

ABSTRACT

This research to analyze the role of Human Capital and Social Capital in enhancing the performance of Micro, Small, and Medium Enterprises (MSMEs), with the Resilience-Based Innovation Ecosystem (RBIE) serving as a mediating variable. A deductive quantitative approach was employed, focusing on MSMEs in Central Java with an annual turnover ranging from IDR 2–15 billion, covering diverse business sectors.

Data were collected through a questionnaire survey administered to 304 MSME actors, using purposive sampling. The collected data were analyzed using Structural Equation Modeling (SEM) with AMOS version 24 software. The model was rigorously tested through validity, reliability, and goodness-of-fit indices to ensure its empirical feasibility.

The findings revealed that seven hypotheses were supported. The acceptance of the proposed hypotheses underscores the critical role of Human Capital, Social Capital, and the Resilience-Based Innovation Ecosystem in driving MSME performance. RBIE, introduced as a novel construct, convincingly demonstrated its function as a mediating variable, addressing a key research gap by clarifying the linkage between Human Capital and Social Capital with MSME performance.

The study shows that both Human Capital and Social Capital significantly affect MSME performance, directly and indirectly through RBIE mediation. These findings reinforce RBIE's position as an essential element bridging entrepreneurs' internal capacities with sustainable adaptive and innovative capabilities in navigating business challenges. RBIE was proven to play a significant and positive mediating role in strengthening the relationship between strategic capitals (Human and Social Capital) and business performance. This study also offers practical contributions for stakeholders particularly MSME actors, local governments, and strategic partners in designing resilient and collaborative innovation ecosystems. With such an approach, MSMEs can be better prepared to face market disruptions and complexities through collaboration, social learning, and continuous innovation.

Keywords: Human Capital, Social Capital, Small Business Performance, Resilience, Inovation Ecosystem.