

21ST-CENTURY COMPETENCIES AS DRIVERS OF BUSINESS COMPETITIVENESS AND GROWTH

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Abstract. The era of globalization and digitalization has significantly transformed the ecosystem of Micro, Small, and Medium Enterprises (MSMEs), including those in Bandung City, which is recognized as a creative economy hub. This study aims to analyze the influence of 21st Century Competencies on MSME competitiveness and business growth. The competencies examined include critical thinking, creativity, communication, collaboration, and digital literacy. An explanatory survey method was employed, involving 143 MSME respondents from the fashion, culinary, and handicraft sectors. Data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) to test the relationships among variables. The findings reveal that 21st Century Competencies have a positive and significant impact on both competitiveness and business growth. Additionally, competitiveness significantly contributes to the growth of MSMEs in Bandung. The R^2 value of 0.579 for business growth indicates that competencies and competitiveness simultaneously explain nearly 58% of its variability. These results support previous studies emphasizing the critical role of entrepreneurial competencies and competitiveness in building competitive advantage and business sustainability. The study suggests the need to strengthen 21st Century Competencies through digital literacy training, innovation development, and strategic partnerships to enhance MSMEs' adaptability in facing global market transformation.

Keywords: 21st Century Competencies, Competitiveness, Business Growth, MSMEs, Bandung
