Enhancing the Competitiveness of the Creative Industry in Gorontalo: The Mediating Role of Organizational Innovation in Human Resource Competencies

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Abstract

While the creative industry is vital for sustainable economic growth, the specific mechanisms through which human resource competence enhances competitiveness particularly the mediating role of organizational innovation at the local level remain underexplored. This study investigates how human resource competence influences the competitiveness of the creative industry in Gorontalo Province, Indonesia, with organizational innovation as a mediating variable. Survey data were collected from 150 local creative entrepreneurs across subsectors including culinary, fashion, handicrafts, and digital creative services. A quantitative approach using Structural Equation Modeling with Partial Least Squares (PLS-SEM) was applied. The findings indicate that human resource competence has a positive and significant direct effect on industrial competitiveness and also significantly enhances organizational innovation. Critically, the results confirm that organizational innovation functions as a partial mediator, indirectly channeling human resource capabilities to boost competitiveness. For policymakers and local governments, these findings imply that regional creative industry development requires a dual approach: first, comprehensive programs to strengthen human resource competence (e.g., skills training and capacity building), and second, creating a supportive environment that enables individual capabilities to translate into organizational innovation (e.g., innovation grants and collaborative workspaces). This integrated strategy is essential for maximizing competitive advantage in the local creative economy.

Keywords: Creative Industry, Gorontalo Province, Industrial Competitiveness, Human Resource Development, Organizational Innovation

Received: April 19, 2026
Revised: May 7, 2026
Accepted: June 17, 2026

Introduction

The creative industry has emerged as a major driver of global economic growth due to its significant contributions to innovation and job creation. However, developing excellent human resources (HR) is crucial to realizing this potential (Shahzad et al., 2025). In order to be

DOI: https://doi.org/10.47667/ijppr.v7i2.469

competitive in the post-COVID-19 era, stakeholders in the creative business must overcome a number of new obstacles that call for innovative entrepreneurial approaches (Sasongko et al., 2018). Micro, Small, and Medium-Sized Enterprises (MSMEs) in the creative industry sometimes face difficult management issues in this setting (Fitri, 2024).

Effective human resource management (HRM) has become essential to increasing productivity in the quickly growing creative industry, especially in emerging countries like Indonesia (Octaviani et al., 2024). In addition to creating a positive work atmosphere, strategic HRM is essential for luring top talent and inspiring workers, which promotes peak performance in this extremely fast-paced industry especially considering the significant impact of technology (Septiana et al., 2023).

The development of skilled human resources (HR) and organizational innovation are essential cornerstones for attaining sustainable competitiveness in the ever-changing creative sector. Research by Halim et al. (2023) has underscored the importance of HR competencies as drivers of innovation and enhanced competitiveness. However, it has not specifically elaborated on the deeper mechanisms of how human capital concretely influences organizational innovation objectives. Furthermore, the long-term impacts of HR investments and their varying effects across different sectors remain under-investigated, limiting the generalizability of findings (Thakur et al., 2024).

Various studies have confirmed the close relationship between HR competencies and organizational competitiveness. Prior research indicates that highly competent human resources encompassing technical knowledge, managerial skills, and adaptability directly contribute to improvements in product and service quality, which in turn strengthens an entity's competitive position (Wakhyuni & Rafianti, 2024). Similarly, organizational innovation has also been recognized as a critical element in creating sustainable competitive advantage. Innovation can manifest in the form of product, process, or business model innovations, all of which are essential in addressing market challenges (Wahyudiono et al., 2024).

However, there is a gap in the literature, especially when it comes to analyzing organizational innovation's mediating function in bridging the gap between HR competencies and competitiveness. This is especially true when looking at the creative industry in particular regions like Gorontalo Province. Without comprehensively integrating all three into a single mediation framework, the majority of research tends to examine the direct links between individual variables, such as HR competencies and competitiveness or innovation and competitiveness.

In these kinds of investigations, quantitative methods like regression analysis and structural equation modeling (SEM) are frequently used (Le, 2024). A frequent weakness in prior models lies in the lack of comprehensive modeling that can explicitly explain the indirect mechanisms through which HR competencies influence competitiveness via innovation. Nonetheless, the strength of this method is its ability to identify causal relationships among variables, although valid interpretation requires a solid theoretical foundation.

Thus, this study seeks to address this literature gap by conducting an in-depth investigation into the mediating role of organizational innovation in the relationship between HR competencies and the competitiveness of the creative industry in Gorontalo Province. The main

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hypothesis put out is that improved HR competences can successfully spur greater competitiveness in the creative business through organizational innovation. This study enables the testing of a sophisticated and thorough mediation model by using a quantitative method with Structural Equation Modeling (SEM) for data analysis.

By definition, Human Resource Development (HRD) serves as a framework for enhancing employees' personal capabilities, professional skills, and knowledge through training, career development, mentoring, and performance management (Armstrong & Taylor, 2023). As noted human resource development constitutes a vital investment that requires adequate funding, with an emphasis on technology training and fostering a culture conducive to continuous learning. This is because effective human resource management not only cultivates a competent workforce but also nurtures innovation and creativity (Harianto, 2024).

Human resource development ought to be regarded as a strategic organizational priority in the context of modern business dynamics. This is accomplished by creating a corporate culture that encourages continuous learning and allocating a proportionate amount of funds for technology-based training initiatives This viewpoint is in line with that of Đurić et al. (2021), who support an integrated strategy in which innovation and human resources serve as two major drivers that reinforce one another and improve overall organizational performance while fostering long-term global competitiveness. As builders of this change, HR leaders have a critical role in this situation.

Innovation is intrinsically quite symbolic and intangible in the creative industry (OBE et al., 2023). Di Novo et al. (2022) This trait arises because the creative process in this industry depends more on informal and adaptive innovation methods. Corporations must take a comprehensive approach to innovation, emphasizing customer-centric tactics just as much as technology growth. In reality, drawing in customers and setting yourself out from the competition requires a strong emphasis on innovation in both product design and customer experience.

In adapting to evolving and rapid innovation demands, the imperative for skill enhancement becomes inescapable. This is particularly crucial within the context of Creative Innovation, which is intrinsically highly skilled. Therefore, for individuals and organizations to not only survive but also excel in the competitive landscape, continuous skill upgrading is a fundamental prerequisite (Fazio, 2019). Integrating innovation into the core of business operations is no longer the exclusive responsibility of specific departments such as R&D, marketing, or production. Successful implementation actually depends on comprehensive collaboration involving all functional departments from human resources and finance to operations to ensure the innovation strategy can be executed coherently and receives full support across the entire organization.

The development of competitiveness in the creative industry has been a focal point of study for various experts employing multidimensional approaches. Conceptually, the foundation of the creative economy was established by Howkins who emphasized creativity and intellectual property as core capital. This perspective was complemented by Florida (2004) theory on the strategic role of the "creative class" in driving economic growth. Aspects of human resources and creativity management received specific attention from DeFillippi et al. (2007) who

DOI: https://doi.org/10.47667/ijppr.v7i2.469

highlighted the importance of creating work environments that support experimentation and cross-functional collaboration.

At the organizational level, the concept of dynamic capabilities proposed by Teece (2010) serves as a key framework for creative companies to adapt and innovate within rapidly changing environments. A study by Mahrinasari et al. (2024) explains that the advancement of creative industry competitiveness is heavily influenced by Entrepreneurial Orientation and Entrepreneurial Marketing, which foster innovation and market responsiveness. However, the effectiveness of Entrepreneurial Orientation and Entrepreneurial Marketing is significantly influenced by external factors. The creative industry has evolved into a strategic driver of economic transformation. The progression of the creative economy has thus become a strategic imperative for the creation of sustainable employment.

This study offers several significant contributions to the existing literature. While previous research has extensively examined the direct relationships between human resource competencies, organizational innovation, and competitiveness separately, this investigation introduces novelty by proposing and empirically testing a comprehensive mediation model that integrates all three constructs within a single analytical framework. Specifically, it uniquely positions organizational innovation as a critical mediating mechanism through which enhanced HR competencies translate into heightened competitiveness within the creative industry.

Furthermore, it addresses a notable contextual gap by focusing its inquiry on the creative industry in Gorontalo Province, a specific region in Eastern Indonesia that remains underexplored in academic discourse. By applying advanced quantitative analysis through Structural Equation Modeling (SEM), this research moves beyond examining isolated relationships to provide a more nuanced, holistic understanding of the causal pathways that drive competitive development in a localized creative economy context, thereby offering both theoretical refinement and regionally relevant strategic insights.

Methods

To investigate the correlations between variables, this study uses a survey method in conjunction with a quantitative approach. Closed-ended questionnaires on a 5-point Likert scale were used to gather data from Gorontalo Province's creative industry participants both online and offline. The primary data source consisted of 150 business owners or managers selected through purposive sampling based on the criteria: businesses actively operating for at least one year and engaged in official creative subsectors. Prior to analysis, the questionnaire was tested for validity and reliability. Data analysis was conducted using Structural Equation Modeling - Partial Least Squares (SEM-PLS) with SmartPLS 4.0 software. This method was chosen for its suitability for predictive models, non-normally distributed data, and relatively small sample sizes. In order to determine the validity and reliability of the instruments, the measurement model was evaluated. Then, the structural model was tested to examine both direct and indirect relationships between variables, including the mediating effect of organizational innovation through bootstrapping procedures.

Result and Disscusion

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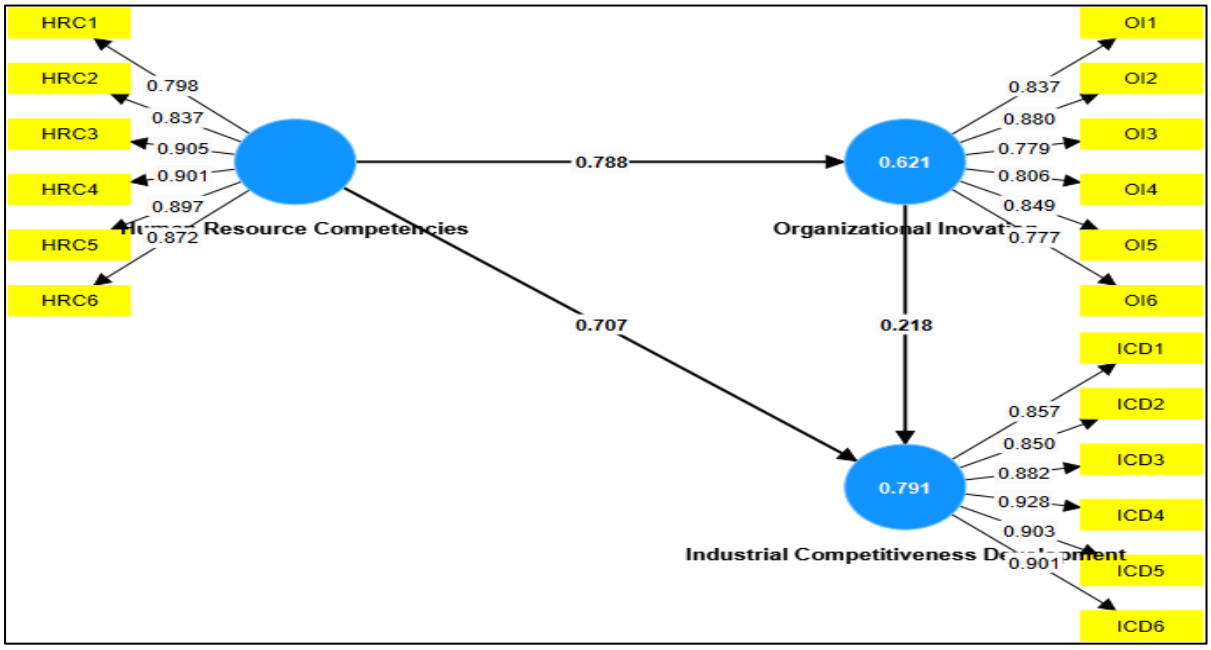

Figure 1. Outer Research Model

Table 1. Outer VIF

Indicator	VIF
HRC1	2.292
HRC2	2.436
HRC3	3.911
HRC4	4.069
HRC5	4.280
HRC6	3.018
ICD1	2.895
ICD2	2.752
ICD3	3.242
ICD4	3.466
ICD5	4.671
ICD6	4.654
OI1	2.545
OI2	3.228
OI3	2.757
OI4	2.981
OI5	2.628
OI6	1.938

Source: Author Processed, 2026

A Variance Inflation Factor (VIF) value below the threshold of 5 implies no significant evidence of multicollinearity among the indicators in the model, according to the standards set

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by Hair et al. All indicators in this study had VIF values between 1.938 and 4.671, according to the analysis's findings. Thus, it can be said that there were no significant multicollinearity problems among the variables. Because each indication contributes independently and uniquely to the latent variable it reflects, this discovery enhances the validity of the measurement constructs.

Validity Convergent

Table 2. Validity Convergent Outer Loading

Code Variable	Human Resource Competencies	Industrial Competitiveness Development	Organizational Innovation
HRC1	0.798		
HRC2	0.837		
HRC3	0.905		
HRC4	0.901		
HRC5	0.897		
HRC6	0.872		
ICD1		0.857	
ICD2		0.850	
ICD3		0.882	
ICD4		0.928	
ICD5		0.903	
ICD6		0.901	
OI1			0.837
OI2			0.880
OI3			0.779
OI4			0.806
OI5			0.849
OI6			0.777

Source: Author Processed, 2026

An indicator is considered to meet convergent validity if its outer loading value is at least 0.70, according Hair's testing requirements. According to the study's analysis results, every indicator for every construct had outer loading values over this cutoff, ranging from 0.777 to 0.928. These findings imply that every indicator utilized significantly and strongly reflects the constructs for which it was designed, showing that the measurement model's convergent validity has been met.

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Table 3. Average Variance Extracted

Variabel	Average variance extracted (AVE)
Human Resource Competencies	0.755
Industrial Competitiveness Development	0.787
Organizational Innovation	0.676

Source: Author Processed, 2026

The Average Variance Extracted (AVE) test was used to assess convergent validity at the construct level. By the criterion established by Fornell & Larcker (1981), a construct can account for more than half of the variance of its indicators if its AVE value is at least 0.50. The analytical results show that all of the study's constructs—Human Resource Competencies (0.755), Industrial Competitiveness Development (0.787), and Organizational Innovation (0.676) meet this requirement. This outcome confirms the previous conclusion that the measurement model in this study has good convergent validity since each construct consistently illustrates its underlying indications and meets the requirements for precision in latent variable measurement.

Discriminant Validity

Table 4. Cross Loadings

Code Variable	Human Resource Competencies	Industrial Competitiveness Development	Organizational Innovation
HRC1	0.798	0.635	0.636
HRC2	0.837	0.726	0.735
HRC3	0.905	0.839	0.667
HRC4	0.901	0.787	0.670
HRC5	0.897	0.809	0.660
HRC6	0.872	0.773	0.741
ICD1	0.787	0.857	0.668
ICD2	0.738	0.850	0.706
ICD3	0.766	0.882	0.683
ICD4	0.836	0.928	0.687
ICD5	0.762	0.903	0.707
ICD6	0.786	0.901	0.677
OI1	0.759	0.665	0.837
OI2	0.737	0.677	0.880
OI3	0.441	0.488	0.779
OI4	0.482	0.540	0.806
OI5	0.621	0.669	0.849
OI6	0.734	0.717	0.777

Source: Author Processed, 2026

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According to Hair, the cross-loadings test is conducted with the criterion that an indicator's loading on its own construct must be higher than its loading on any other construct. Based on Table 4, all indicators meet this criterion. For instance, indicator HRC3 has its highest loading on the Human Resource Competencies construct (0.905) compared to its loadings on other constructs (0.839 and 0.667). Similarly, indicator ICD4 shows its greatest loading on the Industrial Competitiveness Development construct (0.928) compared to other constructs (0.836 and 0.687). This consistent pattern is also evident across all indicators of the Organizational Innovation construct.

Table 5. Fornell Lacker

	Human Resource Competencies	**Industrial Competitiveness Development**	**Organizational Innovation**
Human Resource Competencies	0.869		
Industrial Competitiveness Development	0.879	0.887	
Organizational Innovation	0.788	0.775	0.822

Source: Author Processed, 2026

a model is considered to have discriminant validity if each construct's square root of the Average Variance Extracted (AVE) is greater than its correlation coefficients with other constructs. Human resource competences, industrial competitiveness development, and organizational innovation had square roots of AVE of 0.869, 0.887, and 0.822, respectively, based on the results of the investigation. The table's inter-construct correlation coefficients are less than these figures.

Reliability Test

Table 6. Cronbach's Alpha & Composite Reliability

	Cronbach's alpha	**Composite reliability (rho_a)**
Human Resource Competencies	0.935	0.937
Industrial Competitiveness Development	0.946	0.946
Organizational Innovation	0.905	0.915

Source: Author Processed, 2026

According to the criteria based on the norms recommended by Hair, a minimum Cronbach's Alpha and Composite dependability (rho_a) score of 0.70 denotes an acceptable level of dependability. The analysis's conclusions demonstrate that all of the study's constructs meet the dependability standards, with values far above the minimal level. The construct of Human Resource Competencies received a Cronbach's Alpha value of 0.935 and a Composite Reliability of 0.937. The Industrial Competitiveness Development construct produced a value

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of 0.946 for both criteria. With a Cronbach's Alpha of 0.905 and a Composite Reliability of 0.915, the Organizational Innovation construct also demonstrated outstanding consistency.

Evaluation of Structural Model

Table 7. R Square Test Results

	R-square	R-square adjusted
Industrial Competitiveness Development	0.791	0.788
Organizational Innovation	0.621	0.619

Source: Author Processed, 2026

The model's predictive strength is indicated by a greater R-square value, which goes from 0 to 1. According to the analysis results, the Organizational Innovation variable has an R-square value of 0.621 (adjusted R-square 0.619), indicating that Human Resource Competencies account for 62.1% of the variation in organizational innovation. The R-square score for Industrial Competitiveness Development, on the other hand, is 0.791 (adjusted R-square 0.788), meaning that Organizational Innovation and Human Resource Competencies can account for 79.1% of the variation in industrial competitiveness development.

Table 8. Path Coeficients

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Human Resource Competencies -> Industrial Competitiveness Development	0.707	0.693	0.090	7.878	0.000
Human Resource Competencies -> Organizational Inovation	0.788	0.788	0.049	16.237	0.000
Organizational Inovation -> Industrial Competitiveness Development	0.218	0.229	0.081	2.706	0.007

Source: Author Processed, 2026

All of the suggested study hypotheses are substantially validated by the path coefficient test results. With a path coefficient of 0.707 ($t = 7.878$; $p < 0.001$), human resource competencies have a substantial and considerable direct impact on the development of industrial competitiveness. Additionally, with a path coefficient of 0.788 ($t = 16.237$; $p < 0.001$), Human Resource Competencies also have a substantial impact on Organizational Innovation. Industrial Competitiveness Development is highly impacted by Organizational Innovation, albeit the effect magnitude is smaller (path coefficient 0.218; $t = 2.706$; $p = 0.007$), according to additional testing.

Table 9. Indirect Effect

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	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Human Resource Competencies -> Industrial Competitiveness Development	0.172	0.181	0.065	2.629	0.009

Source: Author Processed, 2026

Human resource competencies have a major indirect impact on the development of industrial competitiveness through organizational innovation, according to the results of the indirect effect test. The relationship between industrial competitiveness and human resource competences is significantly mediated by organizational innovation, as indicated by the indirect route coefficient value of 0.172 (t = 2.629; p = 0.009).

Discussion

The Effect of Human Resource Competency Development on the Competitiveness of the Creative Industry in Gorontalo Province

The analysis results demonstrate that the development of human resource (HR) competencies has a positive and significant effect on enhancing the competitiveness of the creative industry in Gorontalo Province. This finding aligns with previous research indicating that human resource development serves as a critical foundation for sustainable competitive advantage, both in the broader creative industry and in specific sectors such as rattan craft (Anwar, 2009). Achieving this requires a holistic approach that integrates various aspects of capacity building (Octaviani et al., 2024). In practice, this approach is implemented through the strategic functions of Human Resource Management (HRM). Consistent with this, other research confirms that HRM interventions focused on competency development and performance management systems significantly impact productivity gains. More specifically, competency development is recognized as a primary mechanism that enables organizations to adapt to technological disruptions and market shifts. Furthermore, separate studies add that HRM initiatives are more effective when reinforced by fostering a collaborative and supportive work environment (Halim et al., 2023). Ultimately, the synthesis of these various findings leads to the conclusion that a combination of such strategic practices collectively drives organizational growth and sustains its future competitiveness.

Unlike creative industries in metropolitan centers such as Jakarta or Bandung where brand equity, access to venture capital, and digital infrastructure create multiple pathways to competitiveness Gorontalo's creative enterprises operate in a resource-constrained environment. Most surveyed businesses employ fewer than five workers, and formal business incubators or innovation support programs are virtually absent. Under such conditions, the individual competence of the entrepreneur or manager becomes the single most decisive factor. A craftsman who masters new design software or a culinary business owner who learns digital marketing can immediately differentiate their products in local markets, without needing organizational restructuring. This finding refines the resource-based view (RBV) by demonstrating that in peripheral economies, human capital at the individual level substitutes

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for missing organizational capabilities. The novel contribution here is empirical evidence that HR competence specifically technical and adaptive skills directly drives competitiveness more powerfully in low-institutional-density environments than in mature creative ecosystems.

The Effect of Human Resource Development on Organizational Innovation in the Creative Industry of Gorontalo Province

With a path coefficient of 0.788, the study shows that organizational innovation in Gorontalo Province's creative industry is strongly and significantly impacted by human resource (HR) development. Existing literature, both theoretically and experimentally, backs up the claim that HRD practices have a key role in fostering an innovative atmosphere, especially in the creative industries. Effective HRD practices can create a climate that encourages organizational creativity, which is a necessary precondition for innovation, according to earlier research (Hirudayaraj & Matić, 2021). Additionally, innovation methods can be bottom-up, and effective Human Resource Management (HRM) implementation is essential to supporting and realizing employee-generated ideas. This finding is reinforced by research from Seong which asserts that individual capacity and creativity are essential foundations for developing an organization's innovation capabilities, including within the framework of digital transformation. The consistent relationship between strategic HR systems and creativity is also evident in the findings of Wahyudiono et al. (2024) where high-performance work systems positively correlate with individual creativity, particularly when supported by value alignment between personnel and the organization. These supporting findings establish a solid foundation for investigating the direct influence of HR development on organizational innovation within the local context of the creative industry. When analyzing the influence of HR development on innovation, prior studies identify several key mediating mechanisms that are relevant for testing in the creative industry context. The knowledge pathway is a primary mediator, where HRM practices are proven to enhance innovation capability by strengthening the organization's knowledge management abilities, with a knowledge-centered culture acting as a reinforcing factor. Specifically, the creation of a knowledge-based HRM (KHRM) climate is effective in promoting innovation through intensified knowledge sharing (Le, 2024). In addition to knowledge factors, managerial capabilities also serve as a mediator, as demonstrated by Wahyudiono et al. (2024), who found that strengthening management literacy significantly influences digital business innovation and performance recovery.

Two local specificities explain why this path coefficient (0.788) approaches near-perfection. First, creative MSMEs in Gorontalo typically exhibit flat organizational structures; owners are often the sole decision-makers. Consequently, when an owner acquires a new competence such as social media analytics or product diversification techniques that competence instantly manifests as organizational innovation without bureaucratic delay. Second, the types of innovation most relevant to Gorontalo are incremental service and process innovations (e.g., introducing online ordering, improving packaging efficiency), which require low capital investment but high individual skill. This contrasts with radical product innovation that demands R&D departments. Thus, HR competence directly fuels organizational innovation because the "organizational" level is essentially an extension of individual capacity. The unique contribution of this finding is to show that in low-complexity creative firms, the individual-

DOI: https://doi.org/10.47667/ijppr.v7i2.469

organization distinction blurs; innovation policies should therefore target individual entrepreneurs rather than abstract "organizational systems."

The Influence of Organizational Innovation on the Development of Creative Industry Competitiveness in Gorontalo Province

The analysis results indicate that organizational innovation has a positive and significant influence on the development of creative industry competitiveness in Gorontalo Province, with a path coefficient of 0.218 and statistical significance meeting the criterion ($p = 0.007$). However, the magnitude of this coefficient, which is lower compared to the direct effect of HR competencies (0.707), suggests that in the Gorontalo context, organizational innovation may not yet be a primary driver of competitiveness or is still in a developmental stage. This could be influenced by external factors such as suboptimal supporting infrastructure, limited access to innovation funding, or an immature collaborative ecosystem. Nevertheless, the observed statistical significance confirms that even at its current developmental stage, organizational innovation contributes meaningfully.

Generally, enhancing innovation capabilities has been proven to lead to the development of superior products and services, which in turn directly contributes to improved company performance and competitive market positioning. More specific support comes from the research Ogbeibu which found that product innovation significantly increases competitive advantage, with technology adaptation processes and positive customer perception of the innovation acting as key mediating mechanisms. Not limited to product aspects, innovation at the managerial level also provides a critical contribution. A study by (Hidayat & Pok, 2025) highlights that managerial innovation enables companies, including startups, to adjust business models, manage change, and utilize technology effectively, which significantly impacts their competitiveness. These supporting findings establish the proposition that innovation, both in products and management systems, constitutes a strategic pathway for the creative industry to build and sustain its competitiveness.

Why does organizational innovation contribute less ($\beta = 0.218$) than HR competence? The answer lies in market characteristics and absorptive capacity constraints. First, Gorontalo's creative products primarily serve local tourists and government procurement, segments where price and reliability often outweigh novelty. Customers may not yet reward innovation sufficiently to create competitive separation. Second, even when firms adopt organizational innovations (e.g., digital inventory systems or quality management protocols), they lack complementary assets such as reliable logistics or access to broader markets to translate those innovations into sales growth. This suggests a developmental sequence: HR competence builds the baseline capacity to produce quality goods; only after reaching a threshold of market sophistication does organizational innovation become a primary differentiator. The novel contribution here challenges the universal applicability of innovation-led growth models. In least-developed creative regions, promoting organizational innovation without foundational HR competence risks wasting resources. Policymakers should therefore treat innovation as a second-stage intervention.

The Effect of Human Resource Development on Enhancing the Creative Industry in Gorontalo Province as Mediated by Organizational Innovation

DOI: https://doi.org/10.47667/ijppr.v7i2.469

This study's findings reveal a significant mediating mechanism, where organizational innovation serves as a critical pathway for translating human resource (HR) development into enhanced competitiveness for the creative industry in Gorontalo Province. The indirect effect test results show a coefficient of 0.172 with strong statistical significance ($p = 0.009$), indicating that the contribution of HR to industrial competitiveness is not only direct but is also realized by transforming individual capabilities into innovative organizational capacity.

Previous research underscores that human resource (HR) development serves as a strategic foundation for building organizational innovation capacity, which ultimately can enhance overall performance. Several studies indicate that integrated, development-oriented HR practices are crucial for fostering an environment conducive to creativity within organizations. Furthermore, organizations are advised to implement HR development systems that can boost employees' intrinsic motivation to pursue and implement creative ideas, particularly within a supportive work environment. The mechanism by which HR development influences the enhancement of the creative industry is often indirect, mediated by increased organizational innovation capacity. Research by Hirudayaraj & Matić (2021) supports this by demonstrating that a focus on HR practices that build intellectual capital significantly impacts knowledge absorptive capacity and organizational innovation performance. A sustainability perspective further enriches this understanding, emphasizing the importance of integrating Green Human Resource Management (GHRM) practices with innovation capabilities to holistically improve corporate performance.

he partial mediation effect (indirect $\beta = 0.172$, $p = 0.009$) reveals a crucial insight: organizational innovation is not the primary transmission mechanism for HR competence in this context. Instead, HR competence drives competitiveness mostly directly ($\beta = 0.707$) and only secondarily through innovation. This pattern diverges from studies in advanced economies where innovation often mediates a larger proportion of the HR-competitiveness relationship. The theoretical implication refines the dynamic capabilities framework: the sensing-seizing-transforming sequence assumes a certain organizational maturity. In Gorontalo's emerging creative industry, "transforming" through organizational innovation adds marginal value compared to simply "sensing" and "seizing" via individual skills. The novel contribution is the proposition of a staged mediation model where the mediating role of organizational innovation intensifies as industrial ecosystems mature. For Gorontalo, practical recommendations should prioritize direct HR competence investments (training, mentorship) while building foundational enablers (market access, digital infrastructure) that will later make organizational innovation more impactful.

Conclusion

Based on the data analysis and hypothesis testing, this study empirically demonstrates the causal relationships and mediating mechanisms among the variables within the context of the creative industry in Gorontalo Province. Human Resource Competencies are proven to have a very strong and significant direct effect on enhancing Creative Industry Competitiveness. Furthermore, improving Human Resource Competencies also significantly fosters the creation of Organizational Innovation. Additionally, Organizational Innovation itself makes a significant positive contribution, albeit smaller, to the development of industrial competitiveness. The key finding of this research confirms the mediating role of Organizational

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Innovation. It is established that, in addition to its direct impact, the enhancement of Human Resource Competencies also contributes to improved Creative Industry Competitiveness indirectly by strengthening organizational innovation capacity. Therefore, it can be concluded that for developing the competitiveness of the creative industry in Gorontalo Province, focusing on strengthening human resource competencies is a fundamental step. This effort will yield more optimal results if it is simultaneously designed to trigger and facilitate innovation at the organizational level, thereby creating a combined effect that accelerates the enhancement of competitiveness.

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