

THE INFLUENCE OF STRATEGIC COMPETENCE, ETHICAL COMPETENCE ON NETWORK COMPETENCE TO PREDICTE BUSINESS GROWTH

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ABSTRACT

The purpose of this study is to examine the effect of strategic competence, ethical competence on network competence and to examine the effect of strategic competence on business growth mediated by network competence. The population of this study is 100 SMEs in the field of clothing in Tanah Abang. The purposive sampling method was used by distributing online questionnaires, which were then processed using the smartPLS application. The results of this study are strategic competence, ethical competence has an influence on network competence. Strategic competence can also affect business growth mediated by network competence and ethical competence can also effect business growth mediated by network competence.

Keywords: Strategic Competence, Ethical Competence, Network Competence, Business Growth

1. INTRODUCTION

Entrepreneurial activities are very important for economic growth in Indonesia. One of the factors driving economic growth in Indonesia is the existence of MSMEs (Micro, Small and Medium Enterprises). MSMEs have a very important role in improving the economy in Indonesia and MSMEs contribute directly and significantly to economic growth in Indonesia because MSMEs have a significant role in expanding opportunities in terms of employment. For people who have low incomes, MSMEs are a solution in carrying out a productive economy. Besides that, in facing Industry 4.0, MSMEs have an important role in increasing Gross Domestic Income (GDP) in Indonesia (Rosita, 2020).

Table 1. Largest Number of MSMEs Indonesia in 2022

Province	Number of MSMEs (Business Units)
West Java	1,494,723
Central Java	1,457,126
East Java	1,153,576
Jakarta Capital Special Region	658,365

Source: Katadata (2023)

It can be seen from the table above that MSME actors are thriving in a number of provinces. It can be seen from this data that Java province dominates the largest number of MSME actors with the number in first place being West Java with 1,494,723 and in second place being Central Java with a number of 1,457,126 and in third place is East Java with a total of 1,153,576 MSMEs. Apart from that, in fourth place is the province of DKI Jakarta with a recorded number of MSMEs of 658,365 MSMEs. Based on this data, it can also be seen that the DKI Jakarta

province is still quite behind with quite significant numbers compared to the other three Java provinces.

One industry that has great business opportunities and is always developing every time is the business in the clothing sector because the way a person dresses will continue to follow developments every time. In general, clothing remains one of the sub-sectors of the creative economy in Indonesia continues to experience improvement and growth. Economic growth in Indonesia, with GDP growth in 2019 before the pandemic, the clothing industry in Indonesia contributed a GDP of 1,123.4 trillion or 7.3% of the total national GDP. And in this case the clothing industry is the second creative economy subsector after culinary which is able to contribute to economic growth in Indonesia up to 17.26% (Asih, 2023).

The Covid-19 pandemic has had a negative impact on the Indonesian economy, income in several business sectors continues to decline because many SMEs are experiencing obstacles in their business operations, because there are policies issued by the government to suppress and control the spread of the covid-19 virus by issuing a policy of Enforcement of Restrictions on Community Activities. Various regulations in the PPKM policy mean that people's mobility is significantly limited and the PPKM policy also regulates the operational hours of a business so that business actors experience turnover income every day. The existence of the PPKM policy certainly has a negative impact on the performance of various business scales, from small, medium, to large companies. It is proven from the results of a survey issued by the Central Statistics Agency (BPS) during the Covid-19 pandemic that 82.85% of entrepreneurs experienced a decrease in income due to the Covid-19 pandemic. The decline in income experienced by MSMEs reached 84% (Victoria, 2020).

The Ministry of Cooperatives and MSMEs stated that cooperatives in the services and production sector of the MSME sector has experienced a significant impact due to the Covid-19 pandemic. The survey results of the Ministry of Cooperatives also explained that as many as 163,713 MSMEs and 1,785 cooperatives felt the impact of the Covid-19 pandemic. The survey results show that MSMEs have difficulty in running their business and painting their business because the income earned by MSMEs has dropped dramatically due to the Covid-19 pandemic, so that many MSMEs are forced to stop selling temporarily or permanently (Rosita, 2020).

Entering the industrial era 4.0 in the clothing sector, MSME players, especially in the clothing sector in Indonesia, are required to be able to expand their competitiveness. Competitive competition will of course determine how a business can run well by considering the factors that influence business growth in Indonesia (Venia and Slamet, 2019).

Basically, when running a business, business growth will of course be a priority (Rosli and Abdullah, 2015), because in the business world by providing opportunities a business will be able to continue to survive and also business actors can minimize the possibility of the business closing (Rauch and Rijdsijk, 2013). There are several factors that can influence and impact the growth of a business, several factors that can influence the growth of a business such as strategic competence, ethical competence and network competence (Tehseen et al., 2018).

In running a business, of course, many MSME players are not prepared to face uncertain conditions in their business environment so that business growth becomes hampered. Therefore, MSME players need to develop effective strategies in running their businesses and execute them at the right time so that their businesses can experience good growth (Farooq et

al., 2015). Apart from that, factors that hinder business growth are also caused by ethical problems in running a business. Basically, there are still MSME actors who run their businesses in a non-transparent manner to the detriment of certain parties and there are still business actors who cannot differentiate between what is morally good or bad (Tehseen et al., 2018).

Of course, in running their business, MSME players, especially in the clothing industry, understand strategic competence in running their business because implementing the right strategy in running a business will certainly have an impact on better business growth. In fact, what is happening in Indonesia is that there are still many MSME actors who do not understand strategic competence in running their business and the impact is that business actors do not experience business growth and many business actors even close permanently because they do not understand the strategy in running a business. The next problem is that there are still many MSME actors who lack relationships in building/running a business so that it becomes an inhibiting factor in developing the business they run and there are still many MSME actors who do not understand and comprehend how to grow or expand the business they are running in a better direction (Tehseen et al., 2018).

In the MSME Clothing industry in Indonesia, strategic competence and ethical competence are very important for business growth and success in building network competence. Strategic Competence can help businesses to develop more effective strategies to expand networks and increase business growth. In running a business, of course you must have strategic competence, in this case meaning that competence is related to organizing and evaluating activities that implement a company's strategy (Bird, 1995). MSME players must of course have a strategy to be able to compete and maintain their business amidst economic pressure and be able to survive in running their business. A business actor must have good strategic competence by thinking innovatively, proactively, and being adaptive to change and having the courage to take risks. Good strategic competence can be implemented if business actors have good management skills and entrepreneurial orientation (Mantok et al., 2019). In the long-term prospect, strategic competence and ethical competence, if implemented well, can help business actors in business to achieve sustainable growth. By maintaining a good reputation and building a strong network, businesses can attract more customers and partners, besides that, business actors can also expand their market share.

In this research, researchers will also examine the clothing industry in the Tanah Abang market area, Jakarta. Tanah Abang Market is one of the largest wholesale centers in Jakarta where there are many MSMEs in the clothing sector. This place is very suitable to be used in this research because many people from various regions shop for necessities such as clothes, trousers, cloth, bags and various other accessories (clothing) which are purchased in individual quantities or wholesale. In previous research, it was explained that strategic competence influences network competence. In this case, it is explained how long-term opportunities and goals are in building a business, apart from that, it is also explained in this research that network competence as a mediation influences business growth by paying attention to opportunities in business and examining more deeply how changes can influence business and long-term goals. in encouraging business growth (Tehseen et al., 2018). Apart from that, the existence of strategic competence will encourage an entrepreneur to better apply his strategy within the scope of the external business environment aimed at business growth (Aquilani et al., 2016).

Carrying out good ethical competence can create a good reputation for business actors in running a business because when a business actor has close relationships with suppliers, customers or related partners, it can be easier and more transparent in the process of carrying

out business transactions in order to gain trust. and gaining trust from others (Tehseen et al., 2018). Apart from that, carrying out good ethical competencies such as being honest and transparent about everything in business will help to build or maintain a good reputation in business and can maintain the trust given by customers and business partners (Ahmad Hazlina, 2007).

Network competence is competence in negotiating with someone, interacting effectively with someone, maintaining and developing long-term relationships, maintaining work contracts and trusting each other (Bird, 1995). This research is interesting to research because by understanding strategic competence, ethical competence and network competence in entrepreneurship what impact will occur in the growth of MSME businesses, especially in the clothing sector. Another reason is because the demand for clothing products will always be there forever. In addition, the clothing industry is influenced by trends in fashion and lifestyle, allowing researchers to understand the appropriate strategy for running a clothing business in Indonesia. Based on the data above, the researcher will conduct a study entitled "The Influence of Strategic Competence, Ethical Competence on Network Competence and its Impact on Business Growth in MSMEs in the Clothing Sector in Tanah Abang".

2. THEORETICAL REVIEW AND HYPOTHESES DEVELOPMENT

Resource-Based View Theory

The theory used in this research uses the resource-based view (RBV) theory which describes theoretical ideas originating from research by economists in various countries, where the resource based view theory is believed to be able to provide responses in implementing competitive advantage in a company (Kuncoro, 2005). The resource-based view (RBV) theory also explains that organizational capabilities that are unique, difficult to imitate and valuable will be able to create long-term sustainable competitive advantages for the company (Barney, 1991).

In the RBV theory, it is also explained how to apply knowledge management, which means knowledge management to get knowledge and strategies to the right people to increase business growth (Portillo-Tarragona, 2018). Apart from that, the resource-based view (RBV) theory also explains that to produce superior business growth, special competence abilities are needed such as strategic competence, ethical competence and network competence because they are considered important and valuable resources for the business growth of MSMEs or a company. This theory also explains how to develop opportunities and overcome risks well in order to create competitive advantages by applying strategic competencies, ethical competencies and network competencies which have an impact on business growth in MSMEs or companies (Tehseen et al., 2018).

In this study, the researcher used a general overview of the resource-based view (RBV) theory because the researcher wanted to examine how MSMEs can achieve competitive advantage by applying strategic competence, ethical competence and network competence for ongoing business growth.

The Relationship of Strategic Competence to Network Competence

The ability of an entrepreneur certainly aims to achieve success. To achieve success, of course, strategic entrepreneurial thinking is needed to develop the business by taking strategic action.

In this case, a wide network is needed to find out information about the decisions to be taken, making it easier for an entrepreneur to carry out his business strategy so that he can produce the right and effective decisions in entrepreneurship (Rahman and Ramli, 2014).

Strategic competence certainly plays an important role for entrepreneurs in handling volatile markets and uncertain conditions with the emergence of unpredictable demands and expectations so that the ability to maintain relationships and maintain a good network is needed to maintain and develop strategic steps in running a business (Simon et al., 2017).

The Relationship of Ethical Competence to Network Competence

When running a business, it is of course very important to apply good ethical competence in order to maintain and build trust in customers, suppliers or other organizations so that in the future you can have a strong network. This can be done by being honest, transparent and having the courage to admit mistakes and be responsible, which will make stakeholders feel confident in doing business in the long term (Tehseen et al., 2018).

Ethical Competence practices are of course very important in the aim of building strong relationships with customers, suppliers or other stakeholders because to maintain them in the long term requires a transparent attitude and other ethical practices so that later they will achieve superior performance and competitiveness in business (Sok et al., 2016).

The Relationship of Network Competence to Business Growth

Network Competence has a very important role in supporting business growth. An entrepreneur is required to have the ability to build and maintain good relationships with customers, suppliers or other organizations because this ability will be able to encourage business growth with a wider network (Sanyal et al., 2020). By having a wide network in business, it will certainly make the business have a bigger target market beforehand.

The important role of network competence makes business growth faster because having a wide network in business certainly makes it easier for entrepreneurs to get various information in running their business (Kheng and Minai, 2015). By getting information quickly in running their business, of course entrepreneurs can grow their business more quickly with the help of information obtained by having a wide network in business.

Strategic Competence Linkages to Business Growth mediated by Network Competence

Strategic Competence is very important in building business growth. The success of a company lies in its ability to maintain and build good relationships with stakeholders such as customers, suppliers, other organizations, where by implementing the right strategic competencies you will of course be able to build and maintain a wider business network and can encourage business growth (Tehseen et al., 2018). Maintaining good relationships with customers, suppliers and other organizations will certainly strengthen your entrepreneurial network so that this can encourage faster business growth.

The growth of a business is of course influenced by the presence of appropriate strategic competencies and the process of developing strategies to deal with uncertain conditions in the business environment. Networking with external parties is needed to help entrepreneurs obtain

additional information needed to make it easier for entrepreneurs to develop their business (Venia and Slamet, 2019).

Ethical Competence Linkages to Business Growth mediated by Network Competence

Ethical competence is an important factor in driving business growth. The success of a business can be seen from the ethics of an entrepreneur in running his business. Being honest, transparent and responsible can provide a high sense of trust so that a business will lead to better business growth (Tehseen et al., 2018). Apart from that, having an ethical attitude, such as having the courage to admit mistakes and being honest and transparent in running a business, can encourage customers' sense of trust in a business which leads to business growth (Wu et al., 2015).

Research Framework and Hypotheses

In facing tight economic competition and high competitiveness in producing competitive advantages, strategic competence is needed in running a business. In implementing strategic competence, a wide network is needed to help MSMEs obtain information quickly and accurately and assist MSMEs in making decisions regarding effective strategies in entrepreneurship. To achieve success in entrepreneurship, there is another factor, namely ethical competence because implementing good ethical competence will create a high sense of trust in entrepreneurs so that it can encourage business growth in MSMEs. The application of good ethical competence can also be seen by showing an honest, transparent and responsible attitude in dealing with problems faced in the business world so that customers, suppliers or other organizations feel happy and trusted so that they can establish good long-term relationships and have a network. broad in entrepreneurship. Apart from that, a factor that can influence business growth is having a wide network because having a wide network can make it easier for entrepreneurs to get information such as the right customers or suppliers for entrepreneurship so that it can encourage MSMEs to achieve business growth. The wider network in entrepreneurship also requires appropriate and effective strategies to make it easier for entrepreneurs to create effective strategies and be able to make the right decisions in encouraging MSME business growth to be faster and more effective.

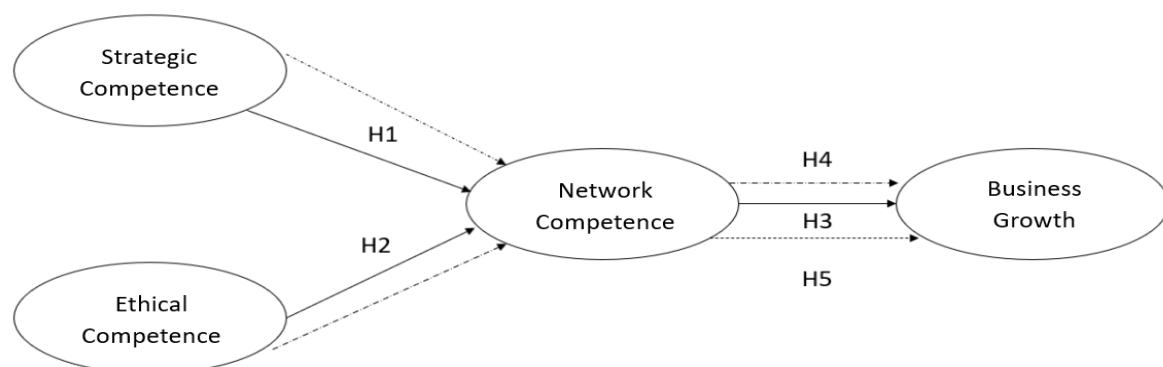


Figure 1. Research Model

Based on the framework of thought described above, the hypothesis formulation in this research is:

- H1 : Strategic Competence has a positive and significant effect on network Competence.
H2 : Ethical Competence has a positive and significant effect on network Competence.
H3 : Network Competence has a positive and significant effect on business growth.
H4 : Strategic Competence has a positive and significant effect on Business Growth mediated by network Competence.
H5 : Ethical Competence has a positive and significant effect on Business Growth mediated by network Competence.

3. RESEARCH METHODOLOGY

A quantitative approach is used in research because the research design used in this research uses a descriptive research design and the method used to analyze data uses quantitative analysis by collecting data using a questionnaire containing questions to be answered by respondents. The scale used to measure a variable in this research is the Likert scale. The population in this study was 100 respondents from clothing MSMEs in Tanah Abang. The sampling technique used was non-probability sampling with a purposive sampling approach. In this study, researchers processed data using SmartPLS 3.0 software.

4. FINDINGS AND DISCUSSION

Outer Model

Validity Test

In validity testing, it can be seen based on the Average Variance Extracted (AVE) value to determine the relationship between each indicator in the research. A variable can be declared to have met the requirements if the AVE value shows a result greater than 0.5. Below are the values of Average Variance Extracted in Table 2:

Table 2. Average Variance Extracted Test Results

Variable	Average Variance Extracted
Strategic Competence	0.662
Ethical Competence	0.684
Network Competence	0.761
Business Growth	0.681

Source: SmartPLS 3.0

Based on Table 2 above, the results of the Average Variance Extracted test meet the requirements. Because the value of Average Variance Extracted shows results that are greater than 0.5.

Reliability Test

In reliability testing, it can be seen based on the Cronbach's Alpha and Composite Reliability values on SmartPLS. A variable can be said to be reliable or reliable if it has a Cronbach's Alpha and Composite Reliability value greater than 0.70. Below are the values of Cronbach's Alpha and Composite Reliability in Table 3:

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Strategic Competence	0.831	0.887
Ethical Competence	0.907	0.928
Network Competence	0.937	0.950
Business Growth	0.845	0.895

Source: SmartPLS 3.0

In Table 3 above, it can be seen that the value from the Cronbach's Alpha and Composite Reliability analysis results has a value that is greater than or exceeds 0.70 for each variable. In this case it can be concluded that all the variables used in this research can be declared reliable because they meet the existing criteria.

Inner Model

Coefficient of Determination (R^2)

The test results (R^2) aim to determine how much the exogenous variable (X) contributes simultaneously (together) to the endogenous variable (Y) under study. The higher the R^2 value, it can be said that the better the research model being carried out. The following are the results of the R-Square (R^2) test in Table 4 below:

Table 4. Coefficient of Determination Results

Variable	R-Square (R^2)
Business Growth	0.591

Source: SmartPLS 3.0

Based on Table 4 above, the results of the R-square test show that the change in business growth value can be explained by network Competence at 59.1% and the remaining 40.9% can be explained by other variables. The results of the coefficient of determination by the business growth variable have a medium category level because they are more than 0.50.

Effect Size (f^2)

The results of the effect size (f^2) test are usually used with the aim of finding out how much the exogenous variable has an effect or influence on the endogenous variable. The following are the results of the effect size (f^2) test in Table 5 below:

Table 5. Effect Size Results

Variable	Network Competence	Business Growth
Strategic Competence	0.101	
Ethical Competence	0.750	
Network Competence		1.443
Business Growth		

Source: SmartPLS 3.0

Based on Table 5 above, it shows the results of the effect size test (f^2) that strategic competence has an effect of 0.101 on network competence. Strategic competence had little effect. Ethical competence can be interpreted as having a large effect on network competence of 0.750. Furthermore, network Competence has a large effect on business growth, which can be interpreted as an acquisition value of 1.443.

Q-Square

The Q-Square (Q^2) test used in this research was tested through a blindfolding process with SmartPLS software, and the variables used were network competency and business growth which had a reflective measurement model. The following are the results of the Q-square test (Q^2) in Table 6:

Table 6. Q-Square Test Results

Variable	$Q^2 (=1-SSE/SSO)$
Network Competence	0.495
Business Growth	0.391

Source: SmartPLS 3.0

Based on Table 6 above, the results of the Q-Square (Q^2) test on the network competency variable obtained a result of 0.495 or had a large influence. And the business growth variable obtained a result of 0.391 or had a large influence, because it was greater than 0. So, it can be concluded that the construct in this research can be said to be good or relevant.

Goodness of Fit

Before carrying out the GoF test, the AVE value must be known first. The following is the calculation of the AVE value:

$$AVE = 0.662 + 0.684 + 0.761 + 0.681 / 4 = 0.697$$

Based on the average calculation for AVE above, it shows a result of 0.697 and based on Table 4 in the previous section which shows an R-square test result of 0.591. So, the calculation results from GoF are as follows:

$$GoF = \sqrt{AVE \times R^2} \quad GoF = \sqrt{0.697 \times 0.591} = 0.641$$

The results show a GoF value of 0.641. So it means that the level of accuracy and feasibility of this research is declared large because the GoF value is greater than 0.36.

Hypotheses Testing Results

Hypothesis testing is carried out with the aim of finding out whether the hypothesis in this research is accepted or not. Hypothesis testing is carried out using the bootstrapping method which refers to the t-statistics and p-values. Exogenous variables that have a significant influence on endogenous variables will produce t-statistics that are greater than 1.96 and p-values that are smaller than 0.05, which means the hypothesis is accepted. Following is the hypothesis testing in Table 7 below:

Table 7. Hypotheses Testing Results

Variable	Original Sample	t-Statistics	p-Values
Strategic Competence → Network Competence	0.237	2.757	0.006
Ethical Competence → Network Competence	0.645	8.653	0.000
Network Competence → Business Growth	0.769	11.980	0.000
Strategic Competence → Network Competence → Business Growth	0.182	2.511	0.012
Ethical Competence → Network Competence → Business Growth	0.496	8.185	0.000

Source: SmartPLS 3.0

The Effect of Strategic Competence on Network Competence

Based on the results of tests that have been carried out on the strategic competency variable on network competency in clothing MSMEs, the results show that H1 is accepted because the strategic competency variable has a t-statistics value of 2.757 which is greater than the criterion value of 1.96 with a p-value of 0.006 which is smaller than 0.05. Therefore, it can be concluded that the strategic competency variable has an influence on the competency of the Clothing MSME network in Tanah Abang. The results of this research are in line with other studies which show that network competence can be influenced by strategic competence. Strategic competence has a positive and significant influence on network competence (Venia and Slamet, 2019); (Rahman and Ramli, 2014); (Simon et al., 2017). This research reveals the results that strategic competence influences network competence. Therefore, an MSME owner is expected to have the ability to maintain relationships in maintaining and developing strategic steps in running his business, such as being able to identify long-term problems and opportunities in business and being able to create changes that can affect the business. Apart from that, the ability of MSME owners is also needed to make the right and effective decisions in running their business. Things that can be done include prioritizing work that suits the business and MSME owners must also be able to redesign the business for long-term goals and changes.

The Effect of Ethical Competence on Network Competence

Based on the results of testing the ethical competency variable on the competency of the Clothing MSME network, the results show that H2 is accepted because the ethical competency variable shows the results that H2 is accepted because the ethical competency variable has a t-statistics value of 8.653 which is greater than the criterion value, namely 1.96 with a p value - value is 0.000 which is smaller than 0.05. Therefore, it can be concluded that the ethical competency variable has an influence on the competency of the Clothing MSME network. The results of this research are in line with other studies which show that ethical competence can be influenced by network competence. Ethical competence has a significant positive influence on network competence (Tehseen et al., 2018). And other research also reveals that ethical competence has a significant positive effect on network competence (Venia and Slamet, 2019); (Sok et al., 2016). In this research, the results showed that ethical competence has a significant influence on the competence of MSME networks. Therefore, an MSME owner is expected to be able to run his business by being honest, transparent and brave enough to admit mistakes and be able to take responsibility. This is done with the aim of making stakeholders feel safe and confident in doing business in the long term. So that in the future, if MSME owners implement good attitudes or ethics in doing business, many people will believe in it and will create superior competitiveness in business.

The Effect of Network Competence on Business Growth

Based on the results of testing the network competency variable on the growth of the Clothing MSME business, the results show that H3 is accepted because network competency has a t-statistics value of 11.980 which is greater than the criterion value of 1.96 and a p-value of 0.000 which is smaller than 0.05. So it can be concluded that network competency has an influence on the growth of the Clothing MSME business. The results of this research are in line with other studies which show that business growth can be influenced by network competence. Network competency has a significant positive influence on MSME business growth (Sajilan and Tehseen, 2019); (Rosli and Abdullah, 2015); (Utama et al., 2023). Previous research states that an entrepreneur is required to have the ability to build and maintain good relationships with customers, suppliers or other organizations because this ability can encourage business growth [19]. Having the ability to manage and maintain good relationships with stakeholders will encourage business growth in running its business (Utama et al., 2023). Apart from that, network competency is also an important factor in the growth of MSME businesses (Rosli and Abdullah, 2015). This research reveals the results that network competence influences business growth. Therefore, MSME owners must have the ability to build and maintain relationships with customers, suppliers or other organizations because this will make MSME players have a wide network so that they can easily get information in running their business and will encourage business growth to become more profitable fast.

The Influence of Strategic Competency on Business Growth Mediated by Network Competency

Based on the results of testing the strategic competency variable on business growth mediated by the competency of the Clothing MSME network, the results show that H4 is accepted because strategic competency has a t-statistics value of 2.511 which is greater than the criterion value of 1.96 and a p-value of 0.012 which is smaller than 0.05 after the presence of network competence (as a mediating variable). So, it can be concluded that strategic competence has an influence on business growth which is mediated by the competence of the Clothing MSME

network. The results of this research are in line with other studies which show that strategic competence can influence business growth mediated by network competence. Strategic competence has a significant positive influence on business growth which is mediated by network competence (Tehseen et al., 2018). And other research also reveals that strategic competence has a positive effect on business growth which is mediated by network competence (Venia and Slamet, 2019). In this research, the results show that strategic competence has a significant influence on business growth which is mediated by network competence. Therefore, an MSME owner is expected to be able to apply appropriate strategic competencies and be able to build and maintain a wider business network, this is done in order to encourage the growth of the MSME business. Apart from that, applying the right strategic competencies can help MSME owners in the strategy development process and by having an extensive business network it can make it easier for MSME owners to get a lot of information in business so that it can help in the process of making good and effective decisions in encouraging MSME business growth.

The Influence of Ethical Competency on Business Growth Mediated by Network Competency

Based on the results of testing the ethical competency variable on business growth mediated by network competency, the results show that H5 is accepted because ethical competency has a t-statistics value of 8.185 which is greater than the criterion value of 1.96 and a p-value of 0.000 which is smaller. from 0.05. So it can be concluded that ethical competence has an influence on business growth which is mediated by the competence of the Clothing MSME network in Tanah Abang. The results of this research are in line with other studies which show that ethical competence can influence business growth mediated by network competence. Ethical competence has a positive and significant influence on business growth which is mediated by network competence (Tehseen et al., 2018). And other research also reveals that ethical competence has a significant positive effect on business growth which is mediated by network competence (Wu et al., 2015). In this research, the results showed that ethical competence has a significant influence on business growth which is mediated by network competence. Therefore, an MSME owner is expected to be able to apply good ethical competence in running his business, such as being ethical by speaking honestly, being responsible and transparent in running his business so that this can provide a sense of trust in customers and will encourage business growth in a better direction.

5. CONCLUSIONS & IMPLICATIONS

The conclusions in this research are:

- a. Strategic Competence has a positive and significant effect on Network Competence.
- b. Ethical Competence has a positive and significant effect on Network Competence.
- c. Network Competence has a positive and significant effect on Business Growth.
- d. Strategic Competence has a positive and significant effect on Business Growth mediated by Network Competence.
- e. Ethical Competence has a positive and significant effect on Business Growth mediated by Network Competence.

6. LIMITATIONS & RECCOMENDATIONS FOR FUTURE RESEARCH

There are several limitations in this research, including:

- a. The research variables discussed in this research are only strategic competence, ethical competence, network competence, and business growth among clothing MSME owners.

- b. In this research, researchers only chose one MSME sector, namely the clothing sector.
- c. In this research, researchers only chose MSME owners in the clothing sector because if the intended respondents were not owners of MSMEs in the clothing sector, it is possible that the results obtained would be different.
- d. In this research, researchers had limited time and money so sampling was limited to clothing MSMEs in Tanah Abang (Central Jakarta). If there are differences in subjects, regions and sample sizes, it is possible that the results obtained will be different.

In this research there are useful suggestions for researchers, namely the researcher suggests to MSME owners in the clothing sector that in the future they can identify long-term problems and opportunities in business, so that in the future MSME owners can take strategic steps in taking decisions or actions in business. Researchers suggest that MSME owners in the clothing sector in the future will always be able to keep promises in business, because one of the keys to success in business is commitment and honesty in doing business. The researcher advises MSME owners in the clothing sector to start paying attention to their surroundings in running their business in terms of technical knowledge because having good insight or technical knowledge will certainly make it easier for MSME owners to run and develop their business, and researchers suggest to MSME owners in the clothing sector to start focusing on increasing sales of good products. Because by having good product sales, this can encourage business growth in MSMEs.

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