

The Effect of Digital Technology and Talent Management on Corporate Reputation Mediated by Business Agility and Moderated by Information Technology Infrastructure Capability

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Abstract. This research focuses on culinary MSMEs in several cities in Java, which have experienced negative impacts during the COVID-19 pandemic, such as declining sales and corporate reputation. The purpose of this study is to examine the effect of digital technology and talent management on the corporate reputation of MSMEs in Indonesia, with business agility and information technology infrastructure capability as mediators and moderators. The sampling method uses cluster random sampling with 200 respondents who meet certain criteria. Data were analyzed using Partial Least Square (PLS) and bootstrap resampling methods. The results showed that digital technology and talent management have a positive and significant influence on corporate reputation and business agility. In addition, information technology infrastructure capability can moderate the relationship between business agility and corporate reputation. This study suggests that MSMEs improve their information technology infrastructure capabilities to enhance corporate reputation and performance.

Keywords: Digital Technology; Talent Management; Corporate Reputation; Business Agility; Information Technology; Infrastructure Capability

INTRODUCTION

The COVID-19 pandemic has caused many disruptions in various lines of life, especially in the economy. The impact of the pandemic not only drastically changes various ways of life, but also creates various business and economic problems (Garnett et al., 2020). Disruption of business activities due to the pandemic has caused significant losses in many countries in the world, including Indonesia. Several policies such as regional quarantine or lockdown and restrictions on cross-regional and cross-country travel were carried out by several countries in response to COVID-19 in the hope of reducing positive cases and avoiding transmission (Lu et al., 2020).

The COVID-19 pandemic caused a significant downturn in the economy in 2020, with most sectors experiencing declines. However, there were some exceptions. The information and communication sector surged in the second quarter of 2020, growing from 9.8% to 10.88%. Additionally, the agriculture sector continued to expand, albeit modestly, increasing from 0.02% to 2.19% during the same period. Unfortunately, the pandemic severely impacted small and medium-sized enterprises (SMEs), with sales plummeting by 57% according to the Ministry of Cooperatives and MSMEs.

One of the SME sectors most affected during the COVID-19 pandemic is the food and beverage industry (Amri, 2020). Specifically, the food and beverage industry and hotels and restaurants sectors also contracted in the second quarter of 2020 (Statistics Indonesia, 2022). The COVID-19 pandemic has had a devastating impact on small businesses. Many

were forced to temporarily close their doors and have struggled with severe cash flow problems (T. Baker & Judge, 2020). The culinary business is an important business to maintain because it involves food security, which is a basic need of society. The pandemic severely impacted the food service industry, forcing many restaurants and eateries to close temporarily or permanently (Ezizwita & Sukma, 2021). The following data is presented for the 10 provinces in Indonesia with the highest number of SMEs.

A number of studies confirm that during the COVID-19 pandemic, it was recorded that 87.5% of MSMEs experienced the negative impact of the pandemic, especially a drastic decline in sales and only 12.5% of MSMEs in Indonesia were not affected by the pandemic (Victoria, 2021b). Through data from the Ministry of Cooperatives and MSMEs, there are five kinds of impacts felt by MSMEs, namely reduced income, dismissal of employees, changes in operating hours, cuts in operating costs, and bankruptcy (Catriana, 2020).

Based on research Aldianto, et al (2021) To achieve a level of business reputation, MSMEs must be able to have the ability to be agile in the midst of an uncertain situation like today. Businesses need to adopt innovative approaches to stay competitive in today's volatile and uncertain market. In facing the post-pandemic situation, MSMEs are considered to have difficulty in innovating and reconstructing business models. This condition creates its own concerns about the inability of MSMEs to increase business agility in an effort to have a good business reputation. Agility involves a company's ability to adapt and thrive in dynamic, uncertain markets. This includes making strategic changes to operations, products, and organizational structure (Shams et al., 2021). To be agile, businesses must invest in resources that promote flexibility and speed. This allows them to proactively respond to unforeseen challenges (Ahammad & Glaister, 2020). Indonesian MSMEs have yet to fully adopt the principles of business agility. Therefore, improving agility is crucial for enhancing the overall resilience of these businesses.

Gerald et al (2020) study found that a key measure of SME agility is foresight, which contributes to improved performance and a competitive edge. Agility is the ability to adapt to changing market conditions by modifying processes, products, or organizational structure (Shams et al., 2021). Most fast-growing businesses recognize that efficient talent management practices are directly related to organizational culture and strategy (Gamama et al., 2018). Culture highlights its definition and influence, especially in the context of MSMEs. The success of MSMEs is determined by the owner's understanding of marketing strategy and focus on quality of life and customer satisfaction. Marketing strategy, the business owner's exploration of products or services, has evolved from a simple sales function to a complex activity.

The success of MSME marketing depends on the application of appropriate strategies, creativity in adjusting to consumer consumption patterns, and understanding the 4P concept by business owners (Mulyanti et al., 2020). Talent Management consisting of talent planning, talent recruitment, talent development and talent maintenance if implemented will be an added value to the business for the competitive advantage of MSMEs (Nawangasari & Putri, 2020). Talent Management also has a positive and effective influence on increasing small businesses, namely at the Luluh Nadar studio in Manubura village, Nelle District, Sikka Regency which produces woven fabrics and ikat fabrics (Elfi Barus et al., 2024).

Organizations today face a critical shortage of skilled employees. While many companies have implemented talent management strategies, there are significant challenges that need to be addressed (van Zyl et al., 2017). Companies that excel at attracting, developing, and retaining top talent consistently achieve greater success. This explains the

intense global competition for skilled workers (McDonnell et al., 2018). This research aims to complete the scientific vacuum, contribute as an academic community to the world of research, and help all layers of stakeholders in overcoming the problems being faced by Indonesian MSME players. This research aims to conduct empirical tests on two determinant variables of digital technology and talent management, and the moderating variable of information technology infrastructure capability that contributes to the reputation of MSMEs in Indonesia.

Based on the phenomenon of the problem described and several previous research studies, a novelty was found for this study, namely that there has been no research that combines digital technology and talent management and its effect on the reputation of MSME sector companies in Indonesia. In addition, there has been no research that places the intervention of information technology infrastructure capability as a moderating variable. Information technology infrastructure capability has a very important urgency in the MSME business and determines its business reputation. In the context of technological development and advancement, as well as knowledge dissemination, a robust infrastructure is a crucial foundation. Improved digital infrastructure enhances the flexibility, control, and decision-making capabilities of urban industries in the digital age (Slot et al., 2022). This means that with reliable information technology infrastructure capabilities, MSMEs can more easily adjust to changes in the business environment, control business processes, and support effective decision-making. Second, a robust digital infrastructure acts as an external enabler for social entrepreneurial activity (Schade & Schuhmacher, 2022).

Stronger entrepreneurial spirit can improve how businesses use resources and stimulate consumption. This is crucial for handling unexpected challenges. Additionally, advancements in technology driven by improved digital infrastructure can help businesses better identify and respond to external threats. This includes overcoming operational limitations, building comprehensive databases, and fostering collaboration among departments in crisis situations (Allam & Jones, 2021). Information technology infrastructure capabilities can help businesses be more responsive and adaptive in the face of various risks.

Effective digital infrastructure construction also contributes to improved economic livelihood (Kovacs-Györi et al., 2020). These include attracting mobile residents, activating capital, and strengthening the economic power of the city itself. A study by Guo et al (2023) even found that digital infrastructure has the most significant impact in improving economic resilience. Therefore, investment in information technology infrastructure capabilities is crucial for MSMEs to optimize their potential and competitiveness in the face of rapid business dynamics. The COVID-19 pandemic triggered a sharp economic downturn in 2020, with most industries experiencing significant declines. However, there were exceptions. The information and communication sector surged, growing from 9.8% to 10.88% between the first and second quarters of the year. Additionally, the agriculture sector continued to expand, albeit at a slower pace, increasing from 0.02% to 2.19% during the same period. Unfortunately, the pandemic had a devastating impact on small and medium-sized enterprises (SMEs), with a 57% decline in sales according to the Ministry of Cooperatives and MSMEs.

Based on information from the Financial Services Authority (OJK) and the Boston Consulting Group (BCG) in October 2020, around 75% of MSMEs and micro-enterprises that were survey respondents considered that COVID-19 had a significant impact and was also different from previous crises that had been experienced (OJK, 2020). Another 21%

admitted that they did not have a strong opinion on the previous crisis, while only 4% thought that COVID-19 did not have a big impact. A number of studies confirm that during the COVID-19 pandemic, it was recorded that 87.5% of MSMEs experienced the negative impact of the pandemic, especially the drastic decline in sales and only 12.5% of MSMEs in Indonesia were not affected by the pandemic (Victoria, 2021). Through data from the Ministry of Cooperatives and MSMEs, there are five kinds of impacts felt by MSMEs, namely reduced income, dismissal of employees, changes in operating hours, cuts in operating costs, and bankruptcy (Catriana, 2020).

Along with the economic downturn related to COVID-19, most MSMEs (79%) experienced a decline in corporate reputation as indicated by a sales deficit of more than 50% (Pakpahan, 2020). An empirical study of 206 MSMEs in DKI Jakarta and surrounding areas illustrates a striking correlation between business conditions and corporate reputation. With 82.9% of MSMEs experiencing a drastic decline in their business, while only 3.8% experienced growth, it is indicated that the majority of MSME players in the region are facing serious challenges (Bahtiar, 2021). This has resulted in many MSMEs incurring losses and subsequently bankruptcy or closure (Farhani and Chaniago, 2021; Senyonga, 2021), which has an impact on MSME reputation.

This negative impact is felt by various sectors and various business actors. Based on their character and organizational structure, MSMEs are the type of business units that experience the highest vulnerability when experiencing turbulence during the COVID-19 pandemic (Aldianto et al., 2021; Pakpahan, 2020). Small businesses suffered immensely during the COVID-19 crisis, with many forced to temporarily close and facing severe cash flow problems (T. H. Baker & Judge, 2020). The development of MSMEs has been held back by the turbulence during the pandemic, with the government issuing unpopular policies that have caused businesses to suffer further (Sheth, 2020). MSMEs generate between 0%-95% of employment, and contribute between 30%-50% to GDP (Islam, 2020).

According to empirical research, HR performance has a strategic impact on the extent to which a firm responds to challenges (Yoon, 2019). According to claims from Englert & Helmig (2018), HR decline will be related to organizational success and failure. Talent management is one of the hallmarks that can be used to explain the success of both high-level and low-level employees. The difficult conditions faced by MSMEs, especially during the COVID-19 pandemic, can be attributed to problems in talent management. MSMEs often have difficulty in responding effectively to market dynamics and uncertainty, which is largely influenced by problematic talent management.

In today's highly competitive business landscape, companies must differentiate themselves to succeed. A strong company reputation is one key factor that can set a business apart and enhance its value to shareholders (Lestari & Suryatimur, 2023). A strong company reputation can significantly boost product or service popularity. Increased market demand translates to higher sales, ultimately driving long-term profitability. Assessment of corporate reputation is crucial at this time. A good corporate reputation will encourage customers or consumers to make decisions to buy goods & services. A good corporate reputation also tells the number of customers and profits earned by the company. Companies using a good reputation will be highly evaluated by the market. The products/services produced will also be highly valued, because reputation has its own price. Therefore, in making or creating a good company reputation, talented and qualified human resources are needed.

This research introduces a new approach to measuring information technology infrastructure capability, building upon the framework established by Qin et al. in 2021.

Qin's study, which focused on the impact of IT infrastructure on new product development (NPD), treated IT capability as a standalone factor influenced by market knowledge. However, this perspective overlooks the crucial role of investment, digital technology, and talent management in shaping IT infrastructure's true potential. By considering these elements, our research aims to demonstrate how a robust IT infrastructure can foster business agility, leading to enhanced corporate reputation, innovation, and sustained growth. Unlike Qin's study, which primarily assessed the efficiency of NPD, our approach emphasizes the broader impact of IT infrastructure on a company's overall success.

Furthermore, as a follow-up step, modifications are needed in the measurement of Information Technology Infrastructure Capability with the addition of three new dimensions, each involving specific indicators. The first dimension is e-commerce infrastructure with two indicators, the second dimension is digital banking service infrastructure with two indicators, and the third dimension is digital network infrastructure with two indicators. With these additions, the measurement of Information Technology Infrastructure Capability has now grown to eight dimensions with a total of 20 indicators. The addition of the e-commerce infrastructure dimension to the Information Technology Infrastructure Capability variable is necessary with the consideration that in adopting e-commerce, MSMEs require essential technological resources, including a capable IT infrastructure (Harini et al., 2023). E-commerce adoption in MSMEs can improve corporate reputation (Shahadat et al., 2023). Research Akbar et al (2022) also supports that e-commerce infrastructure can improve the performance of MSMEs.

The addition of the digital banking infrastructure dimension to the ITI capability variable is necessary considering that digital banking infrastructure has the potential to increase bank lending to MSMEs by facilitating information sharing and creating shared risks (Chen, 2023; Qian et al., 2022). In developing countries, digital banking infrastructure is considered one of the most effective strategies for financial inclusion and business agility of MSMEs (Knaack & Gruin, 2021). Digital banking infrastructure, such as financial technology (fintech) opens up new opportunities to expand access to credit for MSMEs, thus supporting their business reputation (Cornelli et al., 2021).

The addition of the digital networking dimension to the information technology infrastructure (ITI) capability variable is necessary with the consideration that building networking capabilities and has great potential to make entrepreneurial-oriented MSMEs more innovative (Sarwar et al., 2021). Entrepreneurial-oriented MSMEs enhance the ability to detect and capitalize on potential opportunities and mitigate market threats by leveraging digital networking capabilities (Acosta et al., 2018), that can increase their capacity to transform existing operational processes. The literature links digital network capabilities with firm performance (Cenamor et al., 2019), knowledge management (Abbas et al., 2020), sustainable performance (Anser et al., 2020).

The IT Infrastructure Capability (ITIC) variable should be expanded to include software or digital financial applications. Software is essentially a set of instructions that computers follow to perform tasks. It serves as a digital repository for commands, documents, and other data. The use of applications or software is a factor that affects information technology infrastructure (Gupron et al., 2022). The use of financial management applications for financial reports for micro and macro businesses has been proven to help business actors to work on their financial reports effectively and efficiently (Ramadhani et al., 2022). So that the ability or capability is needed in running applications or software related to digital financial applications. Based on these empirical considerations,

in this study, the information technology infrastructure capability variable is measured using eight dimensions, namely data management services and architecture, network communication services, applications and services, information technology facility service operations, e-commerce infrastructure, digital banking service infrastructure, digital networking infrastructure and digital financial applications.

METHOD

This research uses a quantitative approach. The quantitative data in this study are the results of a questionnaire in the form of respondents' answers measured on a Likert scale. The data is included in primary data, because the data is taken directly from respondents on questionnaire statements distributed to MSMEs that have been running for at least 2 years before the pandemic, have a legal entity of at least CV, and have financial statements. Data regarding the number of MSMEs that have been running for at least 2 years before the pandemic, the business is engaged in the culinary business, has a minimum legal entity of CV and has financial statements in Indonesia are obtained from the MSMEs Facilitator in Java Bali and related references.

The unit of analysis in this study is a business entity that is included in the MSME category based on data from the Ministry of Cooperatives and MSMEs and the business entity has been running for 2 years before the pandemic, its business is in the culinary business, has a cv legal entity, and has financial reports in its business. Each entity will be represented by a respondent, so that 1 entity will generate 1 questionnaire data. The requirements for respondents who can represent the entity are business entity owners or employees who have been running for at least 2 years before the pandemic, their business is engaged in culinary business, has a business entity of at least CV, and has financial reports in the MSME. The population of this study were culinary MSMEs in Jakarta, Bandung, Semarang, Yogyakarta and Surabaya. Sampling using the cluster random sampling method. This method is an approach in which researchers randomize groups, not individuals directly. In this context, the research was conducted on the owners of culinary MSMEs in Java, which consisted of 5 clusters, namely Jakarta City, Bandung City, Semarang City, Yogyakarta, and Surabaya City. This method was chosen because it allows researchers to cover the entire group or cluster in a more efficient way, reduces the complexity of individual sampling, and provides a better representation of the population of Culinary MSMEs in the region. Thus, the results of this study are expected to reflect the variations that exist in each cluster, resulting in more representative findings regarding the business reputation of MSMEs in the region.

The research sample and target of this study also need to meet the following criteria:

- a. Culinary MSMEs that have been established for at least 2 (two) years before the Covid-19 pandemic.
- b. Culinary MSMEs with a minimum business entity of CV.
- c. Culinary MSMEs that have financial reports.

Based on the results of the cluster random sampling calculation, this study requires a sample size of 200 to achieve an adequate level of confidence in testing the hypotheses and analyzing the relationship between the variables involved. A sample size in this range will help ensure that the research results have a sufficient level of reliability to support the findings obtained. Data analysis was conducted using the Partial Least Square (PLS) method. Data were analyzed and interpreted using a two-step approach: assessment of the measurement model and structural model (Hair Jr et al., 2021). In evaluating measurement

models, the relevant criteria for reflective and formative constructs are different (Cheah et al., 2023).

For the reflective measurement model, the indicator load must be significant, with a value of at least 0.708. In addition, the measurement must be valid (i.e., convergent validity: mean extraction of variance, and discriminant validity: heterotrait-monotrait correlation ratio (HTMT)) as well as reliable (i.e., indicator reliability, Cronbach's alpha, rho A, and composite reliability). For the formative measurement model, (Hair Jr et al., 2021) recommend assessing convergent validity and checking for multicollinearity issues using the variance inflation factor. Hypothesis testing was conducted using the bootstrap resampling method. This method was developed as a tool to help reduce the unreliability associated with the misuse of the normal distribution and its use (Sholiha & Salamah, 2015).

Test decision:

- a. If $t\text{-statistic} > t\text{-table}$, and the significance $p\text{-value}$ is smaller than 0.05 or $\alpha < 5\%$ then H_1 is accepted and H_0 is rejected, meaning the relationship between variables is significant. Hypothesis conclusion: "There is a significant relationship between the independent variable and the dependent variable. This means that the hypothesis is accepted".
- b. If $t\text{-statistic} < t\text{-table}$, and the significance $p\text{-value}$ is greater than 0.05 or $\alpha > 5\%$ then H_0 is accepted and H_1 is rejected, meaning the relationship between variables is not significant. Hypothesis conclusion: "There is no significant relationship between the independent variable and the dependent variable. This means that the hypothesis is rejected".

RESULTS AND DISCUSSION

1.1 Results

Questionnaire Distribution Procedure

The study aimed to collect 200 completed questionnaires from Culinary MSMEs with financial reports. While initially 307 individuals responded to the online survey, the sample was refined to meet the specific criteria. After excluding those who were not Culinary MSMEs (39 respondents) and those without financial reports (65 respondents), the final sample consisted of 200 participants. These respondents provided data on digital technology, talent management, business agility, information technology infrastructure capabilities, and company reputation.

Respondent Overview

Table 2 shows that based on the gender category, male respondents dominate in this study as many as 115 people or 57.5%. Then based on the final education category, it is dominated by respondents with a high school / equivalent final education as many as 97 people or 48.5%. Furthermore, the domicile category is dominated in the Special Region of Jakarta (Jabodetabek) area as many as 51 people or 25.2%. When viewed from business capital, it is dominated by a range of business capital of less than Rp. 50,000.000 as many as 168 respondents or 84%. Furthermore, from the category of gross income that dominates in this study is below Rp. 25,000,000 as many as 167 people or 83.5%.

According to Law No. 20 of 2008 concerning Business Size, for the category of Micro Businesses, Small Businesses and Medium Business funds can be seen from Business Capital (excluding land and buildings). In table 1, data analysis calculations are carried out based on data that has been obtained during the research period. The analysis will be divided

into two, namely descriptive analysis and hypothesis testing to analyze the effect of digital technology, talent management, on corporate reputation mediated by business agility and moderated by information technology infrastructure capabilities.

Analysis of Research Results

Table 1: Fornell Lacker Criterion Test

	AB*ITIC	Business agility	ITIC	Talent Management	Company reputation	Digital Technology
AB*ITIC	1,000					
Business agility	0,049	0,849				
ITIC	-0,035	0,805	0,840			
Talent Management	0,330	0,516	0,500	0,842		
Company reputation	0,380	0,651	0,618	0,730	0,820	
Digital Technology	0,233	0,595	0,649	0,598	0,722	0,860

Description: The bolded value is the square root value of AVE

The Fornell-Lacker test results indicate that each construct is distinct from the others. This is because the AVE for each construct is greater than the shared variance between that construct and any other construct.

R-Square Test

Table 2: R-Square Testing Results

	R Square	R Square Adjusted
Business agility	0,394	0,387
Company reputation	0,727	0,720

Source: PLS Processed Data, 2024

Based on the table above, it can be seen that the R-square value for the business agility variable is 0.394. This shows that business agility can be explained by 39.4% by digital technology and talent management variables. While the remaining 61.3% is influenced by other variables not examined. The R-square value for the company reputation variable is 0.727. This shows that company reputation can be explained by 72.7% by digital technology variables, talent management, business agility and moderation of information technology infrastructure capabilities.

Partial Hypothesis Test

The following are the results of the partial hypothesis test recapitulation in this study.

Table 3: Partial Hypothesis Test Recapitulation Results

Variable	Original Sample (O)	T Statistics (O/STDEV)	P Values	Kesimpulan Hipotesis
Talent Management -> Business agility	0,249	2,835	0,005	Accepted
Digital Technology -> Business agility	0,446	5,488	0,000	Accepted
Talent Management -> Company reputation	0,333	5,003	0,000	Accepted

Variable	Original Sample (O)	T Statistics (O/STDEV)	P Values	Kesimpulan Hipotesis
Digital Technology -> Company reputation	0,282	3,064	0,002	Accepted
Business agility -> Company reputation	0,229	2,227	0,023	Accepted
ITIC -> Company reputation	0,192	2,139	0,035	Accepted

A variable is said to have a significant influence on other variables if it has a t-statistic greater than 1.96 or a p-value that is less than 0.05. Referring to the recapitulation results in the table, it can be seen that digital technology and talent management directly have a positive and significant effect on business agility ($p < 0.05$). Then the same thing can be seen that digital technology, talent management and information technology infrastructure capabilities directly have a positive and significant effect on corporate reputation ($p < 0.05$).

Mediation Hypothesis Test

Table 4: Partial Hypothesis Test Recapitulation Results

Variable	Original Sample (O)	T Statistics (O/STDEV)	P Values	Hypothesis Conclusion
Talent Management -> Business agility -> Company reputation	0,249	2,835	0,005	Accepted
Digital Technology -> Business agility -> Corporate reputation	0,446	5,488	0,000	Accepted

Source: PLS Processed Data, 2024

Similar to the partial hypothesis test, the mediation test in this study is by comparing the t-statistic with 1.96 or the p-value with 0.05. Based on the test results, it can be seen that business agility is not able to mediate the relationship between talent management and corporate reputation because it has a t-statistic value that is less than 1.96, which is 1.549. However, business agility is able to significantly mediate the relationship between digital technology and corporate reputation because it has a t-statistic value of 2.131 where this value is greater than 1.96. The type of mediation on digital technology variables is partial mediation.

Moderation Hypothesis Test

Table 5: Partial Hypothesis Test Recapitulation Results

Variable	Original Sample (O)	T Statistics (O/STDEV)	P Values	Hypothesis Conclusion
AB*ITIC -> Company reputation	0,182	3,602	0,000	Accepted

Source: PLS Processed Data, 2024

Referring to the recapitulation results in the table, it can be seen that information technology infrastructure capability can moderate the effect of business agility on corporate reputation. This can be seen from both the t-statistic value and the p-value, both of which meet the significant requirements. From all these tests, the structural equation can be made as follows.

$$AB = 0,446*TD + 0,249*MT + 61,6; R^2 = 0,394 \dots\dots\dots (1)$$

$$RP = 0,282*TD + 0,333*MT + 0,182*ABITIC + 27,3; R^2 = 0,727 \dots\dots\dots (2)$$

Sensitivity Test

Table 6: Partial Hypothesis Test Recapitulation Results

Variable	Final Model			Initial Model (Sensitivity)		
	Path	T-Stat	Desc.	Path	T-Stat	Desc.
Partial Hypothesis						
Talent Management -> Business Agility	0,249	2,835	Accepted	0.249	2.696	Accepted
Digital Technology -> Business agility	0,446	5,488	Accepted	0.446	5.407	Accepted
Talent Management -> Company reputation	0,333	5,003	Accepted	0.336	3.987	Accepted
Digital Technology -> Company reputation	0,282	3,064	Accepted	0.276	3.02	Accepted
Business agility -> Company reputation	0,229	2,227	Accepted	0.221	2.282	Accepted
ITIC -> Company reputation	0,192	2,139	Accepted	0.201	2.314	Accepted
Mediation Hypothesis						
Talent Management -> Business agility -> Corporate reputation	0,057	1,549	Rejected	0.055	1.545	Rejected
Digital Technology -> Business agility -> Corporate reputation	0.102	2.131	Accepted	0.098	2.135	Accepted
Moderation Hypothesis						
AB*ITIC -> Company reputation	0,182	3,602	Accepted	0.179	3.886	Accepted
R ² (Coefficient of Determination)	R² = 0.727			R² = 0.726		

In this table, the conclusion between the initial model and the final model is the same, where there is 1 hypothesis that is rejected and the rest can be accepted. However, when viewed from the coefficient of determination (R²) value, it can be seen that the final model has a higher value than the initial model. So that means the addition of indicators is slightly better than the initial model. From both models, it can also be seen that partially, information technology infrastructure capability is not significant in influencing corporate reputation. This can be seen from the t-statistic value in both models greater than 0.05. Even so, the information technology infrastructure capability variable is able to be a significant moderator in both models.

Expansion Test

Table 7: Expansion Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.085	1.377		2.240	.026
	ITIC1	.687	.239	.185	2.875	.004
	ITIC2	1.805	.384	.258	4.694	.000
	ITIC3	1.002	.296	.223	3.391	.001

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	ITIC4	-.012	.337	-.003	-.035	.972
	ITIC5	.385	.424	.056	.907	.365
	ITIC6	1.239	.332	.186	3.730	.000
	ITIC7	.806	.385	.115	2.094	.038
	ITIC8	.022	.260	.004	.086	.932
	Business Capital	.457	.541	.024	.845	.399
	Profit	-.566	.518	-.030	-1.092	.276
a. Dependent Variable: Company Reputation						

In the results of the expansion test calculation, the regression equation for the information technology infrastructure capability variable on company reputation can be made as follows.

$$RP = 3,085 + 0,687IT1 + 1,805IT2 + 1,003IT3 - 0,012IT4 + 0,385IT5 + 1,239IT6 + 0,806IT7 + 0,022IT8 + 0,457MU - 0,566LU$$

Then based on the t test probability test analysis, it can be seen that of the 8 dimensions in the information technology infrastructure capability variable, there are 5 dimensions that significantly affect the company's reputation, namely the IT1, IT2, IT3, IT6 and IT7 dimensions. This can be seen from the significance value (sig) which is smaller than 0.05 and the calculated t value which is greater than 1.96. Meanwhile, other dimensions are not significant in influencing reputation, including the variables of capital and business profit. Then to see the amount of influence can be seen from the coefficient of determination as follows.

Table 8: Expansion Test Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.948a	.900	.894	2.31643
a. Predictors: (Constant), Profit, ITIC5, Business Capital, ITIC8, ITIC2, ITIC6, ITIC3, ITIC7, ITIC1, ITIC4				

The coefficient of determination (R²) ranges from 0 to 1 where the closer to 1 it is, the greater the independent variable affects changes in variable Y (company reputation). Based on the results of these calculations, it can be seen that the coefficient of determination for the expansion test is 0.900, which means that the information technology infrastructure capability variable and the control variable can simultaneously affect the company's reputation by 90.0%. This indicates that 90% of reputation variables are influenced by the dimensions of information technology infrastructure capability, venture capital and operating profit.

1.2 Discussion

Digital Technology Has a Positive and Significant Effect on Company Reputation

The partial hypothesis test results in table 8 show that digital technology has a positive and significant influence on corporate reputation. This is because the test results have a p-value that is less than 0.05. Thus, the first hypothesis (H1) which states that there is a positive and significant relationship between digital technology and corporate reputation can be accepted. The results of this study support research that has been conducted (Hu, 2020; Grebe & Lindie, 2024) which states that digital technology has a positive and significant effect on corporate reputation, where the effect is more pronounced in large companies, SOEs, mature companies, and non-manufacturing (service) companies. By utilizing digital technology and social media appropriately, it will support efforts to maintain the company's reputation, especially increasing the image and positive public perception of the company.

Talent Management Has a Positive and Significant Effect on Company Reputation

The findings presented in Table 8 confirm a strong, positive relationship between talent management and corporate reputation. The statistical analysis, with a p-value below 0.05, supports the hypothesis that talent management positively impacts corporate reputation. These results align with previous studies (Salih & Alnaji, 2014; Dahshan et al., 2018; Aina & Atan, 2020; Almaaitah et al., 2020 Hariadi, Muhammad, & Falefi, 2020; Al-Awamleh, Hamdan, & Khlaifat, 2022). In essence, effective talent management strategies can significantly enhance a company's reputation.

Digital Technology Has a Positive and Significant Effect on Business Agility

Many studies state that digital technology affects business agility, both directly and indirectly, including research by J. Zhang et al. (2021); Lovely, Ottomosoe, & Devie (2021); Saputra et al. (2022); and Saleh & Saad (2023). Digital technology can enable agility through digitalization, especially in business activities related to external cooperation. Digital technology is also an important component for companies to take steps in the face of change (Setiawati et al., 2022). If an organization can make the most of digital technology, it can be more adaptive, creative, and resilient in the face of complexity, uncertainty, and unpredictable business changes.

The results of this study also support these studies. Based on the partial hypothesis test in table 8, it is found that digital technology has a positive and significant effect on business agility. This is because the test results have a p-value that is less than 0.05. Thus, the third hypothesis (H3) which states that there is a positive relationship between digital technology and business agility can be accepted.

The literature review on Organizational Citizenship Behavior provides a foundation for addressing the research questions. By synthesizing previous studies, the authors present a conceptual framework outlining the relationships between key variables, as detailed in Table 1.

Talent Management Has a Positive and Significant Effect on Business Agility

Based on the partial hypothesis test results in table 8, it is evident that talent management has a positive and significant effect on business agility. This is because the test results have a p-value that is less than 0.05. Thus, the hypothesis that there is a positive relationship between talent management and business agility is accepted. This result also supports research by Muduli (2016) and Pratamasari (2019) which states that there is a positive and significant influence between talent management and business agility. If talent

management is well implemented in an organization, the organization can be more adaptive, creative, and resilient in the face of complexity, uncertainty, and unpredictable business changes.

Agility Has a Positive and Significant Effect on Company Reputation

The results in Table 8 show a clear and positive link between business agility and corporate reputation. This relationship is statistically significant as indicated by a p-value less than 0.05. Consequently, the fifth hypothesis (H5) proposing a positive association between these two variables is supported by the data.

The results resonate with Majlesi & Sajjad (2015) uncovered that business agility has a positive influence on corporate reputation. In this study, there are 4 dimensions to measure business agility, namely responsiveness, competence, flexibility, and speed. Of the four dimensions, it is found that competence and flexibility have the greatest impact on corporate reputation. Therefore, these two dimensions can be prioritized for organizations to improve corporate reputation.

Information Technology Infrastructure Capability Can Strengthen the Effect of Business Agility on Corporate Reputation

The partial hypothesis test results in table 8 show that information technology infrastructure capability has a positive and significant influence on corporate reputation. This is because the test results have a p-value that is less than 0.05. In addition, the moderation hypothesis test results in table 6 show that information technology infrastructure capability is able to moderate the relationship between business agility and corporate reputation. This is because the test results have a p-value that is less than 0.05. Thus, the sixth hypothesis (H6) which states that information technology infrastructure capability is able to moderate the relationship between business agility and corporate reputation can be accepted.

This result is back up Saputra & Abdullah (2022) uncovered that information technology infrastructure capability has a positive influence on organizational performance which in turn will affect the company's reputation. MSMEs that utilize digital network capabilities (Acosta et al., 2018), can increase their capacity to transform digital processes thereby strengthening their business agility with an impact on corporate reputation (Cenamor et al., 2019). The research results of Rabbi, et al (2021) and Chen, et al (2023) confirm that business agility strengthened by digital banking infrastructure capabilities has the potential to increase bank lending to MSMEs which supports MSME reputation.

Influence of Control Variables of Operating Capital and Operating Profit on Corporate Reputation

From the expansion test results, there are 5 dimensions in the information technology infrastructure capability variable that have a significant effect on corporate reputation. The five dimensions consist of digital financial applications, digital networking infrastructure, digital banking service infrastructure, applications and services, and network communication services. Based on table 9, the expansion test by only considering the control variable of operating profit has a coefficient of determination of 89.9%. Meanwhile, table 9 shows that the expansion test by considering the control variables of venture capital and operating profit has a coefficient of determination of 90%. This means that the effect of using venture capital and operating profit by only using operating profit as the control variable

tends to be the same.

CONCLUSION

Based on the discussion previously described, the research conclusions are as follows, Digital technology has a direct, positive, and significant effect on corporate reputation. Digital technology can digitize copying, linking, simulation, and feedback to measure various aspects of the business. By doing so, digital technology allows MSMEs to improve efficiency in the use of resources. Clear indicators and quantitative data allow for analysis and optimization. In addition, management can also be refined down to every detail thereby improving the overall level of the company's operations. Digital technology allows companies to communicate more openly and transparently with various parties, including customers, employees, investors, and society. Proper and maximum utilization of digital technology can support efforts to maintain the company's reputation, in particular improving the image and positive public perception of the company.

Talent management has a direct, positive, and significant effect on corporate reputation. Identifying the gap between the talents of existing human resources and the needs that drive the business to be successful and then developing them is very important to improve the company's reputation. If talent management is well implemented in an organization, in this case MSMEs, then the company's reputation in the eyes of employees, investors, customers, and the community will be better.

Digital technology has a positive and significant effect on business agility. MSMEs can invest their cost budget in digital technology to increase their business agility. MSMEs with greater investment in digital technology will tend to be more agile in dealing with environmental changes. Talent management has a positive and significant effect on business agility. By implementing proper talent management practices, MSMEs can ensure that they have the right employees with the necessary skills and leadership qualities to keep the business agile in the face of dynamic markets, technologies and business environments.

Business agility has a direct, positive and significant effect on corporate reputation. A company's ability to demonstrate its agility and be able to sense and respond to market changes can sustain and improve performance. Agility is also very important, not only for the survival of the company, but also to succeed and win in the market. The higher the agility and adaptivity of an MSME in the face of change, the better the public perception of the MSME. Information technology infrastructure capability is able to strengthen the influence of business agility on corporate reputation. MSMEs equipped with information technology infrastructure tend to be more prepared and adaptive in the face of unpredictable changes. Utilizing digital network capabilities can increase the capacity of MSMEs to transform digital processes thereby strengthening their business agility which ultimately has an impact on corporate reputation.

Of the 8 dimensions in the information technology infrastructure capability variable, there are 5 dimensions that have a significant effect on corporate reputation. The five dimensions consist of digital financial applications, digital networking infrastructure, digital banking services infrastructure, applications and services, and network communication services. In addition, the use of venture capital as a control variable does not really affect the company's reputation. This can be seen from the coefficient of determination which tends to be the same between models that use the control variables of venture capital and operating profit and models that only use operating profit as the control variable.

From the analysis, the regression equation is obtained. From the regression equation, talent management has the largest regression coefficient. This means that talent management has the most power to influence the dependent variable, which is company reputation. In addition, in table 4.24, it is found that talent management has the smallest p-value, which is 0.000. This means that talent management is the variable that has the most significant impact on corporate reputation.

Given the evidence, it is proposed that future research explore the relationship between the studied variables across different industries and countries to assess their generalizability. This would involve examining how industry-specific challenges and opportunities impact corporate reputation. Additionally, investigating other factors that might influence the connection between talent management and corporate reputation could provide deeper insights into their indirect effects.

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