PETRA IJBS VOL. 8, NO. 1, JUNE 2025: 1-11 DOI: https://doi.org/10.9744/petraijbs.8.1.1-11
E-ISSN 2621-6426

# Enhancing Competitive Advantage: The Role of Learning, Integrating, and Reconfiguration Capabilities through Corporate Resilience

**Yuanita Ratna Indudewi*, Benedecta Nadya Evangelie**
Universitas Ciputra Surabaya, CitraLand CBD Boulevard, Made, Kec. Sambikerep, Surabaya, Jawa Timur 60219, Indonesia
*Corresponding author; E-mail: ebe.yuanita@ciputra.ac.id

## Abstract

This study aimed to provide strategic insights for small to medium-sized companies on enhancing their competitive advantage, especially by examining the corporate resilience reflected in their dynamic capabilities. Seventy-four business owners and managers in Surabaya are sample respondents in this research. Quantitative causal research aims to gain an in-depth understanding of the cause-and-effect relationship between companies' Learning Capabilities, Integrating Capabilities, and Reconfiguration Capabilities, and how these capabilities influence Corporate Competitive Advantage through Corporate Resilience. The mediation research employs SEM-PLS as a statistical analysis method. The observation of small to medium-sized corporate entities becomes interesting as we explore the respondents who predominantly come from the real estate sector. The result prevails that Integrating Capability and Competitive Advantage is significantly mediated by corporate resilience. However, Corporate Resilience does not considerably mediate the relationship between Learning Capability and Competitive Advantage. The findings provide a data-driven argument that the company's capability to acquire, assimilate, transform, and exploit knowledge does not directly affect corporate resilience and competitive advantage. The result triggers further discussion, which may be followed by future research based on the specific industry and the company's corporate culture.

**Keywords:** Competitive Advantage, Dynamic Capabilities, Learning Capabilities, Integrating Capabilities, Reconfiguration, Corporate Resilience.

## 1. Introduction

In Indonesia, competition is a cornerstone for achieving business success, as it influences the ability to operate in a volatile and competitive industry. Internal economic conditions are dynamic systems that depend on global economic, political, and environmental factors. Firms with a strong competitive advantage have the most remarkable ability to adapt to market disruptions and improve their odds of maintaining stability and resilience over the long term. This adaptability enables businesses to respond to market trends, mitigate risks, and capitalize on emerging opportunities. Hence, it is essential for companies aiming to protect their market share and establish sustainable growth to gain insight into and cultivate their sources of competitive advantage.

Based on the data, Indonesia's economy is predominantly run by micro and small businesses. According to a UGM press release, SMEs provide at least 97% of the jobs in the domestic market (Tasya, 2024). Data from the Press Release of the Coordinating Ministry for Economic Affairs of the Republic of Indonesia (2022) acknowledges the role of SMEs in reviving the national economy. There were 64.2 million MSMEs, contributing 61% to Indonesia's GDP (Limanseto, 2022). MSMEs can also absorb approximately 119.6 million people into their workforce. However, SMEs face challenges due to their low productivity and inability to compete. The challenges SMEs face are complex, varying from their ability to innovate, digital and technology literacy, productivity, legality or licensing, financing, branding and marketing, human resources, standardization, and certification. Most of the time, SMEs are in a state of survival rather than growth.

A local article reported that the challenges SMEs face often lead to their bankruptcy (Mariska, 2024). The same article also discloses data from an international survey that indicates 80% of SMEs close their businesses within their third year. With the exponential number of affected SMEs, enhancing understanding of competitive advantage is imperative to enable MSMEs to navigate and survive in the long term despite market disruptions. These factors threaten businesses' competitive advantage, including changes in consumer spending habits, ongoing financial losses, poor store locations, and intense competition.

According to a global financial institution, Indonesia is expected to experience a shortage of mid-sized companies by 2024. This phenomenon has resulted in reduced employment opportunities and increased business competition. Since 2021, this number has not changed. Furthermore, the OECD (2023) report provides a broader perspective, stating that business competition in Indonesia is considered high. Businesses face significant challenges primarily due to unfair competition from the informal sector, an undereducated

workforce, and restricted access to financial resources. The report thoroughly analyzes and evaluates the intense competition faced by businesses of all sizes. Hence, this research will try to capture all companies.

Businesses that demonstrate agility in response to evolving consumer preferences and allocate resources to innovative strategies can maintain their competitive advantages. Entities with well-defined value propositions and adaptable strategic plans will likely persist in the market. This adaptability is a component of the dynamic capabilities that small and medium-sized enterprises (SMEs) must possess. (Praditya & Purwanto, 2024) Demonstrate that dynamic capabilities significantly enhance competitive advantage. Correia et al. (2020) also emphasize the intermediary role of dynamic capabilities and competitive advantages, suggesting that dynamic capabilities contribute to a competitive edge, thereby enhancing firm performance. Therefore, this study explores the relationship between dynamic capabilities and competitive advantage by examining businesses in Surabaya, East Java, and Indonesia. However, it is essential to note that this area of research is well-established and has been extensively studied over time.

This analysis has been enhanced by incorporating various studies focusing on corporate resilience and the link between dynamic capabilities and competitive advantage. Research by Farida & Setiawan (2022) shows that Indonesian companies that integrate dynamic capabilities into their operations are better equipped to maintain a competitive edge over time. This sustained success is framed as corporate resilience, enabling businesses to effectively handle regulatory shifts, economic changes, and technological progress. Additional empirical support for the role of dynamic capabilities in fostering corporate resilience is provided by Putritamara et al. (2023). Moreover, Wang et al. (2022) have developed a theoretical model suggesting that learning capabilities act as a mediator between organizational resilience and sustained competitive advantage, with organizational learning serving as a moderating factor. This study aims to bridge the knowledge gap regarding how dynamic capabilities positively impact competitive advantage through the lens of corporate resilience.

This study offers valuable insights for business leaders to leverage their dynamic capabilities to enhance their competitive advantage. Such insights can inform strategic decisions regarding resource allocation, innovation, and operational adjustments, enabling businesses to adapt more effectively to changing market environments and ensure growth continuity. By investigating dynamic capabilities in conjunction with corporate resilience, this study highlights the importance of adaptability and strategic reconfiguration in maintaining a competitive edge among small and medium-sized enterprises (SMEs). Focusing on companies in Surabaya, East Java, this study provides localized insights directly applicable to the Indonesian small and medium-sized enterprise (SME) environment. This may be beneficial for local SMEs to better understand and navigate their local market conditions, thereby potentially fostering regional economic growth.

## 2. Literature Review

### 2.1. Dynamic Capabilities

Dynamic capabilities are an extension of the Resource-Based View Theory (Pitelis et al., 2023). It emphasizes internal factors, such as resources and a company's ability to survive and gain a competitive advantage. Dynamic capabilities enable businesses to recognize and create opportunities, transforming them into executable business operations that maintain a sustainable competitive edge. Farzaneh et al. (2022) note that dynamic capabilities refer to an organization's ability to integrate, build, and reconfigure internal and external resources and competencies in response to rapidly changing environments. A study of dynamic capabilities such as reconfiguration, integration, and adaptation plays a critical role in building organizational resilience by enabling firms to navigate and recover from disruptions (Prayag et al., 2024). Another study focusing on various sectors in Italy demonstrated that improving and coordinating resources is pivotal for business continuity, emphasizing the indivisibility of business continuity requirements and dynamic capabilities (Buzzao & Rizzi, 2023). This concept is essential in strategic management and innovation because it allows firms to sustain their competitive advantage in changing environmental conditions.

#### 2.1.1 Learning Capability

Learning capability is one of the key drivers of an organization's capacity to innovate and sustain its competitive advantage in volatile markets. Zahoor et al. (2022) and Farzaneh et al. (2022) suggested some vital indicators for measuring learning capability. The leading indicators include intellectual capital, innovation orientation, knowledge sharing and utilization, and organizational adaptability. Intellectual capital is the collective knowledge and experience within an organization, and is a material for innovation. Although these are two critical indicators, neither helps the business turn knowledge into action, because knowledge needs to be consolidated, and insights need to be practical; otherwise, the processes need to be changed. This is

crucial for knowledge-sharing. The ability to evolve, respond to market dynamics, and learn from past lessons. These are holistic constructs that enable a company to sustain and build a competitive advantage over time.

Farzaneh et al. (2022) emphasize the need for an organization to have the learning capability to detect and assess opportunities and threats in the business environment. They claim that organizations with strong learning infrastructures perform best in shifting market conditions because they facilitate knowledge sharing and application.

### 2.1.2 Integrating capability

In today's dynamic business environment, effective measurement of integration capability is crucial for firms to balance exploration and exploitation in their innovation efforts. Several studies (Zhao & Gao, 2024; Farzaneh et al., 2022) have mentioned several key indicators, including knowledge sharing, the elasticity of resource distribution, the degree to which the operational process is aligned with innovation, and the degree of integrating and exploiting new technologies into existing capabilities. Information about these indicators provides firms with a clear understanding of how to manage effectively and align their dynamic capabilities to gain a competitive advantage in the digital economy.

Teece (2020) treats this as part of the process of seizing and capturing value in the market in his latest study. His hypothesis suggests that the effective incorporation of market-based resources is fundamental in building upon the competitive advantage that sustains firms in the long term. In addition, Zhao and Gao (2024) also explored ambidextrous innovation and integration capability during the digital transformation process, which is highly correlated with the study. Their study found that integration capability, as a key dynamic capability, is required to balance exploration and exploitation activities effectively. Integration helps close the gap between innovative digital initiatives and newfound knowledge by facilitating knowledge sharing, resource allocation, and process coordination, enabling firms to leverage their knowledge effectively. In particular, a specific configuration linking extensive exploration and technology-leveraging exploitation is highlighted in this study as the most effective in achieving superior performance.

### 2.1.3 Reconfiguration capability

In a rapidly evolving business landscape, a company's ability to reconfigure its capabilities is crucial to sustaining innovation and maintaining a competitive advantage. Farzaneh et al. (2022) measure this reconfiguring capability through carefully designed indicators, shedding light on the dynamic interplay between intellectual capital, innovation orientation, and ambidextrous capabilities that drive organizational success. (Hu et al., 2022) elaborate that there are two mechanisms of capability reconfiguration. The first is the evolution capability, which refers to the ongoing refinement of specific routines. The second is the substitution capability, which provides a quick and powerful reaction to environmental changes.

Building on this foundation, Farzaneh et al. (2022) delve into the intricate relationship between intellectual capital (IC), dynamic capabilities (DCs), and innovation ambidexterity within the pharmaceutical industry. The research identifies intellectual capital, which offers human, structural, and relational capabilities, as a crucial foundation for dynamic capabilities. For example, substantial human capital promotes knowledge acquisition, integration, and reconfiguration, which are critical components of DC. The ability to reconfigure enables businesses to adjust their resources and processes as environmental conditions evolve, which is the foundational element of corporate resilience.

## 2.2 Corporate Resilience

Corporate resilience is crucial for businesses to thrive in the face of market disruptions and ensure long-term success. It involves surviving, adapting, and recovering from momentous challenges (Mondragón et al., 2022). Several studies have explored how resilience can be measured by identifying key indicators. (Lu et al., 2024) highlighting the ability of the company to survive and adapt from its ability to process and analyze the data and information through the information technology perspective.

Meanwhile, Kim and Kim (2023) mentioned in their research that resilience can contribute to financial and supply chain performance. However, their research findings discuss the various resilience variables that contribute positively to Korean manufacturers' technology performance. Another journal finds that strong governance practices and stable ownership structures enhance the firm's resilience to various types of turbulence, enabling it to absorb these disruptions and maintain operational continuity (Ding et al., 2021). Based on previous research findings, resilience is no longer viewed as a singular concept but as a multifaceted construct arising from various psychological dynamics, such as organizational culture, leadership, and financial stability, that shape an organization's ability to adapt and recover from multiple angles.

### 2.3 Competitive Advantage

According to Sharma & Sharma (2020), dynamic sensing, adaptation, and acting create a competitive advantage. In changing times, adaptive firms recover quickly from adversity, and proactive sensing, coupled with leveraging collective knowledge and skills, can enable resilience and business success in unpredictable environments. Companies may gain a competitive advantage by using their internal resources more effectively than their competitors.

(Sijabat & Hidayati, 2024) Emphasize the indicators of competitive advantage, such as: superior human resource management, meeting customer needs effectively, providing innovative new services, offering a diverse range of services, service quality that is more efficient, and competitive pricing.

### 2.4 Relationship between Learning Capability and Corporate Resilience

Previous studies have highlighted the integral role of learning capacity in influencing organizational performance. Zahoor et al. (2022) demonstrated that learning capacity supports organizational resilience and adaptation as an embodiment of learning capacity, which is the ability to learn, create, and execute knowledge to innovate and improve. García-Valenzuela et al. (2023) provide supporting evidence that learning capability in a corporation has a positive impact on corporate resilience. The result supports the company's ability to acquire knowledge over time, enabling it to survive. Similarly, Baah and Rambe (2024) provide supporting evidence that learning capability is crucial to support corporate resilience in the long run.

$H_1$: Corporate learning capability affects corporate resilience.

### 2.5 Relationship between Learning Capability and Competitive Advantage

On the other hand, innovation orientation emphasizes a tactical approach in both idea exploration and the acceptance of change, which is the driving force for remaining well in a competitive setting. Research by Zainurrafiqi et al. (2020) provides evidence that learning capability has a significant impact on competitive advantage. Research has shown that dynamic sensing, adaptation, and action lead to a competitive advantage (Sharma & Sharma, 2020). In changing times, adaptive firms recover quickly from adversity, and proactive sensing, coupled with leveraging collective knowledge and skills, can enable resilience and business success in unpredictable environments. Companies can gain a competitive advantage by utilizing their internal resources more effectively than their competitors.

$H_2$: Corporate learning capability significantly affects a corporation's competitive advantage.

### 2.6 Relationship between Integrating Capability towards Corporate Resilience

García-Valenzuela et al.'s (2023) research shows no significant relationship between integrating capability and corporate resilience. Among other capabilities in dynamic capability, integrating capability has the least significant contribution to corporate resilience. However, this result may be limited to the Chinese commerce organization sector in the research. Furthermore, Prayag et al. (2024) argue that integrating the capability to optimize resources facilitates planning for building corporate resilience. This can be seen as a research gap we need to investigate further.

$H_3$: Corporate's integrating capability significantly affects corporate's resilience.

### 2.7 Relationship between Integrating Capability and Competitive Advantage

It is uncommon research to find each of the dimensions of dynamic capabilities contributing to a competitive edge. Research by Permatasari et al. (2023) reveals that dynamic capabilities have a significant impact on competitive advantage. She highlighted that integration competency positively contributed to dynamic capabilities. Hence, integrating resource allocation affects a company's competitive advantage. Another study by van Lieshout et al. (2021) supports the argument. It is said that as long as the company's ambidextrous strategic decision to adapt to economic conditions using an integrating capability is effective, it will support the company's competitive advantage.

$H_4$: Corporate's integrating capability significantly affects corporate's competitive advantage.

### 2.8 Relationship between Reconfiguration Capability and Corporate Resilience

García-Valenzuela et al. (2023) investigated reconfiguration capability towards organizational resiliency and found that the result is positively and significantly contributes. Furthermore, the research mentioned that governance plays a role in reconfiguring capability to ensure that an organization can adapt well. This explains how reconfiguration capability can build resiliency in a company. Another research by Akpan et al. (2022) measures dynamic capabilities using sensing

and reconfiguration capability towards corporate resilience. The result highlighted that reconfiguration capability positively contributes to the company's resilience. A study by Kähkönen et al. (2023) found that reconfiguration capability has a significant impact on supply chain resilience within a company.

$H_5$: Corporate reconfiguration capability significantly affects corporate resilience.

### 2.9 Relationship between Reconfiguration Capability and Competitive Advantage

Reconfiguration capability is crucial for a company to integrate, transfer, collect, and trade off resources to preserve or improve its competitive edge in a dynamic landscape (Hu et al., 2022). As part of dynamic capabilities, it is shown to have a respective effect on a corporation's competitive advantage, as found in a study by Praditya & Purwanto (2024).

$H_6$: Reconfiguration Capability affects competitive advantage.

### 2.10 Relationship between Corporate Resilience and Competitive Advantage

Sijabat & Hidayati (2024) conducted research that resulted in ambidextrous innovation improving company resilience, ultimately enhancing the company's competitive advantage. Another study by Wang et al. (2022) also supports the sentiment that corporate resilience contributes positively to maintaining a corporation's competitive advantage. Mondragón et al. (2022) further explain that resilience is something a company should build over time by adapting to the volatility of economic and market conditions, which will ultimately become a source of competitive advantage.

In line with the Resource-Based Theory, it suggests that businesses depend on internal resources to achieve competitive advantage. In other practical research, Kim and Kim (2023) investigate the relationship between resilience and competitive advantage in Korean manufacturing venture firms. Their study revealed several resilience factors, including dynamic capabilities, risk management, and learning orientation. Firms develop capabilities that allow them to respond to dynamic market conditions. It supports businesses in recognizing and mitigating potential risks through effective risk management. A learning orientation is imperative for a culture of ongoing learning and innovation.

$H_7$: Corporate resilience significantly affects a corporation's competitive advantage.

## 3. Methods

Research on enhancing competitive advantage through learning, integrating, and reconfiguration capabilities mediated by corporate resilience is grounded in a quantitative descriptive research approach. This approach is well-suited for systematically collecting and analyzing quantifiable data, allowing researchers to examine relationships among key variables and provide empirical evidence to support theoretical constructs (Creswell, 2003). A quantitative descriptive approach is particularly suitable for this research because it enables the objective measurement and statistical analysis of relationships among the variables. Descriptive statistics provide an overview of the data, including means, standard deviations, and correlations, which helps in understanding general trends and patterns within the sample (Saunders et.al., 2023)

A structured survey instrument incorporating validated scales for each construct was developed (Hair et al., 2021). Scale items for learning capability, integrating capability, and reconfiguration capability were developed by Farzaneh et al. (2022). Meanwhile, the corporate resilience and competitive advantage scale items were modified from Hendrayanti (2022). The survey was distributed online using Google Forms to reach the population of business owners in Surabaya, Indonesia. Purposive sampling was chosen because it allows researchers to focus on specific individuals who are most likely to provide relevant and rich information, particularly those with significant experience in managing dynamic capabilities within their businesses (Palinkas et al., 2015). The sample chosen consists of business owners in Surabaya who have been running their companies for more than 5 years. Surabaya is selected because it is a significant business hub in Indonesia and offers a representative environment for studying the effects of corporate resilience on competitive advantage in dynamic market conditions.

The sample size was determined using the GPower software to ensure that the study had sufficient statistical power to detect meaningful effects. *The G*Power is a widely used tool for determining the minimum sample size required for an analysis based on the expected effect size, desired significance level, and statistical power (Faul et al., 2009). An effect size (0.15) was assumed for this study (small to medium effect), with a significance level ($\alpha$) set at 0.05 and a 1-$\beta$ power level of 0.85. A power analysis showed that a minimum sample size of approximately 62 respondents was needed for reliable and valid results. This sample size is sufficient for exploratory Structural Equation Modeling (SEM) to allow for appropriately parameterized model parameters and produce sufficient goodness-of-

fit guides (Kline, 2017). Of the 74 respondents who completed this process, only 72 met the criteria.

Structural Equation Modeling (SEM) is the preferred analytical method for exploring the effects of corporate resilience mediation. Structural equation modeling (SEM) is particularly appropriate for this research because it simultaneously tests relationships among multiple latent variables, providing a thorough understanding of complex interdependencies (Kline, 2017). SEM combines factor analysis and multiple regression, making it ideal for testing the hypothesized mediation model, in which corporate resilience is expected to mediate the relationship between dynamic capabilities and competitive advantage (Hayes, 2017).

During the process validity and reliability tests, some questionnaire items were removed. The factor loadings from the statistical analysis are presented in Table 1.

**Table 1.** Factor loadings: each item indicator

| | CA | CR | IC | LC | RC |
|---|---|---|---|---|---|
| CA2 | 0,867 | | | | |
| CA3 | 0,911 | | | | |
| CA4 | 0,834 | | | | |
| CA5 | 0,868 | | | | |
| CA6 | 0,737 | | | | |
| CR1 | | 0,839 | | | |
| CR2 | | 0,869 | | | |
| CR3 | | 0,831 | | | |
| CR4 | | 0,855 | | | |
| CR5 | | 0,790 | | | |
| IC3 | | | 0,837 | | |
| IC4 | | | 0,830 | | |
| IC5 | | | 0,730 | | |
| LC2 | | | | 0,838 | |
| LC3 | | | | 0,835 | |
| LC4 | | | | 0,921 | |
| LC5 | | | | 0,905 | |
| RC2 | | | | | 0,805 |
| RC3 | | | | | 0,810 |
| RC4 | | | | | 0,886 |
| RC5 | | | | | 0,794 |
| RC6 | | | | | 0,820 |

Convergent validity measures the variance a construct captures relative to the variance due to the measurement error. This measure is known as Average Variance Extracted (AVE). An AVE of 0.50 or greater indicates acceptable convergent validity, implying that the construct has explained at least half of the variance of the indicators. By contrast, Cronbach's alpha (CR) evaluates the internal consistency of the construct. Generally, a CR value of 0.70 or greater is considered adequate, indicating that the construct meets the reliability standard (Hair & Alamer, 2022).

Discriminant Validity was also applied in this study to ensure that the differences among constructs are different from each other. This method was used to ensure the Fornell-Larcker Criterion, that is, the square root of the AVE of each construct was higher than the correlation of that construct with any other construct in the model, as shown in Table 3.

**Table 2.** Cronbach's Alpha and AVE

| | Cronbach's Alpha | AVE |
|---|---|---|
| **CA** | 0.899 | 0.715 |
| **CR** | 0.893 | 0.701 |
| **IC** | 0.720 | 0.641 |
| **LC** | 0.898 | 0.766 |
| **RC** | 0.881 | 0.678 |

**Table 3.** Fornell-Larcker

| | CA | CR | IC | LC | RC |
|---|---|---|---|---|---|
| **CA** | 0.845 | | | | |
| **CR** | 0.766 | 0.837 | | | |
| **IC** | 0.605 | 0.649 | 0.800 | | |
| **LC** | 0.620 | 0.683 | 0.622 | 0.875 | |
| **RC** | 0.717 | 0.803 | 0.565 | 0.668 | 0.824 |

## 4. Result

The respondent characteristics in Table 4 show that the provided table categorizes a sample of 72 companies based on their annual revenue and corresponding company sizes, offering insights into the distribution of different business sizes within the study. Microenterprises, classified as companies with annual revenues of less than 300 million IDR, cover 6.94% of the sample, representing the smallest segment with only five companies. The 14 companies that meet the definition of small enterprises are those whose annual revenue ranges from IDR 300 million to IDR 2.5 billion, constituting 19.44% of the sample. Most samples are medium-sized companies with revenue between 2.5 and 50 billion IDR. This category consisted of 27 companies, representing 37.50% of the sample. This sample size is representative of medium-sized businesses. Large businesses with revenues exceeding IDR 50 billion also became the second-most representative in this study. It reaches 36.11% of the total, which is approximately 26 businesses. In general, the sample is heavily weighted toward medium and large enterprises, which together represent 73.61% of the total, indicating that the study focuses on relatively mature businesses with adequate financial capacity, and less on micro and small enterprises. On the other hand, Table 4 presents the gender distribution of the 72 business owners participating in the study. Of the total sample size, 17 (23.61%) were female and 55 (76.39%) were male. Signaling a marked gender imbalance, males represented the dominant demographic of business owners within the study.

Table 4 also shows that the sample of 72 companies is predominantly from the Real Estate sector, accounting for 33.33% of the total. Other key sectors are

service activities (12.50%), wholesale and retail trade, and construction (9.72%). Financial and Insurance Activities comprised 8.33% of the sample, with lower figures recorded in the Processing, Education, and Agriculture sectors. The most underrepresented sectors include the transportation, Information and Communication, Arts, Entertainment, and Recreation sectors, which account for less than 3% of the sample.

**Table 4.** Respondent characteristics

| | Frequency | Percentage |
|---|---|---|
| **Company Size** | | |
| Under IDR 300 million per annum | 5 | 6.94% |
| IDR 300 million - IDR 2.5 billion per annum | 14 | 19.44% |
| IDR 2.5 - 50 billion per annum | 27 | 37.50% |
| Above IDR 50 billion per annum | 26 | 36.11% |
| **Gender** | | |
| Female | 17 | 23.61% |
| Male | 55 | 76.39% |
| **Industry Type** | | |
| Real Estate | 24 | 33.33% |
| Other Service Activities | 9 | 12.50% |
| Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance | 7 | 9.72% |
| Construction | 7 | 9.72% |
| Financial and Insurance Activities | 6 | 8.33% |
| Processing industry | 5 | 6.94% |
| Education | 4 | 5.56% |
| Agriculture, Forestry, and Fisheries | 3 | 4.17% |
| Provision of accommodation and provision of food and drink | 2 | 2.78% |
| **Information and Communication** | **2** | **2.78%** |
| **Transportation and Warehousing** | **2** | **2.78%** |
| **Arts, Entertainment, and Recreation** | **1** | **1.39%** |

The data in Figure 1 provide evidence that the bootstrapping result indicates a positive relationship between the variables in this research. Meanwhile, the significance effect is shown in Table 5.

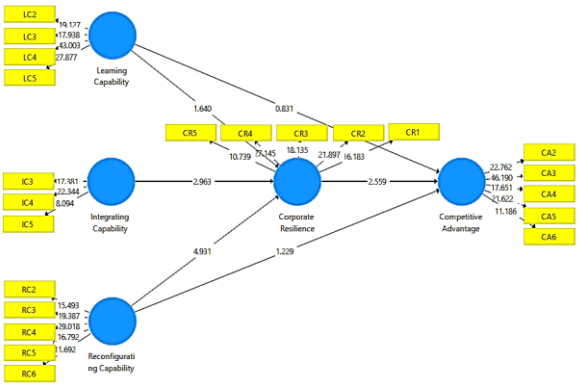


**Figure 1.** SmartPLS 3 analysis

Table 5 shows the direct effects between various capabilities and the outcomes of Corporate Resilience and Competitive Advantage on significant and insignificant relationships. The three primary relationships with significant direct effects observed are integrating capability and positively influencing corporate resilience. Likewise, Reconfiguration Capability positively and significantly affects Corporate Resilience, meaning reconfiguring the company's resources and strategies directly enhances its resilience. The result implies that the ability of a company to make many parts of the company become cohesive and support each other, along with the adaptability and competence of a company, contributes significantly to a company's resilience. Additionally, Corporate Resilience directly contributes to competitive advantage, meaning that more resilient companies achieve a stronger competitive position in the market.

**Table 5.** P values and T-statistic in path coefficient

| | T Statistic | P Values | Relation |
|---|---|---|---|
| **LC → CR** | 2,877 | 0.108 | insignificant |
| **LC → CA** | 0,315 | 0.435 | insignificant |
| **IC → CR** | 2,942 | 0.004 | significant |
| **IC → CA** | 1,109 | 0.183 | insignificant |
| **RC → CR** | 1,697 | 0.000 | significant |
| **RC → CA** | 1,202 | 0.189 | insignificant |
| **CR→ CA** | 4,493 | 0.007 | significant |

In contrast, several relationships were reported to be statistically significant. Learning capability does not significantly affect corporate resilience or competitive advantage, suggesting that the ability to learn is not powerful enough to correlate with increased resilience and competitiveness. Additionally, integrating capability, essential for resilience, does not directly enhance competitive advantage. Finally, reconfiguration capability does not significantly affect competitive advantage, suggesting that the benefits of reconfiguring are realized indirectly through improved resilience rather than directly influencing competitive advantage.

**Table 6.** Total indirect effect

| | T Statistic | P Values | Relation |
|---|---|---|---|
| **IC → CR → CA** | 2,039 | 0.049 | significant |
| **LC → CR → CA** | 1,323 | 0.231 | insignificant |
| **RC → CR → CA** | 2,516 | 0.016 | significant |

The p-value presented in Table 6 with respect to the first mediation pathway is 0.049, which is lower than the significance threshold level, indicating that the mediation effect is significant. This suggests that corporate resilience is crucial in the relationship between integration capability and competitive advantage. In other words, the positive impact of integrating capability on competitive advantage is realized through enhancing corporate resilience.

In the second pathway, the p-value was 0.231, above the significance threshold, indicating that the mediation effect is insignificant. This implies that corporate resilience does not significantly mediate the relationship between learning capabilities and competitive advantage. In this case, learning capability does not effectively translate into competitive advantage through corporate resilience. The p-value for the third mediation pathway is 0.016, indicating a significant mediation effect. Similar to integrating capability, this finding suggests that the ability to reconfigure resources and processes contributes to competitive advantage, primarily by strengthening corporate resilience.

In summary, the mediation analysis reveals that corporate resilience significantly mediates the relationship between integration and reconfiguration capabilities and competitive advantage. Still, it does not mediate the impact of learning capability on competitive advantage. This suggests that while integrating and reconfiguration capabilities enhance competitive advantage by building resilience, learning capability does not follow the same pathway within this model.

**Table 7.** R square and R square adjusted

| | R Square | R Square Adjusted |
|---|---|---|
| Competitive Advantage | 0.635 | 0.613 |
| Corporate Resilience | 0.713 | 0.701 |

The R-squared ($R^2$) values in Table 7 provide insight into the explanatory power of the independent variables for the corporate resilience and competitive advantage constructs. The variance in corporate resilience accounted for 71.3% of the independent variables, including integrating, learning, and reconfiguration capability, with an $R^2$ of 0.713. The high $R^2$ value suggests that the model effectively predicts corporate resilience, demonstrating that the selected capabilities are strong predictors. On the other hand, competitive advantage has an $r^2$ value of 0.635, meaning that 63.5% of its variance is explained by corporate resilience and other factors included in the model. This indicates that the model also has substantial explanatory power for competitive advantage, with corporate resilience and other variables playing significant roles.

In general, these Adjusted $R^2$ values adjust these estimates based on the number of predictors in the model, as more predictors in the model can explain more variables; therefore, they provide a better estimate of explanatory power, especially when comparing models that contain different numbers of predictors. The adjusted $r^2$ for corporate resilience is 0.701, lower than the original $r^2$; however, it remains high enough, even after adjustment, to explain 70.1% of the variance in corporate resilience, indicating the robustness of the model. Similarly, the adjusted $R^2$ for competitive advantage is 0.613, meaning that after accounting for the number of predictors in the model, 61.3% of the variance in competitive advantage can be explained through this model, further illustrating the model's strength in predicting outcomes. These $r^2$ values indicate that the model accounts for a significant proportion of the variance in corporate resilience and competitive advantage, particularly in terms of mediation, when employing SEM-PLS. As corporate resilience is also a mediator in the model, the high $r^2$ value indicates that the independent variables (integrating, learning, and reconfiguration capabilities) effectively predict corporate resilience. Consequently, since corporate resilience also predicts competitive advantage (as indicated by the $r^2$ value for competitive advantage), this strengthens the mediation model.

## 5. Discussion

The results of this study highlight the critical role of dynamic capabilities, namely integrating and reconfiguration capabilities, in enhancing corporate resilience and ultimately in gaining a competitive advantage. Out of the three path-underlying hypotheses, only the learning capability of a firm demonstrates a non-significant relationship with corporate resilience, which exhibits no significant relationship with competitive advantage. This finding offers insight into how learning is perceived as a means to acquire knowledge, with the results becoming apparent over a longer period.

The definitive relationship between integration capability and corporate resilience suggests that a company's ability to integrate resources and processes optimally is crucial for enhancing its resilience. This finding aligns with the dynamic capability framework,

which posits that integrating, building, and reconfiguring internal and external competencies is critical in transforming to address evolving environmental demands and maintaining a competitive advantage over time (Teece, 2020). Corporate resilience reconfiguration needs to focus heavily on business processes to follow it, become more agile, and align itself with the current environment. More responsive companies have adjusted their resources and strategies swiftly to react to environmental shocks, resulting in better performance when they strike and the likelihood of continuing practices, thereby upgrading their competitive status.

Contrary to expectations, learning capability neither directly nor indirectly affects corporate resilience or competitive advantage. This finding suggests that learning is essential for organizational development, but it may not directly translate into resilience or competitive strength unless it is effectively integrated with other dynamic capabilities. Learning may lead to the integration and reconfiguration of capabilities that improve resilience and competitive outcomes, but it may not directly drive these outcomes. This highlights the importance of a more nuanced understanding of the interplay between learning and other capabilities in terms of organizational resilience and performance.

The mediation analysis results show that corporate resilience significantly mediates the relationship between integration capability and competitive advantage. This means that the actual benefits of these capabilities reach their full potential only as they foster resilience within the organization, which in turn translates into improved competitive performance. This standardized view on corporate resilience as a mediator confirms the emerging volatility and uncertainty effect on corporate resilience as a strategic key to leveraging a corporate sustainable competitive edge. It enables businesses to absorb shocks, rebound quickly, and respond to evolving marketplace conditions to sustain a competitive edge over time.

For practitioners, these findings underscore the importance of integrating and reconfiguring capabilities to build corporate resilience, which is essential for sustaining a competitive advantage. Managers may also consider investments in processes and technologies that facilitate integrative and reconfigurable capabilities; moreover, learning matters only when applied in conjunction with other dynamic capabilities to make a real difference in resilience and competitiveness. These capabilities are crucial to maintaining a competitive edge in today's dynamic market, and companies that prioritize them will be well-positioned with the resilience needed to thrive in this new era, extending well into the future.

These results must be interpreted in the context of study limitations. Since the sample is heavily biased towards the real estate sector, the study's findings may lack generalizability in other sectors. Future studies should seek more diverse industries to examine whether these results can be generalized across different contexts. Furthermore, future studies could focus on the gender imbalance in the sample, as the results may not reflect a female perspective on business leadership. This question is also open to future research, as it could explore other mediators and moderators, such as resilience, organizational culture, or collective mind, that could provide different perspectives on the factors that drive competitive advantage through resilience.

## 6. Conclusions

This study underscores the vital role of dynamic capabilities, particularly integrating and reconfiguration capabilities, in strengthening corporate resilience, which is crucial for attaining sustained competitive advantage. The significantly positive effects of these capabilities highlight the need for businesses to invest in processes that enhance their ability to adapt, reconfigure, and effectively integrate resources in response to changing market conditions. Although learning capability is often seen as essential for organizational development, this study finds that it does not directly or indirectly affect competitive advantage through corporate resilience. This suggests that learning alone is insufficient to drive competitive success unless coupled with other dynamic capabilities that contribute to organizational resilience.

Key managerial implications suggest that companies must prioritize resilience by strategically integrating and reconfiguring resources. However, the study also has limitations, including a heavy focus on the real estate sector and gender imbalance among respondents, which may affect the generalizability of the results. Finally, future investigations should capture a broader demand-side context and allow for a balanced gender ratio in their samples to extract comprehensive insights into dynamic capabilities and competitive advantage. Such a survey would provide additional data on how businesses can use resilience as a mechanism for setting themselves in environments characterized by uncertainty.

## References

Akpan, E. E., Johnny, E., & Sylva, W. (2022). Dynamic capabilities and organizational resilience of manufacturing firms in Nigeria. *Vision*, *26*(1), 48–64. https://doi.org/10.1177/0972262920984545

Baah, F. A., & Rambe, P. (2024). Exploring learning capabilities in entrepreneurial resilience of emerging contractor firms. *Acta Commercii*, *24*(1). https://doi.org/10.4102/ac.v24i1.1266

Buzzao, G., & Rizzi, F. (2023). The role of dynamic capabilities for resilience in pursuing business continuity: an empirical study. *Total Quality Management and Business Excellence*, *34*(11–12). https://doi.org/10.1080/14783363.2023.2174427

Correia, R. J., Dias, J. G., & Teixeira, M. S. (2020). Dynamic capabilities and competitive advantages as mediator variables between market orientation and business performance. *Journal of Strategy and Management*, *14*(2). https://doi.org/10.1108/JSMA-12-2019-0223

Creswell, J. W. (2003). Research design: Qualitative, quantitative, and mixed methods approaches. *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*. https://doi.org/10.3109/08941939.2012.723954

Ding, W., Levine, R., Lin, C., & Xie, W. (2021). Corporate immunity to the COVID-19 pandemic. *Journal of Financial Economics*, *141*(2). https://doi.org/10.1016/j.jfineco.2021.03.005

Farida, I., & Setiawan, D. (2022). Business strategies and competitive advantage: the role of performance and innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, *8*(3). https://doi.org/10.3390/joitmc8030163

Farzaneh, M., Wilden, R., Afshari, L., & Mehralian, G. (2022). Dynamic capabilities and innovation ambidexterity: The roles of intellectual capital and innovation orientation. *Journal of Business Research*, *148*. https://doi.org/10.1016/j.jbusres.2022.04.030

Faul, F., Erdfelder, E., Lang, A.-G., & Buchner, A. (2009). Statistical power analyses using G*Power 3.1: Tests for correlation and regression analyses: *Behavior Research Methods*, *41*(4).

García-Valenzuela, V. M., Jacobo-Hernandez, C. A., & Flores-López, J. G. (2023). Dynamic capabilities and their effect on organizational resilience in small and medium-sized commercial enterprises. *Management and Marketing*, *18*(4). https://doi.org/10.2478/mmcks-2023-0027

Hair, J., & Alamer, A. (2022). Partial Least Squares Structural Equation Modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics*, *1*(3). https://doi.org/10.1016/j.rmal.2022.100027

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). *Evaluation of reflective measurement models*. https://doi.org/10.1007/978-3-030-80519-7_4

Hayes, A. F. (2017). Methodology in the social sciences : Introduction to mediation, moderation, and conditional process analysis. *A Regression-Based Approach*, *April*.

Hendrayanti, S. (2022). Build competitive advantage to improve company performance—management *Analysis Journal*.

Hu, P., Hao, Y., & Wang, G. (2022). How does capability reconfiguration impact the innovation performance of Chinese manufacturing firms? *Frontiers in Psychology*, *13*. https://doi.org/10.3389/fpsyg.2022.966653

Kähkönen, A. K., Evangelista, P., Hallikas, J., Immonen, M., & Lintukangas, K. (2023). COVID-19 as a trigger for dynamic capability development and supply chain resilience improvement. *International Journal of Production Research*, *61*(8). https://doi.org/10.1080/00207543.2021.2009588

Kim, B., & Kim, B. G. (2023). An explorative study of resilience influence on business performance of Korean manufacturing venture enterprise. *Sustainability (Switzerland)*, *15*(9). https://doi.org/10.3390/su15097218

Kline, T. J. B. (2017). Sample issues, methodological implications, and best practices. In *Canadian Journal of Behavioural Science* (Vol. 49, Issue 2). https://doi.org/10.1037/cbs0000054

Limanseto, H. (2022, March 31). *Coordinating Minister Airlangga: The government continues to encourage the strengthening of economic foundations by establishing the digital transformation of MSMEs as one of the priorities*. Https://Ekon.Go.Id/Publikasi/Detail/4065/Coordinating-Minister-Airlangga-Government-Continues-to-Encourage-Strengthening-Economic-Foundations-by-Establishing-Digital-Transformation-of-Msmes-as-One-of-the-Priorities. www.ekon.go.id

Lu, Q., Jiang, Y., & Wang, Y. (2024). Improving supply chain resilience from the perspective of information processing theory. *Journal of Enterprise Information Management*, *37*(2). https://doi.org/10.1108/JEIM-08-2022-0274

Mariska. (2024, April 30). *5 Penyebab UMKM gulung tikar, salah satunya legalitas _ KH*. Https://Kontrakhukum.Com/Article/Umkm-Gulung-Tikar/.

Mondragón, I. J. G., Trejo, A. R., & Alquicira, A. M. (2022). Is organizational resilience a competitive advantage? *Mercados y Negocios*, *2022*(46). https://doi.org/10.32870/myn.vi46.7670.g6738

OECD. (2023). *Unclassified directorate for financial and enterprise affairs competition committee: annual report on competition policy developments in Indonesia*. https://one.oecd.org/

Palinkas, L. A., Horwitz, S. M., Gree, C. A., Wisdom, J. P., Duan, N., & Hoagwood, K. (2015). Purposeful sampling for qualitative data collection. *Administration and Policy in Mental Health*, *42*(5).

Permatasari, A., Dhewanto, W., & Dellyana, D. (2023). The role of traditional knowledge-based dynamic capabilities to improve the sustainable performance of weaving craft in Indonesia. *Journal of Enterprising Communities*, *17*(3). https://doi.org/10.1108/JEC-11-2021-0156

Pitelis, C. N., Teece, D. J., & Yang, H. (2023). Dynamic Capabilities and MNE global strategy: a systematic literature review-based novel conceptual framework. In the *Journal of Management Studies*. https://doi.org/10.1111/joms.13021

Praditya, R. A., & Purwanto, A. (2024). Linking the influence of dynamic capabilities and innovation capabilities on competitive advantage: PLS-SEM analysis. In *Professional Education Studies and Operations Research: An International Journal* (Vol. 1, Issue 2). http://www.journal-profesor.org

Prayag, G., Jiang, Y., Chowdhury, M., Hossain, M. I., & Akter, N. (2024). Building dynamic capabilities and organizational resilience in tourism firms during COVID-19: a staged approach. *Journal of Travel Research*, *63*(3). https://doi.org/10.1177/00472875231164976

Putritamara, J. A., Hartono, B., Toiba, H., Utami, H. N., Rahman, M. S., & Masyithoh, D. (2023). Do dynamic capabilities and digital transformation improve business resilience during the COVID-19 pandemic? insights from beekeeping MSMEs in Indonesia. *Sustainability (Switzerland)*, *15*(3). https://doi.org/10.3390/su15031760

Saunders, M., Lewis, P., & Thornhill, A. (2023). Research methods for business students. In *Pearson Education Limited*.

Sharma, S., & Sharma, S. K. (2020). Probing the links between team resilience, competitive advantage, and organizational effectiveness: evidence from the information technology industry. *Business Perspectives and Research*, *8*(2). https://doi.org/10.1177/2278533719887458

Sijabat, E. A. S., & Hidayati, H. A. (2024). Corporate resilience and competitiveness relying on system digitalization through ambidextrous innovation. *Jurnal Teknologi Dan Manajemen*, *22*(1). https://doi.org/10.52330/jtm.v22i1.243

Tasya. (2024, October 15). *UGM economist highlights barriers to MSME growth in Indonesia*. https://ugm.ac.id/en/news/ugm-economist-highlights-barriers-to-msme-growth-in-indonesia/

Teece, D. J. (2020). Hand in glove: open innovation and the dynamic capabilities framework. *Strategic Management Review*, *1*(2). https://doi.org/10.1561/111.00000010

van Lieshout, J. W. F. C., van der Velden, J. M., Blomme, R. J., & Peters, P. (2021). The interrelatedness of organizational ambidexterity, dynamic capabilities, and open innovation: a conceptual model towards a competitive advantage. *European Journal of Management Studies*, *26*(2/3). https://doi.org/10.1108/ejms-01-2021-0007

Wang, J., Chen, R., & Zhang, S. (2022). The mediating and moderating effect of organizational resilience on competitive advantage: evidence from Chinese companies. *Sustainability (Switzerland)*, *14*(21). https://doi.org/10.3390/su142113797

Zahoor, N., Khan, H., Khan, Z., & Akhtar, P. (2022). Responsible innovation in emerging markets' SMEs: The role of alliance learning and absorptive capacity. *Asia Pacific Journal of Management*. https://doi.org/10.1007/s10490-022-09843-8

Zainurrafiqi, Gazali, Nuzulul, Q., & Nurul, H. (2020). The effect of organizational learning capability and organizational innovation on competitive advantage and business performance. *Russian Journal of Agricultural and Socio-Economic Sciences*, *3*(99). https://doi.org/10.18551/rjoas.2020-03.02

Zhao, J., & Gao, P. (2024). Configurations of ambidextrous innovation and its performance implications in the context of digital transformation. *Systems*, *12*(2). https://doi.org/10.3390/systems12020060