	Performance (Y)	Knowledge Sharing (X1)	Management Talent (X2)
X1.1			0,819	
X1.2			0,790	
X1.3			0,800	
X1.4			0,869	
X1.5			0,864	
X1.6			0,845	
X2.1				0,936
X2.2				0,953

X2.3				0,950
X2.4				0,879
Y.1		0,894		
Y.2		0,895		
Y.3		0,893		
Y.4		0,813		
Y.5		0,838		
Z.1	0,845			
Z.2	0,852			
Z.3	0,820			
Z.4	0,817			
Z.5	0,724			

Source: data by PLS, 2022

Based on the table above, it can be seen that all indicators for each variable produce a loading factor value of more than 0.5. These results state that all indicators are considered valid in a convergent manner, so they can be used to measure indicators in each variable.

	Average Variance Extracted (AVE)
Competitive Advantage (Z)	0,661
Performance (Y)	0,752
Knowledge Sharing (X1)	0,692
Manajemen Talent (X2)	0,865

Sumber : data diolah oleh smartPLS 2022

Based on the table above, it can be seen that all indicators for each variable produce an AVE value of more than 0.5. These results state that all of these indicators are considered valid in a convergent manner, so they are able to measure each variable.

b) Discriminant Validity

This discriminant validity calculation uses cross loading. A variable is declared to have discriminant validity if the cross loading of an indicator on a variable is greater than the other variables, then the indicator is stated to be valid in measuring the corresponding variable. Discriminant Validity calculation results in the following tablet :

	Competitive Advantage (Z)	Performance (Y)	Knowledge Sharing (X1)	Management Talent (X2)
X1.1	0,553	0,540	0,819	0,543
X1.2	0,553	0,586	0,790	0,547
X1.3	0,604	0,602	0,800	0,575

X1.4	0,817	0,787	0,869	0,838
X1.5	0,642	0,628	0,864	0,674
X1.6	0,740	0,758	0,845	0,769
X2.1	0,721	0,714	0,693	0,936
X2.2	0,718	0,780	0,772	0,953
X2.3	0,798	0,809	0,808	0,950
X2.4	0,732	0,805	0,723	0,879
Y.1	0,738	0,894	0,660	0,715
Y.2	0,697	0,895	0,713	0,744
Y.3	0,690	0,893	0,707	0,804
Y.4	0,674	0,813	0,699	0,705
Y.5	0,753	0,838	0,665	0,659
Z.1	0,845	0,723	0,577	0,726
Z.2	0,852	0,728	0,650	0,772
Z.3	0,820	0,661	0,661	0,628
Z.4	0,817	0,621	0,610	0,580
Z.5	0,724	0,582	0,755	0,521

Source: Data processed by smartPLS3 2022

Based on the results of the cross loading measurements in table 4.8 above, it can be seen that the values of these indicators are stated to be valid for measuring all variables. c) Reliability test

Calculations that can be used to test construct reliability are cronbach's alpha or composite reliability in the indicators described by the AVE latent construct or commonly called discriminant validity. The test criteria state that if the composite reliability is greater than 0.7 and Cronbach alpha is greater than 0.6 then the construct is declared reliable. The results of composite reliability and cronbach alpha calculations can be seen in the following table:

	Composite Reliability
Competitive Advantage (Z)	0,907
Performamce (Y)	0,938
Knowledge Sharing (X1)	0,931

Management Talent (X2)	0,962
-------------------------------	--------------

Source: Data processed by smartPLS3 2022

Based on the table above, it can be seen that the competitive advantage variable has a value of $0.907 > 0.7$. The Performance variable has a value of $0.938 > 0.7$. And the knowledge sharing variable has a value of $0.931 > 0.7$. Meanwhile, the management talent variable has a value of $0.962 > 0.7$. So it can be concluded that the four variables are declared reliable.

	Cronbach's Alpha
Competitive Advantage (Z)	0,871
Performamce (Y)	0,917
Knowledge Sharing (X1)	0,911
Management Talent (X2)	0,947

Source: Data processed by smartPLS3 2022

Based on the table above, it can be seen that the variable competitive advantage (Z) has a value of $0.871 > 0.7$. The performance variable has a value of $0.917 > 0.7$. The knowledge sharing variable has a value of $0.911 > 0.7$ and the management talent variable has a value of $0.947 > 0.7$. This stated that Cornbach's Alpha of the four variables was declared reliable.

c. Hyphotesis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Competitive Advantage (Z) -> Performance (Y)	0,330	0,335	0,099	3,332	0,001
Knowledge Sharing (X1) -> Competitive Advantage (Z)	0,435	0,436	0,104	4,189	0,000
Knowledge Sharing (X1) -> Performance (Y)	0,196	0,192	0,113	1,735	0,083
Management Talent (X2) -> Competitive Advantage (Z)	0,449	0,447	0,098	4,595	0,000
Management Talent (X2) -> Performance (Y)	0,415	0,415	0,077	5,389	0,000

Source: Data processed by smartPLS3 2022

Based on the table above it can be concluded that the effect test, management talent on performance, knowledge sharing on competitive advantage, management talent on competitive advantage, and competitive advantage on performance have a significant effect, but the results show that there is no significant effect between knowledge sharing on performance.

d. Goodness Of Fit Model

The Goodness Of Fit Model is used to explain the magnitude of the independent variable's ability to explain the diversity of the dependent variable. Goodness Of Fit Model is done by using Prediction Relevance (Q Square).

The Q2 value can be used to measure whether or not the observed value is produced by the model and also to estimate its parameters. The value of Q2 is greater than 0 (zero) indicating that the model is said to be good enough, while Q2 is less than 0 (zero) indicating that the model has less predictive relevance. The following are the results of the Q2 test.

	SSO	SSE	Q ² (=1-SSE/SSO)
Competitive Advantage (Z)	455,000	248,908	0,453
Performamce (Y)	455,000	195,623	0,570
Knowledge Sharing (X1)	546,000	546,000	
Management Talent (X2)	364,000	364,000	

Source: Data processed by smartPLS3 2022

Based on the table above it can be seen that the Q2 value is more than 0 (zero) which indicates that the model is said to be good enough. It can be concluded that the goodness of fit of the model can be seen that the Q2 value can be used to measure how well the observed values are produced by the model and also its parameter estimates. A Q2 value of more than 0 (zero) indicates that the model is said to be good, if the Q2 value is less than 0 (zero) indicates that the model has less predictive relevance.

e. Discussion

a)Based on the research results show that Knowledge Sharing affects the performance of a number of SMEs in Sidoarjo. It can be interpreted that the better the implementation of knowledge sharing carried out by the organization will improve performance. From the findings of this study it is known that the application of knowledge sharing in several SMEs in Sidoarjo is good enough, so as to create good performance for UKM employees.

b)this study shows that management talent has an important impact on performance in a number of SMEs in Sidoarjo. This shows that the application of management talent by

organizations can improve performance. From the findings of this study it is known that the application of management talent in several SMEs in Sidoarjo is good enough, so as to create good performance for UKM employees.

c) Based on the results of this study indicate that knowledge sharing affects the competitive advantage of a number of SMEs in Sidoarjo. This shows that the implementation of Knowledge sharing will provide an important role for the creation of competitive advantage in SMEs

d)Based on the results of this study indicate that management talent has an effect on competitive advantage in a number of SMEs in Sidoarjo. The application of management talent by SMEs is quite good and increases competitive advantage. From the findings of this study it is known that the application of management talent in several SMEs in Sidoarjo is good enough, so as to create a competitive advantage for SMEs.

e) Based on the results of this study indicate that knowledge sharing affects performance and provides a competitive advantage for SMEs. It can be interpreted that the application of knowledge sharing carried out by the organization will improve performance and provide a competitive advantage for SMEs. From the findings of this study it is known that the implementation of knowledge sharing in several SMEs in Sidoarjo is good enough, so as to create good performance and competitive advantage for employees and also SMEs.

f) Based on the results of this study, it shows that management talent influences performance and provides competitive advantage for SMEs. It can be interpreted that the better the application of management talent by SMEs will improve performance and provide competitive advantage for SMEs. From the findings of this study it is known that the application of management talent in several SMEs in Sidoarjo is quite good, so as to create good performance and competitive advantage for employees and also SMEs.

g) Based on the results of this study indicate that competitive advantage affects the performance of a number of SMEs in Sidoarjo. the application of competitive advantage by SMEs will improve performance. From the findings of this study it is known that the application of competitive advantage in several SMEs in Sidoarjo is good enough, so as to create good performance for UKM employees.

6. Conclusion

- 1) Based on the analysis results of hypothesis testing and discussion, it can be concluded that there is a significant relationship to the effect of knowledge sharing and management talent on performance and competitive advantage in SMEs in Sidoarjo. These results show:
- 2) Knowledge sharing affects the performance of SMEs in Sidoarjo.
- 3) Management talent affects performance in SMEs in Sidoarjo, management talent affects performance in SMEs in Sidoarjo

- 4) Knowledge sharing affects performance through competitive advantage in SMEs in Sidoarjo
- 5) Management talent influences performance through competitive advantage in SMEs in Sidoarjo
- 6) Knowledge sharing affects competitive advantage in SMEs in Sidoarjo 6) Management talent influences competitive advantage in SMEs in Sidoarjo 7) Competitive advantage affects performance in SMEs in Sidoarjo.

References

- Abrar, U., & Isyanto, I. (2019). Pengaruh Organizational Citizenship Behaviour (OCB) Terhadap Kinerja Karyawan (Studi Pada Pt. Urchindize Cabang Madura). *Jurnal Perilaku Dan Strategi Bisnis*, 7(2), 115. <https://doi.org/10.26486/jpsb.v7i2.868>
- AULIA, A. (2016). Pengaruh Budaya Organisasi Terhadap Kinerja Karyawan Melalui Knowledge Sharing Sebagai Variabel Intervening (Studi Pada Pt. Pelabuhan Indonesia Iii Cabang Tanjung Perak Surabaya). *Jurnal Ilmu Manajemen (JIM)*, 4(3), 1–15.
- Azizi, R., Aulia, P., Psi, M., Bisnis, P. A., Komunikasi, F., & Telkom, U. (2020). 1,2,3 1. 7(2), 6490–6496.
- Badi, R., Swasti, I. K., & Ariyanto, R. (2021). Analisis Manajemen Talenta Pada Divisi Public Relation Dan Partnership Program Internship Campuspedia Batch 9. *Jurnal Manajemen*, 7(1), 64–80.
- Harmen, H. (2018). Pengaruh Talent Management dan Knowledge Management Terhadap Kinerja Karyawan PT. Perkebunan Nusantara II (Survei Pada Kantor Direksi Tanjung Morawa). *Jkbn (Jurnal Konsep Bisnis Dan Manajemen)*, 4(2). <https://doi.org/10.31289/jkbn.v4i2.1587>
- Hartono. (2020). *Talent Management Perusahaan Multinasional Menuju Era New Normal : Tantangan dan Peluang*. 7.
- Jufrizen, & Hadi, F. P. (2021). Pengaruh Fasilitas Kerja dan Disiplin Kerja terhadap Kinerja Karyawan Melalui Motivasi Kerja. *Jurnal Sains Manajemen*, 7(1), 35–54.
- Kader, M. A. (2018). Peran Ukm Dan Koperasi Dalam Mewujudkan Ekonomi Kerakyatan Di Indonesia. *JURISMA : Jurnal Riset Bisnis & Manajemen*, 8(1), 15–32. <https://doi.org/10.34010/jurisma.v8i1.995>
- Kalista Sabbatho Tetra Hidayati, S. M. (2020). EMPLOYEE ENGAGEMENT SEBAGAI VARIABEL MEDIASI ANTARA TALENT MANAGEMENT , KNOWLEDGE SHARING DAN EMPLOYEE CAPABILITY Setiap organisasi baik swasta maupun publik selalu dituntut untuk mampu melayani stakeholdernya dengan baik . Oleh karena itu , organisasi se. *Jurnal Manajemen*, 14(2), 151–167.
- Kurniawan, D., & Mudiantono. (2018). ANALISIS PENGARUH INOVASI DAN KEUNGGULAN BERSAING SEBAGAI VARIABEL INTERVENING ORIENTASI PASAR DAN PENGGUNAAN ERP TERHADAP KINERJA PEMASARAN (Studi Pada Usaha Mikro Kecil dan Menengah di Kota Semarang). *Diponegoro Journal of Management*, 7(4), 1–12.
- Larassaty, A. L. (2019). Pengaruh Faktor Internal Dan External Nahdlatul Ulama Sidoarjo. *Greenomika*, 1(2), 79–84. <https://journal.unusida.ac.id/index.php/gnk/article/view/18>

paul lumbantobing. (2011). *manajemen knowledge sharing berbasis komunitas* (cetakan pe).
knowledge manageent society indonesia.

Priambodo, W. (2019). Pengaruh Motivasi Kerja Terhadap Kinerja Karyawan Di Cv.

Sugiyono, prof. D. (2015). *Metode Penelitian*.