

Competence as a Mediator of Technical Training and Human Resource Development on the Commitment of Palembang MSME Entrepreneurs

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Abstract

MSMEs are essential for boosting the economy, creating jobs, and enhancing community welfare. Enhancing the commitment of MSME operators is still hampered by issues with human resources (HR) quality, training access, and business legality. This study uses competence as a mediating variable to examine how technical training and HR development affect MSME operators' commitment. The study uses a cross-sectional survey method with an explanatory quantitative approach. 200 SME operators from Palembang City's Ilir Timur II Subdistrict make up the sample, which was chosen by chance. A questionnaire was used to gather the data, and Structural Equation Modeling–Partial Least Squares (SEM-PLS) was used for analysis. The results indicate that technical training and HRD have a positive and significant effect on the commitment of MSME entrepreneurs, with competence acting as a significant mediator. Technical training and human resource development were found to enhance competence, while competence significantly influences commitment. Additionally, competence has a major role in mediating the impact of technical training and human resource development on commitment, making it the main mechanism for enhancing sustainability and corporate loyalty. These findings support the Human Capital Theory, which states that investments in training and human resource development may improve capabilities as human capital and build commitment. Therefore, SME development programs should focus on fostering practical and sustainable competencies to enhance competitiveness and business sustainability. This study suggests that policymakers should prioritize competency-based training and mentoring to strengthen MSME commitment, competitiveness, and sustainability.

Keywords:

Technical Training; Human Resource Development; Competencies; Commitment; MSMEs.

1. INTRODUCTION

As a key driver of economic and social progress, Micro, Small, and Medium-Sized Enterprises (MSMEs) make a substantial contribution to sustainable development and the enhancement of community well-being. Because it can absorb workers, increase productivity, improve income equality, and promote regional and national economic resilience, this sector is one of the primary engines of the economy. However, MSMEs still face a number of challenges that might prevent them from growing and remaining viable in the long run, including a lack of funding, poor human resources, restricted market access, and inadequate technology adaptation skills. The ability of SMEs to turn a profit is simply one factor that determines their success in the increasingly complicated economic rivalry; another is the owners' dedication to maintaining and growing their companies in a sustainable way. The efficiency and long-term profitability of the company are ultimately determined by organizational commitment, which acts as a uniting factor to match individual goals with corporate goals (Chayomchai et al., 2023). Affective, normative, and continuous

commitment make up this multifaceted entity. specifically, affective commitment, fosters a sense of ownership and loyalty that contributes to business success (Ie et al., 2024).

As one of the economic growth centers in South Sumatra Province, the city of Palembang has a significant number of MSMEs spread across various subdistricts. These MSMEs serve as a vital pillar in supporting the community's economic activities while creating jobs and improving the region's welfare. According to data from the Palembang City Cooperative and SME Agency for 2025, the recorded number of SMEs reached 93,665 units spread across 18 districts, as presented in table 1.

Table 1. Number and Size of MSMEs by Subdistrict in Palembang City in 2025

Subdistrict	SIDT Data Micro	2024 Census (Micro)	2024 Census (Small)	2024 Census (Medium)	2025 Census (Micro)	Total
Iilir Barat II	4.099	296	5	2	-	4.402
Gandus	5.323	36	1	-	-	5.360
Seberang Ulu I	4.692	338	-	-	-	5.030
Kertapati	5.716	51	1	-	-	5.768
Jakabaring	4.563	46	-	-	-	4.609
Seberang Ulu II	5.431	544	15	6	-	5.996
Plaju	5.441	1.093	8	1	250	6.543
Iilir Barat I	4.258	936	3	-	268	5.197
Bukit Kecil	5.277	408	4	-	-	5.689
Iilir Timur I	5.134	619	1	1	-	5.755
Kemunings	4.209	1.655	4	-	-	5.868
Iilir Timur II	6.667	2.690	4	1	-	9.362
Kalidoni	4.369	403	3	1	-	4.776
Iilir Timur III	4.093	156	-	-	-	4.249
Sako	3.932	660	-	-	-	4.592
Sematang	1.829	127	1	-	-	1.957
Borang						
Sukarami	3.697	320	3	-	-	4.020
Alang-Alang	2.685	1.289	-	-	-	3.974
Lebar						
Total	81.415	11.667	53	12	518	93.665

Source: Palembang City Cooperative and SME Agency, 2025.

Based on table 1, the structure of MSMEs in Palembang City shows a very high dominance of micro enterprises. Of the total 93,665 registered business units, 93,082 units, or approximately 99.33%, are micro enterprises, while small enterprises number only 571 units and medium-sized enterprises number 12 units. Iilir Timur II Subdistrict is the area with the highest number of MSMEs, namely 9,362 units, followed by Plaju Subdistrict with 6,543 units and Seberang Ulu II Subdistrict with 5,996 units. The vast majority of business owners are still in the early phases of development and have not yet seen a notable increase in business scale, as seen by the overwhelming dominance of micro firms. This situation indicates that the growth of MSMEs in Palembang City is still more pronounced in terms of quantity rather than the quality of business growth.

The development of MSMEs in Palembang, particularly in business-dense areas such as Plaju and Iilir Timur II subdistricts, reveals a striking disparity between the number of businesses and the quality of their growth. Most business owners are still focused on meeting daily needs (survival-oriented) and lack a strong orientation toward business expansion. This lack of long-term commitment is reflected in the minimal awareness regarding business legality and protection. As of November 2025, there were only about 100 businesses holding halal certificates and 125 businesses that had registered Intellectual Property Rights (IPR). Additionally, disparities in access to training and human resource development remain a major challenge faced by SME operators. An empirical overview of these conditions is presented in table 2.

Table 2. Empirical Overview of Structural Inequality, Access to Training, and Legal Status of MSMEs in Palembang

No	Economic & Operational Indicators	Actual Data/Field Estimates	Implications for Business Commitment & Competence
1	Dominance of Microenterprises	99.33% (93,082 units) of the total 93,665 MSMEs	Indicates business stagnation; business owners tend to be survival-oriented.
2	Scope of Training Interventions	Only ~1% of MSMEs have access to training	This has led to significant disparities in competency levels across regions.
3	Gaps in Training Materials	75% focus on conventional production; minimal digitalization	Modern managerial competencies have not been developed to their full potential
4	Sectoral Bias in Programs	>80% of programs focus on the crafts and fashion sectors	Other key sectors (such as the culinary industry) have been overlooked in capacity-building efforts.
5	Low Level of Legal Standardization	100 Halal certifications; 125 trademark registrations (IP)	This reflects a lack of long-term commitment to business protection.

Source: Data from the Palembang City MSME Office (2025).

Table 2 shows that although the number of MSMEs in Palembang is very large, access to capacity-building programs remains relatively low. Only about 1% of MSME operators have access to formal training. Furthermore, approximately 75% of training programs still focus on conventional production skills, with limited attention paid to digitalization and the strengthening of managerial competencies. Training programs also exhibit a significant sectoral bias, with over 80% of activities focused on the crafts and fashion sectors, while other sectors, such as the culinary sector, which accounts for the majority of MSMEs receive relatively minimal intervention in innovation and managerial training. This situation indicates an imbalance in the capacity development of business operators, which has the potential to impact their competencies and commitment to business sustainability.

In an effort to enhance the capacity of business operators, the Palembang City Cooperative and SME Agency has organized various training and human resource development programs. These programs cover training in production skills, product design, digital marketing, branding, business legalities, product promotion, and market access facilitation. However, the scope and focus of the programs implemented still reveal disparities across sectors and have not yet fully addressed the needs of all MSME operators.

According to data from the Palembang City Cooperative and SME Agency (2025), most training programs are still dominated by production and design skills enhancement focused on the crafts and fashion sectors. Although training in digital content creation was introduced in 2025, the proportion of training focused on digital transformation and managerial capacity building remains relatively limited compared to the current needs of MSMEs. Meanwhile, human resource development programs are more directed toward aspects of legality, promotion, and market access rather than strengthening cross-sector technical competencies. This situation indicates that although various programs are available, equitable access and the alignment of training materials with the needs of SME operators remain challenges that require attention.

From the perspective of Human Capital Theory, individuals are viewed as assets with economic value that can be enhanced through investments in education, training, and capacity building. This theory explains that improving the quality of human resources leads to increased productivity, adaptability, and individual performance in creating added value for organizations and businesses. In the context of MSMEs, investment in technical training and human resource development serves as a crucial tool for enhancing entrepreneurs' ability to manage businesses effectively, navigate changes in the business environment, and foster sustainable competitive advantages (Rahayu & Fitrianti, 2026).

Technical training is a learning process aimed at enhancing specific knowledge and skills related to the performance of specific jobs or business activities (Dessler, 2020). Meanwhile, human resource development is a broader, long-term oriented process aimed at enhancing individuals' capabilities to address more complex challenges and responsibilities in the future (Suryani et al., 2023). The effective combination of these initiatives plays a fundamental role in strengthening the competencies of business actors by enhancing their technical expertise, managerial capabilities, communication effectiveness, problem-solving capacity, and ability to adapt to dynamic business environments (Wardhana et al., 2025).

Competence is described as a person's essential trait, which includes knowledge, skills, abilities, and other characteristics related to high performance (Vernia & Sandiar, 2020). In the context of MSMEs, competencies are a critical factor determining entrepreneurs' ability to manage resources, foster innovation, make decisions, and respond to market changes. An entrepreneur's chances of maintaining and expanding their firm over time increase with the degree of competencies they possess. Therefore, competencies are viewed as a vital mechanism linking investment in training and human resource development to the formation of stronger business commitment (Suryani et al., 2023).

Although the relationship between technical training, human resource development, abilities, and commitment has been extensively studied, the results of earlier studies are still not entirely consistent.

Empirical findings from prior studies suggest that employees who benefit from training and human resource development initiatives tend to exhibit higher levels of organizational commitment (Adnyani et al., 2025). However, studies by Febriani & Violinda (2024) and Ananditha et al. (2023) found that this influence was not significant because training programs are often perceived merely as administrative routines that do not provide tangible benefits to participants. Similar inconsistencies are also found in the relationship between competence and commitment. Some studies found a positive influence of competence on commitment (Raidatunnissa & Maria, 2025), However, Juariah et al.'s analysis from 2024 found no evidence of a meaningful connection. These inconsistent results highlight an unresolved empirical issue that warrants further investigation and validation.

In addition to the empirical gap, there is also a contextual gap, as most previous research has been conducted in formal organizations or large-scale companies. Research specifically examining MSME actors in regions experiencing disparities in training access, such as Palembang City, remains relatively limited. In fact, the characteristics of MSME actors differ from those of employees in formal organizations because they serve simultaneously as owners, decision-makers, and operational managers of their businesses. These differing characteristics allow for distinct patterns of relationships to emerge between technical training, human resource development, competencies, and commitment.

The novelty of this study lies in the inclusion of competence as a mediating variable that explains the mechanism through which technical training and human resource development influence the commitment of MSME operators in the context of unequal access to training in Palembang. Furthermore, this study integrates Human Capital Theory to explain how investments in technical training and human resource development can translate into enhanced competencies, which in turn strengthen business owners' commitment. This approach remains relatively underutilized in the regional SME context, thereby offering distinct theoretical and empirical contributions compared to previous research.

Based on the above, research investigates the effects of competencies as a mediating variable in the influence of technical training and human resource development on the commitment of SME operators in Palembang City. The research results are expected to provide an academic contribution to the development of Human Capital Theory studies and serve as a basis for formulating more targeted training and human resource development policies to enhance the competencies and commitment of SME operators in a sustainable manner.

2. RESEARCH METHOD

This study was designed as an explanatory quantitative inquiry using a cross-sectional survey approach to evaluate the causal relationships and mediation effects among variables. The entire primary data collection process was conducted in 2026, with the study focused on Ilir Timur II Subdistrict, Palembang City, Indonesia. The region's Micro, Small, and Medium Enterprises (MSME) ecosystem, which comprises 9,362 company units and has the largest concentration of business operators, is included in the study population.

The multivariate analysis criterion, which mandates a minimum ratio of five observations for each measurement indicator in the model, was employed to determine the sample size. With a total of 38 indicators used, the minimum required sample size was 190 observations, which was then rounded up to 200 respondents to account for potential bias or instrument damage in the field. Respondents were selected directly using accidental sampling, whereby data were collected from MSME operators who were encountered during the survey period and met the established population criteria. This technique was considered appropriate due to the wide distribution and high mobility of MSME operators within the study area.

For the main data collection, a structured questionnaire was utilized, which utilized a four-point Likert scale ranging from 1 (strongly disagree) to 4 (strongly agree). The use of an even-numbered scale without a neutral option was intentional to encourage respondents to provide more definitive evaluations and to reduce the tendency toward central tendency bias. This approach is commonly adopted in behavioral and management research when clearer attitudinal positions are desired. The research instrument measured four main latent variables: Technical Training (X1), Human Resource Development (X2), Competence (Z), and MSME Actor Commitment (Y).

Since the Likert scale yielded ordinal data, the first step in the analysis process was to use the Method of Successive Interval (MSI) to convert the data into an interval scale in order to satisfy the requirements for parametric statistical analysis. Next, inferential analysis was conducted using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) technique in SmartPLS 4 software. Because it does not absolutely need a normal data distribution and may support complicated mediation models, the SEM-PLS technique was used.

The evaluation of the proposed model was conducted through two sequential stages: the assessment of the measurement model (outer model) and the analysis of the structural model (inner model). The measurement model was evaluated to confirm the validity and reliability of the constructs by assessing factor loadings (>0.60), Average Variance Extracted (AVE > 0.50), composite reliability, and Cronbach's alpha.

Subsequently, the predictive and explanatory performance of the structural model was examined using the Coefficient of Determination (R^2), Effect Size (f^2), Predictive Relevance (Q^2), and Goodness of Fit (GoF) measures.

Hypotheses on the direct and indirect (mediation) effects between variables were tested using the bootstrapping method with 5,000 subsamples. A hypothesis was considered accepted or rejected based on a T-statistic value > 1.96 and a P-value < 0.05 at a 5% significance level.

3. RESULTS AND DISCUSSION

3.1. Results

The proposed hypotheses were tested using path analysis to assess the significance and causal relationships among latent constructs. The magnitude and direction of the relationships were interpreted based on the estimated values from the original sample. A hypothesis was considered supported if the T-statistic exceeded 1.96 and the P-value was less than 0.05. A summary of the structural model test results is presented in table 3.

Table 3. Hypothesis Test Results

Hypothesis	Path	Coefficient (O)	T-Statistic	P-Value	Conclusion
H ₁	Technical Training (X1) → Commitment (Y)	0,176	2,350	0,019	Accept (Significant)
H ₂	Human Resource Development (X2) → Commitment (Y)	0,176	2,180	0,029	Accept (Significant)
H ₃	Competence (Z) → Commitment (Y)	0,252	3,659	0,000	Accept (Significant)
H ₄	Technical Training (X1) → Competence (Z)	0,255	3,931	0,000	Accept (Significant)
H ₅	Human Resource Development (X2) → Competence (Z)	0,284	3,827	0,000	Accept (Significant)
H ₆	X1 → Z → Y (Competence Mediation)	0,0643	2,563	0,010	Accept (Significant Mediation)
H ₇	X2 → Z → Y (Competence Mediation)	0,0716	2,543	0,011	Accept (Significant Mediation)

Source: Primary data processed using the SmartPLS program (2026)

Based on the results of the hypothesis testing, the decisions for each hypothesis are as follows:

- H1: Technical Training (X1) was found to have a positive and significant effect on Commitment (Y), with $\beta = 0.176$, $T = 2.350$, $p = 0.019$. Therefore, H1 was supported. This finding suggests that improvements in technical training are associated with higher levels of commitment among MSME actors.
- H2: Human Resource Development (X2) exhibited a positive and significant influence on Commitment (Y), with $\beta = 0.176$, $T = 2.180$, $p = 0.029$. Accordingly, H2 was supported. This result indicates that strengthening human resource development initiatives contributes to increased commitment among MSME actors.
- H3: Competence (Z) demonstrated a positive and significant effect on Commitment (Y), with a $\beta = 0.252$, $T = 3.659$, $p < 0.000$. Thus, H3 was supported. The result implies that greater competence is associated with stronger commitment.
- H4: Technical Training (X1) significantly and positively affected Competence (Z), with $\beta = 0.255$, $T = 3.931$, $p < 0.000$. Consequently, H4 was supported. This finding confirms that effective technical training contributes to the enhancement of MSME actors' competence.
- H5: Human Resource Development (X2) also had a positive and significant impact on Competence (Z), with $\beta = 0.284$, $T = 3.827$, $p < 0.000$. Therefore, H5 was supported. This result highlights the important role of human resource development in strengthening the competencies of MSME actors.
- H6: Competence (Z) significantly mediated the relationship between Technical Training (X1) and Commitment (Y), with $\beta = 0.064$, $T = 2.563$, $p = 0.010$. Hence, H6 was supported. This indicates that technical training enhances commitment not only directly but also indirectly through improvements in competence.
- H7: Competence (Z) was also found to significantly mediate the relationship between Human Resource Development (X2) and Commitment (Y), with $\beta = 0.072$, $T = 2.543$, $p = 0.011$. As a result, H7 was supported. The finding suggests that human resource development strengthens commitment by first improving the competence of MSME actors.

Overall, all proposed hypotheses (H1–H7) received empirical support, as each relationship met the established significance criteria (T-statistic > 1.96 and p-value < 0.05). These results confirm the existence of both direct and indirect positive effects among the variables included in the research model.

3.2. Discussion

3.2.1. The Influence of Technical Training on Commitment

The study's findings show that MSME entrepreneurs' commitment (Y) is positively and significantly impacted by technical training (X1). This is demonstrated by the initial sample value of 0.176, which shows that the entrepreneurs' commitment will increase in tandem with any improvement in the frequency or quality of technical training. Her relationship was found to be statistically significant, as indicated by a T-statistic of 2.350, which exceeds the threshold of 1.96, and a P-value of 0.019, which is below the significance level of 0.05. In an operational context, technical training serves as a foundation that provides a sense of security and confidence for SME operators to continue running their businesses.

Consistent with the perspective of Adula et al. (2023), the present findings reinforce the proposition of Human Capital Theory that investments in education and training enhance human capital by developing knowledge, competencies, and productive capabilities. For MSME actors, participation in technical training extends beyond the acquisition of operational skills, as it also encourages stronger commitment through increased engagement, loyalty, and a sense of belonging. As a result, technical training can be viewed as a critical factor in promoting both entrepreneurial commitment and business sustainability (Otoo, 2022).

These results are consistent with the findings reported by Adula et al. (2023), Otoo (2022), and Huda and Ariani (2024), which found that technical training positively contributes to improved competencies and commitment. However, Mochklas et al. (2023) suggested that the effectiveness of training is not determined solely by the training itself but may also depend on factors such as participants' internal motivation and the extent to which the program aligns with their needs. The significance of the impact of technical training is likely influenced by the fact that the majority of respondents had never participated in training before; thus, the training they received created a novelty effect that boosted their self-confidence and commitment to their businesses. Furthermore, the predominance of respondents aged 55 and older made practical and applicable training more meaningful in helping to resolve operational issues, thereby strengthening the commitment of MSME actors.

3.2.2. The Influence of Human Resource Development on Commitment

The analysis confirms that human resource development (X2) is a significant predictor of commitment among MSME owners (Y). The relationship is evidenced by a positive path coefficient ($\beta = 0.176$), accompanied by a T-statistic of 2.180 (>1.96) and a P-value of 0.029 (<0.05), both of which satisfy the established criteria for statistical significance. These results show that SME operators' dedication to the long-term viability of their companies may be strengthened by increasing human resource capability. Additionally, the Human Resource Development variable has an effect size (F^2) of 0.032 on Commitment and 0.088 on Competence, suggesting that HRD plays a role in building technical and mental capabilities as the foundation for stronger commitment.

These research results align with the Human Capital Theory perspective, which views HR development as a strategic investment to enhance the quality of human capital. Developing communication skills, leadership, and interpersonal skills not only improves work efficiency but also strengthens loyalty, a sense of responsibility, and the attachment of SME entrepreneurs to the businesses they operate. When business owners receive adequate capacity-building support, they tend to have a higher commitment to maintaining and growing their businesses (Kotarski & Piróg, 2024).

Consistent with the findings of Matlakala and Maluka (2025), the present study confirms that human resource development initiatives contribute substantially to enhancing organizational commitment while supporting organizational sustainability. The research by Nasution et al. (2024), which demonstrates that competency development programs catered to business owners' demands may increase involvement and loyalty in the company, further supporting these conclusions. The significant influence observed in this study is likely amplified by the novelty effect, as the majority of respondents were accessing HRD programs for the first time, coupled with the high relevance of the material, which focused on enhancing soft skills and addressing the needs of mature business owners. However, these findings contrast with research by Rawashdeh et al. (2022) and Sabri et al. (2024), which discovered that if careful planning, internal motivation, and a suitable organizational framework are not provided, the efficacy of HR development may decline. The discrepancy between the results of this study and those of several previous studies is believed to be influenced by the novelty effect, whereby the majority of respondents were accessing a human resource development program for the first time, which generated higher levels of enthusiasm, appreciation, and emotional commitment compared to respondents in previous studies who were accustomed to participating in routine but less effective training.

3.2.3. The Influence of Competence on Commitment

The analysis confirms that competence (Z) is a significant determinant of commitment among MSME actors (Y). The positive path coefficient ($\beta = 0.252$), together with a T-statistic of 3.659 (>1.96) and a P-value of 0.000 (<0.05), provides strong empirical evidence that higher levels of competence are associated with stronger commitment. This finding implies that MSME owners' dedication to business sustainability research with their degree of experience. The contribution of competence to commitment is shown by the effect size (f^2) value of 0.065, suggesting that competency actually fosters the devotion and dedication of business owners (Adula et al., 2023).

Theoretically, these research results support the Human Capital Theory, which states that competencies are a form of human capital capable of enhancing work effectiveness, self-confidence, and an individual's commitment to the organization or business they operate. Mastery of technical skills, managerial abilities, and personal traits such as honesty and perseverance are crucial assets that strengthen business sustainability and long-term commitment. Furthermore, investment in competency development has been shown to enhance pride, a sense of responsibility, and the desire to remain committed to the business being managed (Huda & Ariani, 2024).

Steven et al. (2025) similarly found results that support the conclusions of the present study, which states that enhancing competencies through technical and managerial training can strengthen human capital and increase organizational commitment through psychological attachment and a sense of ownership toward the business. These findings are also supported by Afni et al. (2026), who assert that mastery of technical and non-technical skills relevant to market needs can foster long-term loyalty and business sustainability. However, some studies have found different results. According to research by Shetty & Sundari (2025) and Rachmawati et al. (2024), organizational culture, work motivation, job happiness, and the work environment have a greater impact on commitment than capabilities alone. The discrepancy between the findings of this study and those of several previous studies can be explained by the characteristics of the respondents, who were predominantly high school/vocational school, junior high school, and elementary school graduates. Thus, training and competency development provided more tangible practical benefits for them. Furthermore, the predominance of female respondents indicates that training is viewed not only as a means of improving skills but also as a form of social and institutional support that strengthens commitment and loyalty to business sustainability.

3.2.4. The Influence of Technical Training on Competence

The findings confirm that Technical Training (X1) is a significant predictor of Competence (Z) among MSME actors. The positive coefficient estimate ($\beta = 0.255$), supported by a T-statistic of 3.931 (>1.96) and a statistically significant P-value, demonstrates that better technical training is associated with higher levels of competence ($0.000 < 0.05$). This implies that strengthening training quality can effectively enhance the knowledge, skills, and capabilities required for business operations.

This finding aligns with Human Capital Theory, which views training as an investment that enhances economic value, productivity, and the quality of human capital. An effect size of 0.255 demonstrates that technical training is capable of enhancing the competencies of SME entrepreneurs through the acquisition of new skills and knowledge, thereby improving competitiveness and operational effectiveness. However, this theory also explains that competencies are influenced not only by training but also by business experience, education, and information technology skills (Govender & Adegbite, 2023).

The results of this study are consistent with Soraya et al. (2025) and Wardhana et al. (2025), who state that practical technical training tailored to on-the-job needs can enhance the competencies, productivity, and competitiveness of MSMEs. However, these results differ from those of Robert & Mori (2025) and Mochklas et al. (2023), who found that training does not always yield optimal results if the material is too general, irrelevant, or not supported by other factors such as experience and education. This disparity is probably caused by the fact that 108 of the study's respondents were recent high school or vocational school graduates, and there were 25 respondents over the age of 55 who urgently required practical training to improve their technical skills and adapt to technology; consequently, the training provided was more effective in bridging the skills gap (Soraya et al., 2025; Wardhana et al., 2025).

3.2.5. The Influence of Human Resource Development on Competence

The test results indicate a positive and significant relationship between Human Resource Development (X2) and Competence (Z) among MSME operators, as reflected by a coefficient of 0.284, a T-value of 3.827 (>1.96), and a P-value of 0.000 (<0.05). This finding indicates that any improvement in the quality of HR development programs will be followed by an increase in the technical and managerial competencies of business operators. The contribution of HR development to competency is reflected in the f^2 value of 0.088 (8.8%), which demonstrates its role in reducing the skills gap and enhancing business competitiveness (Aditya, 2025). Descriptively, the need for communication and leadership skills development (X2.10) received the highest score, while the need for training, coaching, and mentoring was considered important for improving the technical understanding and operational capabilities of MSME actors.

According to the Human Capital Theory, investments in training, education, and human resource development would increase people's knowledge base, skills, and productivity, is supported by these findings. The coefficient of 0.284 indicates that competence is the result of accumulated human capital built through planned human resource development (Sutrisno et al., 2023). From this theoretical perspective, increased competence represents a return on investment from human resource development that enhances technical and managerial capabilities, technological proficiency, and SMEs' ability to compete in the digital age (Aditya, 2025)

The results of this study are consistent with the findings of Sutrisno et al. (2023), who state that human resource development through training, education, coaching, and mentoring can enhance the competencies, self-efficacy, managerial skills, and professionalism of business owners. Furthermore, development materials relevant to on-the-job needs have been shown to foster innovative behavior and competitive advantages among SMEs (Widyanti et al., 2026). However, these results differ from the study by Robert & Mori (2025), which found that training does not always have a significant impact on productivity, revenue, or business innovation if the content is too general and does not align with participants' needs. This discrepancy is likely influenced by the relevance of the training materials, the presence of 169 respondents who were participating in an HR development program for the first time thereby creating a novelty effect and the inclusion of 25 respondents over the age of 55 who urgently require practical training to enhance their competencies and adaptability.

3.2.6. The Influence of Technical Training on Commitment Mediated by Competence

The results of the test of the sixth hypothesis (H6) indicate that Competence (Z) plays a significant mediating role in the relationship between Technical Training (X1) and Commitment (Y). This is shown by an indirect effect coefficient of 0.0643, a T-statistic of 2.563 (>1.96), and a P-value of 0.010 (<0.05). These results show that technical training not only directly affects commitment but also strengthens it by enhancing MSME practitioners' capabilities. This relationship constitutes partial mediation because the direct path from technical training to commitment remains significant. Thus, the effectiveness of training in enhancing commitment will be more optimal if the training successfully improves actual competencies in the field (Suryani et al., 2023). Although the model has great predictive significance, as indicated by the Q^2 predicted values of 0.130 for commitment and 0.171 for competence, the R^2 value for commitment of 0.213 indicates that the model accounts for 21.3% of the variation in commitment (Riyanto et al., 2023).

These findings reinforce the Human Capital Theory, which views training as a strategic investment to enhance human capital through knowledge and skills (Mahssouni et al., 2022). The research results indicate that technical training enhances competencies, which in turn translate into organizational commitment. Competencies serve as a bridge that transforms training investments into long-term loyalty and engagement. When individuals acquire better technical mastery and work capabilities, they feel that their capabilities are valued and developed, leading to a sense of belonging to the organization (Makumbe, 2025). Therefore, strengthening competencies through continuous training is a critical strategy for maintaining commitment, integrity, and business sustainability (Musah et al., 2024).

The study's findings support the assertion made by Riyanto et al. (2023) that training that is methodically planned can improve professional competence while fortifying organizational commitment. Steven et al. (2025), who argue that investing in human resource capacity development develops employee loyalty toward the firm, corroborates these findings. Furthermore, Suryani et al. (2026) found that training and increased job devotion are mediated by competence. These findings corroborate the claims made by Adula et al. (2023) that talent retention, loyalty, and individual commitment to the company may all be enhanced by competency development through ongoing training.

However, the findings of the present study do not fully align with the research by Jitmau & Indrasari (2025), who found that training did not exert a significant influence on performance of MSME operators without adequate mentoring and motivation. Furthermore, Cahyani & Rosyanti (2026) state that technical competence alone is insufficient to build strong commitment without the support of psychological capital such as resilience and optimism. Factors such as time constraints, costs, limited access to information, and low basic competence can also hinder the effectiveness of training and the development of commitment among MSME operators. Therefore, the relationship between training, competencies, and commitment among MSMEs is complex and influenced by mental readiness as well as the availability of supporting resources (Cahyani & Rosyanti, 2026).

3.2.7. The Influence of Human Resource Development on Commitment Mediated by Competence

The findings of the seventh hypothesis test that Competence (Z) significantly mediates the effect of Human Resource Development (X2) on the commitment (Y) of SME owners. This is shown by an indirect coefficient of 0.072, a T-statistic of 2.543 (>1.96), and a P-value of 0.011 (<0.05). These results indicate that the more effective HR development programs are in enhancing competencies, the stronger the business owners' commitment to the sustainability of their businesses. Since the direct effect of HR Development on Commitment is also significant, this relationship constitutes partial mediation. This finding confirms that HR

development will yield more optimal results if it is successfully transformed into tangible competencies that can be applied in business management.

The Human Capital Theory, which maintains that investing in individuals via training and development enhances their knowledge, is supported by the study's findings, skills, and value, thereby generating benefits for the organization (Mahssouni et al., 2022). In this study, human resource development is a form of human capital investment proven to enhance competencies, which in turn strengthens the commitment of MSME owners. Competencies serve as a bridge that transforms development investments into long-term loyalty and engagement. When individuals perceive an increase in their capacity and self-worth, they develop greater self-confidence, professional pride, and a stronger sense of responsibility toward the sustainability of their business (Adula et al., 2023; Musah et al., 2024). Thus, competency enhancement serves as the primary mechanism linking HRD to organizational commitment (Steven et al., 2025).

The results of this study corroborate the claim stated by Suryani et al. (2026) that competence serves as a crucial link between development programs and job devotion. These findings are also supported by Jitmau and Indrasari (2025), who emphasize that the synergy between human resource development and competence enhancement is a key factor in fostering long-term commitment among MSME entrepreneurs toward their businesses. Furthermore, Muslim et al. (2022) found that human resource competencies are the primary drivers of business owners' commitment and innovation in navigating business environment uncertainties. Therefore, human resource development focused on competency enhancement has proven effective in fostering sustainable commitment.

However, some studies have shown different results. Jamali & Caldwell (2023) found that HR development programs that are not aligned with organizational strategies can reduce trust and hinder the formation of commitment. Sabri et al. (2024) also noted that the effectiveness of HR development is often hindered by weak leadership support and program planning. Differences in sample characteristics and the complexity of the research model may also prevent the mediating relationship from forming optimally, as found in this study. In addition, differences in organizational context, participants' levels of readiness, and variations in program implementation in the field also influence the consistency of research findings regarding the relationship between human resource development, competencies, and commitment.

4. CONCLUSION

This study finds that improving organizational commitment among MSME operators in Ilir Timur II Subdistrict is positively and significantly impacted by competences, technical training, and human resource development, Palembang, with competencies acting as the most crucial mediating variable. Given that the majority of business owners remain in the informal sector without legal status (65.5%) and have never received training (84.5%), accelerating the transformation of microbusinesses requires a balanced restructuring of guidance policies. Policy makers are advised to design intervention programs that integrate operational tactical skills with personal character development and ease of access to formal legal status to encourage SMEs to upgrade sustainably. Nevertheless, this study has limitations in the data collection process, including high respondent mobility, the use of manual questionnaires, and limited access to meet directly with business owners. It is recommended that future research expand this model by including additional variables such as work motivation, leadership style, and government support, as well as to use a mixed-methods approach through in-depth interviews, to gain a more comprehensive understanding of the factors influencing the commitment and development of MSMEs. Practically speaking, the study's conclusions might serve as a foundation for the development of useful mentoring programs that bridge the skills gap and promote the sustainability of MSMEs by the government and academic institutions.

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