1415

Int. J Sup. Chain. Mgt						Vol. 9, No. 5, October 2020

Human Capital and Partnership to Achieve of Sustainable Competitive Advantage in Micro and Small Business.

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Abstract— **The purpose of this study is to analyze the effect of human capital and partnership to achieve sustainable competitive advantage in micro and small businesses. The findings of this study contribute to the development of the concept of resource-based view theory to achieve sustainable competitive advantage. This is in line with the thought of resource-based view that human capital and partnerships are intangible resources of a company that will determine whether a company can sustainable competitive advantage. However, previous research can not answer the research gap on human capital and partnerships to achieve sustainable competitive advantage. This research answers the gap by testing human capital and partnerships to achieve sustainable competitive advantage. High heterogeneity of the company's resources will provide a sustainable competitive advantage because it is more valuable, rare, inimitable, non-substitutional. The data analysis of this research used the Structural Equation Model with the Partial Least Square program.**

Keywords— *Human Capital, Partnership, Sustainable Competitive Advantage, Micro and Small Enterprise*

1.   Introduction

Research on human capital as an intangible resource has been known for the last eight decades. Recently human capital has become an important research focus for the micro, small and medium sectors to achieve sustainable competitive advantage. Human capital is an intangible resource that is more likely and easier than tangible resources as resources to produce sustainable competitive advantage [1]. This is in line as said by [2] that a company can achieve sustainable competitive advantage determined by the role of intangible resources consisting of human capital, structural capital and relational capital so as to create value that is beneficial to its consumers, difficult to emulate by its competitors .

Resources based view that emphasizes the ownership of valuable, scarce, hard to imitate resources and no substitute items are the main topics why this is important for further analysis. So that in the future the meaning can be clearly identified conceptually, the meaning of value, rare, difficult to imitate and no substitute item. The RBV view is a concept of a resource-based theory that explains the company's strategy to achieve sustainable competitive advantage through the strength of the company's internal resources that are valuable, rare, cannot be imitated and have no substitutes [3].

In the early 2000s, human capital became an important concern in the micro and small business sector because human capital is the driving force that manages MSMEs so that they can achieve sustainable competitive advantage . Knowledge, education, skills and experience, financial competencies and management competencies accompanied by soft attributes will show attitudes and willingness to develop an enthusiasm for working in an effort to achieve competitive advantage [4 ;5].

Although previous studies have been carried out but only measure aspects of human capital with separate measures so that aspects of human capital needed by the micro and small sectors have not been met. Previous studies have mainly examined human capital in employees, while the case of MSMEs will be different when employees are considered more important than their businesses. Business actors as the main key source of the activator of MSMEs which will determine their sustainable competitive advantage.

Companies must have resources and abilities that are valuable, rare, inimitable, and non-substitution. This ability is able to meet customer needs that have not been fulfilled, companies can easily face high market competition [10; 6;7;9; 8]. Regarding to [11] states those small companies because only large companies have the significant market power to have strong resources. Small companies may have unique resources but will be difficult to achieve by small companies that do not have the desire to compete sustainably. However, [12] in his research said that it was different that in

1416

Int. J Sup. Chain. Mgt   Vol. 9, No. 5, October 2020

general sustainability could not only be done by large companies but also for small companies as long as companies that had valuable resources, were scarce, were not easily imitated, were not easily replaced trying to achieve sustainability.

Achievement of sustainable competitive advantage in addition to human capital factors, effective partnership arrangements need to be managed in order to be well understood by leaders in the company, this opinion was expressed in [13] using relevant literature review methods and critical thinking by emphasizing the concept relevant management theory and the concept of developing sustainable partnerships.

Although previous research studies have stated that the success of partnerships can achieve a sustainable competitive advantage, the fact is that there are still unsuccessful partnership relationships because there is still limited research on proper partnership relationship guidelines [14]. This is due to the limited guidance on how to carry out strategic partnerships and the lack of knowledge about the importance of partnership characteristics in establishing cooperative relationships with business partners.
Business actors in micro and small businesses generally still have limitations in their ability to establish communication with business partners.

Referring to [14] the importance of partnership characteristics, consists of attributes, communication behaviors and conflict resolution techniques possessed by businesses to achieve successful partnerships. The partnership attribute that becomes an important point for partnership success is seen from the ability of commitment, coordination, trust and interdependence. Communication behavior is as important as attributes consisting of quality of comunication, information sharing and participation. Furthermore, conflict resolution techniques also guide the characteristics of partnerships which are also important for achieving business sustainability, seeing how the ability of business actors in resolving conflicts faced with business partners.

The relationship to establish the right partnership is to prioritize commitment and trust between both parties [15]. Furthermore [16] add that trust typologies are formed from ability, integrity, predictability, and benevolence that can explain how someone relates to others. At present it is known that most companies have realized the importance of partnership characteristics but they have not been able to manage it optimally in order to be able to achieve sustainable competitive advantage. This research is present a great issues to answer gaps and presents solutions to problems from previous research gaps that have not been answered. There has been no previous similar research that presents intangible human capital

resources and partnerships as resources to achieve sustainable competitive advantage.

2.   Literature Review

2.1   Human Capital

The theory of human capital was first presented by [17] in his speech entitled "Investment in Human capital" saying that humans are a form of capital or capital as other forms of capital, such as machinery, technology, land, money, and materials. Humans as human capital are reflected in the form of knowledge, ideas (ideas), creativity, skills, and work productivity. Human capital in the theory of sustainable competitive advantage is a resource that is able to demonstrate the level of achievement of the success of sustainable competition on the condition of displacement knowledge and skills are not easily moved to be taken by other companies [3] .

Human capital is the development of human resources and is an intangible resource category for companies. Human capital reflects the characteristics of human resources that as humans themselves are personally lent to companies with their individual capabilities, commitment, knowledge, and personal experience. According to [18] refers to the level of knowledge, education, skills and abilities that cannot be applied outside the company. In general human capital can be associated with expertise, abilities, knowledge, ideas, innovation, energy and commitment as well as the experience they have [19; 21] .

2.2   Partnership

Micro, small and medium sector business development and strategies for achieving sustainable competitive advantage can be linked to partnership variables, used as a means to expand business networks in achieving sustainable competitive advantage that has been studied as extensive in strategic management. This has been revealed in research [21;22;2324]. Partnership is a cooperative relationship between two or more mutually beneficial people who give priority to attributes, commitment, trust, communication quality and participation in building partnership communication relationships and partnership solidarity [24;25;26;27]. A company can achieve success if it has partnership characteristics. The characteristics of the partnership are attributes, such as commitment and trust [29]; communication behavior between partners [30] and conflict resolution techniques, to problem solving [31].

1417

Int. J Sup. Chain. Mgt   Vol. 9, No. 5, October 2020

2.3   Resources Based View

The Resources Based View (RBV) is a resource-based theory concept whose main proposition explains that if a company wants to achieve sustainable competitive advantage it must have strength in the company's internal resources that are valuable, scarce, cannot be imitated and have no substitutes [32] RBV is the development and complement of the views of industrial organizations (IO) with [33] and [34].

Researchers supporting the RBV argue that resources are very important as a source of sustainable competitive advantage. These resources are referred to as strategic assets [35], core competencies [36] and Distinctive Competencies [37]. Empirical findings in the area of sustainable competitive advantage MSEs show that the ability to create competitiveness is determined by how far the company is able to manage its resources (firm resources). The classification of resources was initially only divided into three categories namely physical, monetary and human [37;38]. Furthermore, [35] suggested the classification of resources based on taxonomies namely physical resources, human resources, capabilities and technology. In addition the company must also have additional resources, namely physical capital resources, human capital resources and organizational capital resources, all assets, capabilities, company attributes, information, knowledge, organizational processes and other resources that are able to be controlled by the company allows to increase competitive ability company [3].

Resources are the strengths owned by companies divided into two namely tangible assets and intangible assets that are used to understand and implement corporate strategies. The company's competitive advantage will be obtained if the company has the ability to have differences in resources with competing companies, then these resources can reduce costs incurred by the company but can increase the revenue obtained by the company but can increase the revenue earned by the company if the company implements its strategy.

According to [40] sustainable competitive advantage can be obtained if the resources owned by a heterogeneous company have value, rare resources, in-imitable and non-substitution. The resources referred to explain that to achieve sustainable competitive advantage companies must have strength in resources consisting of human capital, relational capital and structural capital [3]companies that are valuable, rare, inimitated and non subtitution for goods. Porter (1980) stated that different to achieve competitive advantage must have homogeneous resources. But this apparently

cannot be done to achieve sustainable competitive advantage using homogeneous resources.

The heterogeneity of company resources means that the resources in a company cannot have exactly the same resources. This heterogeneity of resources arises because the company's ability to have its resources become more valuable, unique and scarce such as human resources, capital, production equipment, and the company's past that are different from each other. There are several company resources that will be difficult for competitors to copy, especially in the case of human resources. Resource heterogeneity will affect the achievement of sustainable competitive advantage. Companies must emphasize scarce or unique resources so that it will be easier to achieve sustainable competitive advantage and improve company performance because even though the resources they have have value, are scarce and are not easily replaced but are easy to emulate, it will be difficult for the company to achieve good sustainability, the workable solution is to grant patents on sustainability [40].

3.   Methods

This study is intended to test hypotheses to strengthen or reject existing hypotheses which are categorized as explanatory survey research [41]. The unit of analysis of this research is in the micro and small food sectors typical of Riau Malay, Indonesia using a deductive approach. Secondary data were obtained using a Likert scale survey data instrument. The sampling technique chosen is stratified random sampling because the population is heterogeneous. 188 business actors were selected as a sample of this study who have been operating a business for at least 1 year and have a partnership relationship with at least 1 business partner. Data in this study were analyzed with SmartPLS. The structural model in this study is as shown in Figure 1.

The hypotheses in this study are as follows: 1) Human capital influences sustainable competitive advantage. 2) Human capital affects the partnership. 3) Partnership influences sustainable competitive advantage.
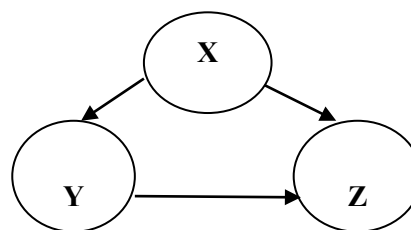

Figure 1. Model Structural

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4. Result & Discussion
4.1 Result

The structural model resulting from the PLS analysis shows standardized path coefficients and the level of significance achieved from the calculation of the outer model and the inner model.

4.1.1 Outer Model

The measurement model is a model that connects latent variables with manifest variables. Using the second order estimation method from Partial Least Square obtained a full model path diagram. Measurement Model (Outer Model) in the relationship of indicators with the variables studied in this study is reflective. For the Measurement Model Reflective criteria used in assessing namely Indicator reliability, Internal consistency reliability, Convergent validity and Discriminant validity [42].

The recohcended value for composite reliability is more than 0.7. Size is said to be high if it correlates with a construct measured more than 0.70. But according to [43] for the initial stage of research the development of a measurement scale of loading values 0.5 to 0.6 is considered sufficient. In this study using a loading factor limit of 0.50. Convergent validity is assessed using Average Variance Extracted (AVE) A good construct if it has a AVE above 0.50. Discriminant validity can be said to meet (high) based on cross loadings if the indicator has a loading value for its construct that is greater than the value of loading with other constructs.

Based on the factor weights found in Table 1, the validity of each indicator is then tested and the reliability of the construct is tested the variable under study. From the picture above it can be seen that all indicators have a loading factor above 0.50. This shows that all indicators used are valid in reflecting each construct. AVE value on all variables is greater than 0.50. The higher the correlation between the indicators that make up a construct, the better the convergent validity value. The results showed that the variables Human Capital, Partnership and Sustainable Competitive Advantage had a good measure of convergent validity and were subsequently declared valid as a measurement tool for each variable.

Table 1 Value of First Order Outer Loadings SEM-PLS (Loading Factor)

Konstruk Second Order	Konstruk First Order	Item	Outer Loading
Human Capital (X)	Knowledge (HC1)	HC1.1	0.858
		HC1.2	0.951
		HC1.3	0.584
	Education (HC2)	HC2.1	0.982
		HC2.2	0.980
	Skill (HC3)	HC3.1	0.759
		HC3.2	0.765
		HC3.3	0.901
		HC3.4	0.918
	Financial Competence (HC4)	HC4.1	0.980
		HC4.2	0.980
		HC4.3	0.916
	Experience (HC5)	HC5.1	0.932
		HC5.2	0.949
		HC5.3	0.836
	Management Competence (HC6)	HC6.1	0.857
		HC6.2	0.893
		HC6.3	0.974
		HC6.4	0.953
Partnership (Y)	Attribute (P1)	P1.1	0.854
		P1.2	0.843
		P1.3	0.894
		P1.4	0.848
	Communication Behaviour (P2)	P2.1	0.902
		P2.2	0.894
		P2.3	0.917
		P2.4	0.905
		P2.5	0.803
		P.6	0.777
	Conflict resolution techniques (P3)	P3.1	0.943
		P3.2	0.933
Sustainable Competitive Advantage (Z)	Value (SCA1)	SCA1.1	1.000
	Rare Resource (SCA2)	SCA2.1	0.889
		SCA2.2	0.928
		SCA2.3	0.950
		SCA2.4	0.844
	Inimitable. (SCA3)	SCA3.1	0.947
		SCA3.2	0.946
	Non Susbtitutional (SCA4)	SCA4.1	0.812
		SCA4.3	0.832

Source: Smart PLS data processing, 2019

Based on Table 1, it appears that all loading factors are above 0.50 so it can be concluded that the indicators used in this study are reliable or have met the indicator reliability criteria on the latent first order variable.

Table 2 *Realibility and Validity*

Konstruk	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Human Capital (X)	**0.960**	**0.966**	**0.615**
HC1	0.753	0.849	0.660
HC2	0.960	0.980	0.962
HC3	0.867	0.904	0.704
HC4	0.956	0.972	0.920
HC5	0.891	0.933	0.823
HC6	0.939	0.956	0.847

1419

Int. J Sup. Chain. Mgt   Vol. 9, No. 5, October 2020

Partnership (Y)	**0.945**	**0.952**	**0.627**
P1	0.882	0.919	0.740
P2	0.933	0.948	0.753
P3	0.863	0.936	0.879
Sustainable Competitive Advantage (Z)	**0.885**	**0.908**	**0.526**
SCA1	1.000	1.000	1.000
SCA2	0.924	0.946	0.816
SCA3	0.884	0.945	0.896
SCA4	0.521	0.806	0.676

Source: Smart PLS data processing, 2019

The results of table 1 above shows the average variance extracted (AVE) value in the human capital variable of 0.615, indicating that on average 61.5% of the information contained in each indicator can be reflected through the human capital variable. The average variance extracted (AVE) value of the partnership variable of 0.627 indicates that on average 62.7% of the information contained in each indicator can be reflected through the partnership variable. The average variance extracted (AVE) value of the competitive advantage variable is 0.526, indicating that on average 52.6% of the information contained in each indicator can be reflected through the competitive advantage variable. [44] said it is valid if the AVE value is greater than 0.5. AVE value on all variables is greater than 0.50. The higher the correlation between the indicators that make up a construct, the better the convergent validity value. The results showed that the variables of Human Capital, Partnership, and Sustainable Competitive Advantage had a good measure of convergent validity and were subsequently declared valid as a measurement tool for each variable. The higher the correlation between the indicators that make up a construct, the better the convergent validity value.

4.1.2 Testing the Structural Model (Inner Model)

The structural model is a model that connects exogenous latent variables with endogenous latent variables or the relationship of endogenous variables with other endogenous variables. In this study the structural model is related to the two research hypotheses which hint at causality relationships between latent variables. The structural model in this study involves two exogenous latent variables (human capital and partnerships), and endogenous latent variables (sustainable competitive advantage).

Testing the inner model (structural model) basically tests the hypothesis in the study. Hypothesis testing is done by t-test (T-statistic) on each of the influence paths partially. Structural

model testing (inner model) is done using R-square for the dependent construct and t test (significance) of the structural path coefficient parameters.

a) R-square value

Table 3 is the result of R-square estimation for the research model which the calculations are using the SmartPLS Software. The R2 value of the model used. The value of R2 shows the prediction accuracy of the model. According to [42], R2 value equal to 0.25 has a weak effect, 0.5 has a moderate effect and 0.75 has a substantial effect [43].

Table 3. Testing of Structural Model Path Coefficients

	Path	**T Statistics**	**R square**
HC -> P	0.587	24.449	0.344
HC -> SCA	0.070	1.593	
P -> SCA	0.231	5.416	

Source: Smart PLS data processing, 2019

Table 3 shows the R square value of the influence of human capital on partnerships of 0.344. That is, partnerships can be explained by human capital variables of 34.4%. The remaining 65.6% is explained by other variables not examined.

b) Goodness of Fit Model

Testing the Goodness of Fit structural models on the inner model using the value of predictive-relevance (Q2). Q-square value greater than 0 (zero) indicates that the model has a predictive value of relevance [45]. R-square value of each dependent variable (endogenous) in this study can be seen in the following calculations:

Predictive-relevance value is obtained by the formula:

$Q2 = 1 - (1 - Ry) (1 - Rz)$
$Q2 = 1 - (1 - 0.680) (1 - 0.569)$
$Q2 = 1 - - (0.32) (0.431)$
$Q2 = 0.862$

The calculation results above show a predictive-relevance value of 0.805 (> 0). That means that 86.2% of the variation in the Y and Z variables (the dependent variable) can be explained by the variables used. Thus the model in this study is said to be worthy of having predictive relevance. This means that the model obtained is good, because more information can be explained than can not be explained.

4.2 Hypothesis Testing

The next part to do is test the significance of the effect of each estimated variable. This significance value can be obtained by the boostrapping procedure. To find out the significant

1420

Int. J Sup. Chain. Mgt   Vol. 9, No. 5, October 2020

or insignificant seen from the T-table at alpha 0.05 (5%) = 1.96, then the T-table is compared by the T-count (T-statistic). The results of the calculation of standardized path coefficients after bootstrapping for each variable in the structural model of the influence of Human Capital and Partnerships on Sustainable Competitive Advantage can be seen in table 4.

Table 4. Path Coefficients

Variabel	Original Sample	Sample Mean	Standard Deviation	T_{count}
HC -> P	0.587	0.586	0.023	24.449
HC -> SCA	0.070	0.071	0.043	1.593
P -> SCA	0.231	0.226	0.042	5.416

Source : Smart PLS data processing, 2019

4.2   Discussion

Discussion of research results is carried out to provide scientific argumentation on the results of hypothesis testing as below:

a. Effects of Human Capital Against Sustainable Competitive Advantage

The first hypothesis is the influence of Human Capital on Sustainable Competitive Advantage. The path coefficient between human capital and sustainable competitive advantage is 0.070. Furthermore, the hypothesis of the influence of human capital on sustainable competitive advantage is tested through the following statistical hypotheses:

Tabel 5. Test Results of the Effects of Human Capital Against Sustainable Competitive Advantage

Path Coofficient	T_{count}	T_{table}
0.070	1.593	1.96

Source : Smart PLS data processing, 2019

Based on table 5, it can be seen that the tcount of the Human Capital variable is 1.593 smaller than the table (1.96). Because the value of t is smaller than t-table, then at a level of error of 5%, H1 is rejected so that the fifth hypothesis has no significant effect. Then based on the test results it was concluded that Human Capital does not directly influence the Sustainable Competitive Advantage. This is an interesting finding in this study because it produces findings that are different from previous studies.

Previous studies have shown that human capital has an influence on sustainable competitive advantage because human capital consisting of educated, skilled, knowledgeable, experienced dimensions is a determinant of the success of micro and small businesses in order to achieve sustainable competitive advantage [45;46;4].

Previous studies have measured quantitative aspects of human capital with measures of education level, level of experience, skill level, level of knowledge without providing specific explanation of it and measuring it as a separate aspect so that the needs of aspects of human capital are appropriate for micro and small business has not been answered.

Different results found in this study that human capital does not directly affect the advantage of sustainable competition. Although according to [48] education, skills, experience are important attributes in human capital. Because human capital is something that is owned individually by humans where it is an intangible asset consisting of: experience in the business world, education related to the business world, skills, financial management competencies, managerial competencies are generally evidenced in research [4]. Dimensions of knowledge, education, skills and experience accompanied by soft attributes will show attitudes and willingness to develop enthusiasm for working in an effort to achieve competitive advantage. However, it turns out that in the context of this study, human capital at micro and small business Riau Malay special food in Pekanbaru could not have a direct effect on sustainable competitive advantage. This is because the attributes of knowledge, education, skills, experience, competence in managing finance and general managerial competence are not able to make enterpreneur at micro and small business typical Malay Riau food in Pekanbaru have a difference that is unique, rare, inimitate and non substitution.

The findings of this study are in line with the view of [49], that in a resource-based view, seeing sustainable competitive advantage can only be achieved when other companies do not duplicate the benefits of competitors' competitive advantages. Because sustainable competitive advantage has different concepts with competitive advantage. Regarding [3] human capital is a company resource that can support a company to achieve sustainable competitive advantage with the condition that human capital resources must have four criteria, namely, human capital must add a positive value to the company, resources must be unique or rare among competitors, human capital must be difficult to imitate and human capital cannot be replaced by other resources by competing companies. Because in the context of this study human capital cannot directly influence the competitive advantage of sustainable competition because heterogeneity about the company's valuable resources is scarce,

1421

Int. J Sup. Chain. Mgt   Vol. 9, No. 5, October 2020

scarce, difficult to replicate and has no substitute for, and it is still difficult to describe the meaning of the dimensions of valuable resources, rare resources, inimitate, non substitution.

The findings of this study are also in line as in the study of [50], that competitive advantage is not considered sustainable if the company does not have the four resource requirements stated by [3] and until all sources of effort made by the company cannot be done by competitors to duplicate their profits. Based on the research findings, it is known that human capital at micro and small businees of Riau Malay special food in Pekanbaru has been able to excel in competing but has not yet achieved sustainability because the resources the company does are the same as those of competitors. For example in the case of business education, the seminar and training materials obtained are material that can be obtained by competitors so that competitors can make the same strategy. Based on this, the findings of the fifth hypothesis research become interestingly suggesting the existence of other variables that will become intermediary variables that provide strength to achieve sustainable competitive advantage.

b. Effects of Human Capital on Partnerships

The second hypothesis tested is the effect of human capital on partnerships. In table 6 the results of the calculation of the path coefficient can be seen that the path coefficient between human capital and partnerships is 0.587 in a positive direction. This means that the higher the human capital, the partnership will also increase. Furthermore, the path coefficient is tested to prove the presence or absence of the influence of human capital on partnership.

Table 6 Test Results of the Effects of Human Capital on Partnerships

Path Cooficient	t_{hitung}	t_{kritis}
0.587	24.449	1.96

Source : Smart PLS data processing, 2019

Based on table 6, it can be seen that the tcount of the Human Capital variable is 24.444, greater than the table (1.96). Because the value of t is greater than t table, then at a level of error of 5% it is decided to accept H2 and reject H0 so the first hypothesis is accepted. So based on the results of the test it can be concluded that Human Capital influences the Partnership on Riau's special food, Pekanbaru.

Based on the experience makes businesses have the knowledge of failure and success during running a business before the current business. It is acknowledged by the majority of respondents that past experience makes them more knowledgeable about business knowledge and also business relationships are in line with research results [51]. The majority of respondents also stated that one of the respondents' ability to build a partnership network was obtained from their experience in running a business. Business actors are well aware of the importance of establishing partnerships with many sectors, but respondents complained about the limitations of their communication and information skills and in the end made it difficult for them to build business partners from various sectors.

Human capital is defined as humans themselves who are personally lent to companies with their individual capabilities, commitments, knowledge, and personal experience. According to [48] specific human resources refer to levels of knowledge, education, skills and abilities that cannot be applied outside the company. This is in line with some experts saying the same thing so that in general human capital can be interpreted as the economic value of HR related to education, knowledge, skills, experience, expertise, abilities, knowledge, ideas, innovation, energy and commitment as well as experience it has [51;4] Knowledge will strengthen the ability of business actors in the technique of solving problems in partnership relationships. This is in line with research by [53].

The role of human capital is important in the partnership of micro and small business (MSE) special foods in Riau, Pekanbaru. Human capital, in this case MSE entrepreneurs who have high education, knowledge, skills and experience in business, will enhance their partnership capabilities. So that the cooperation relationship, synergy will be established to produce mutual benefits. Through social partnership activities the business can obtain additional capital, human, physical, or social capital or access to markets that will make the company more successful and outperform competitors [54]. The high educational attainment of business actors will increase their ability and awareness in commitment, coordination and trustworthiness in building partnerships with other sectors. Knowledge and skills of high business actors will also improve the quality of communication behavior abilities such as sharing information and participating in communication relationships that can produce mutual benefits. So is the case in terms of technical ability to overcome conflict problems. This is seen from its ability to solve problems collectively, persuasively, not dominantly for one-sided interests, using good methods. Experience will determine the ability of quality communication behavior in dealing with business partners.

1422

Int. J Sup. Chain. Mgt   Vol. 9, No. 5, October 2020

c. Effect of Partnership on Sustainable Competitive Advantage

The third hypothesis is the effect of the Partnership on Sustainable Competitive Advantage. The value of the path coefficient between partnership and sustainable competitive advantage is 0.231. This shows a positive meaning that the better the partnership, the stronger the competitive advantage will be sustainable.

Table 7 Test Results of the Effect of Partnership on Sustainable Competitive Advantage

Path Cooficient	T_{count}	T_{table}
0.231	5.416	1.96

Source : Smart PLS data processing, 2019

Based on table 7 it can be seen that the t-value of the Partnership variable is 3,540 greater than the table (1.96). Because the value of t is greater than the table, then at a level of error of 5%, H3 is accepted so that the sixth hypothesis is significantly influential. Then based on the test results it was concluded that the Partnership had a significant direct effect on Sustainable Competitive Advantage.

This is in line with the results of research conducted by [55], partnership is a cooperative relationship that is mutually beneficial directly or indirectly. Partnerships that implement communication relationships and partnership solidarity will enable companies to be able to compete sustainably superior [55] consisting of Attributes, Communication Behavior, Conflict Resolution Techniques [30]. Partnership influences the advantage of sustainable competition used as a means for micro and small and medium businesses to expand their business networks as presented in research.

The point problem regarding this partnership is the weak ability of respondents in establishing communication with business partners. Meanwhile, according to [30]. Partnership relationships can be successful when respondents have the ability attributes such as commitment, trust, coordination and interdependence in addition to the ability of communication behaviour and ability to resolve conflicts.

5.   Conclusion

This study aims to analyze the development of structural equation models to better understand the constructs of human capital, partnership influences sustainable competitive advantage. We do this research because it has not been found from previous studies that can explain the effect of human capital and partnerships to achieve sustainable competitive advantage in micro and small businesses that have unique value, rare resources, inimitable and non substitution one business to another. The higher of the heterogeneity of resources will increase ability companies to achieve sustainable competitive advantage

This research has also contributed to the literature on human capital, partnerships and sustainable competitive advantage, especially on the concept of resource-based view theory. In addition, this research also contributes to the business of micro and small sectors in order to better understand the potential wealth of intangible resources. So that the micro and small business sector in operations will be maximized and able to position themselves strategically in creating sustainable long-term competitive advantage in global market competition.

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