The Influence Of Digital Capability and Digital Literacy On The Performance Of UMKM In Tanjung Redeb

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Abstract

This study aims to analyze the influence of Digital Capability and Digital Literacy on the performance of Micro, Small, and Medium Enterprises (MSMEs) in Tanjung Redeb. MSMEs have an important role in the Indonesian economy, but digitalization is both a challenge and an opportunity. This study uses a quantitative method with data collection through questionnaires. The results of the study indicate that Digital Capability and Digital Literacy have a significant effect on MSME performance. This study provides important implications for the development of MSMEs in the digital era.

Keywords: Digital Capability, Digital Literacy, MSME Performance, Tanjung Redeb

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are one of the important pillars of the Indonesian economy. MSMEs have proven to be resilient to various economic crises and have made a significant contribution to Gross Domestic Product (GDP) and employment. Digitalization has opened up new opportunities for MSMEs to grow and develop, reach wider markets, and improve operational efficiency. However, digitalization also presents challenges, such as the digital divide, lack of digital skills, intense competition, and changes in consumer behavior. This study aims to analyze the influence of *Digital Capability* and *Digital Literacy* on the performance of MSMEs in Tanjung Redeb.

Digital Capability is ability a organization or individual For utilise technology information And communication For reach objective business or personal they . *Digital Capability* covers skills, infrastructure, culture, strategy, and analytical data (Sihotang et al., 2023). Digital capabilities have Lots advantages that can be increase efficiency, productivity, adaptation to change,

taking more decisions good , and Power competition organization And individual (Sugiyanto et al. 2022; Wahyuddin et al. 2022). Munandar et al. (2022) : Integration: the process of MSMEs interacting with each other connected And Work The same in a network or a more ecosystem big . Accessibility : ease for MSMEs in to obtain source power required For operate And develop his efforts . Convenience usage : how much easy an MSME can adopt And utilise various

tools , technology , or existing system . Adaptability : the ability of MSMEs to adapt self with change environment dynamic business And No Certain .

According to Paul Gilster (1997), digital literacy is defined as as ability For understand And use information in various form from various sources accessed through device computer . According to Hague & Payton (2010), *Digital Literacy* is skills somebody in utilise digital devices with ability functional . This covers capacity individual For search , select , process information , thinking in a way critical , creative , collaborative , and communication with efficiency . Indicator *Digital Literacy* of MSMEs according to Gilster (in Hidayanti And Wiyanarti , 2021): Ability looking for : skills the basics that must be owned by every MSME actors in the digital era to access required information . Evaluate : steps important For understand so far where MSMEs take advantage of technology And designing the right program For increase their digital literacy . Use information from various digital source : key the success of MSMEs in the digital era for increase Power competition And expand range market .

Performance can interpreted as size success a connected companies close with strategy organization in reach objective her job (Susanti et al. , 2022). Success The performance of MSMEs can measured through results Work business said , involving various aspect like effective leadership , utilization power Work skilled optimally , the ability in fulfil need customers , deep understanding , significant revenue , and ability For produce product quality (Wahyuni et al .. 2021). Indicator Performance of MSMEs (Daniyati , 2023): Output increased proportional to the input used . Utilization source Power in a way effective And efficient . Profit clean optimized in operational business . MSMEs show trend growth And positive developments .

METHOD

This study uses a quantitative method with data collection through questionnaires. The population is the entire research subject and the sample is a portion or representative of the population being studied (Arikunto, 2013:115), The population in this study is all MSMEs in Tanjung Redeb. The research sample was determined using the Slovin formula. The collected data were analyzed using the SPSS program. The analysis tools used include validity test, reliability test, classical assumption test, multiple linear regression analysis, determination coefficient test, F test, and t test.

RESULTS AND DISCUSSION

Respondents in this study were dominated by female respondents as many as 83 people (69%). And the rest were male as many as 15 people (31%).

Table 1. Respondents by Gender

NO	Type Sex	Number of people)	percentage (%)
1.	Man	15	31%
2.	Woman	83	69%
	Total	**98**	**100%**

Source: Questionnaire, 2025

Table 2. Respondents by Age

NO	Age	Number of people)	Percentage (%)
1.	16-20	8	16%
2.	21-25	21	43%
3.	26-30	14	29%
4	31-35	16	33%
5.	36-39	14	29%
6.	41-45	7	14%
7.	46-50	9	18%
8.	51-60	9	18%
	Total	**98**	**100%**

Source: Questionnaire, 2025

Based on the table above, it can be seen that the most respondents were aged 21-25 years, namely 21 people (43%), while the fewest were aged 41-45 years,namely 7 people (14%).

Table 3. Respondents Based on Last Education

NO	Age	Number of people)	Percentage (%)
1.	SD	10	20%
2.	JUNIOR HIGH SCHOOL	21	43%
3.	SENIOR HIGH SCHOOL	14	29%
4	S1	16	33%
	Total	**98**	**100%**

Source: Questionnaire, 2025

The respondents who were sampled in this study mostly had junior high school education, as many as 21 people (43%) and the least had elementary school education, as many as 10 people (20%).

Table 4. Respondents Based on Business Field

NO	Field business	Number (MSMEs)	Percentage (%)
1.	Service	13	27%
2.	Culinary	37	76%
3.	Trading General	48	98%
	Total	98	100%

Source: Questionnaire, 2025

Micro, small and medium enterprises (MSMEs) that were respondents based on their business sector, the business sector with the largest number was General Trade with 48 MSMEs (98%), while the smallest was the Services sector with 13 MSMEs (27%).

RESPONDENTS' ANSWERS RESULTS

Table 5. Results of Answers to Statements Regarding MSME Performance

NO	Answer Respondents	Amount	
		Answer	Percentage (%)
1	Very No Agree	2	0.26%
2	No Agree	15	1.91%
3	Not enough Agree	115	14.67%
4	Agree	424	54.08%
5	Very Agree	228	29.08%
	Amount	**784**	**100.00%**

Source: Questionnaire, 2025

Statements that measure the UMKM Performance variable consist of 20 statements. Based on the table above, it can be seen that the largest number of answers is "Agree" with a total of 424 answers (54.08%) and the answer "Strongly Agree" as many as 228 answers (29.08%). Meanwhile, there are answers "less Agree" as many as 115 answers (14.67%) and answers "Disagree" as many as 15 answers (1.19%), and the fewest answers "Strongly Disagree" as many as 2 answers (0.26%).

Table 6. Results of Respondents' Answers Regarding Digital Capability

NO	Answer Respondents	Amount	
		Answer	Percentage (%)
1	Very No Agree	5	0.64%
2	No Agree	61	7.78%
3	Not enough Agree	161	20.54%
4	Agree	400	51.02%
5	Very Agree	157	20.03%
	Amount	**784**	**100%**

Source: Questionnaire, 2025

Measurement of the *Digital Capability variable* with 8 statements as can be seen in the table above, that the largest number of answers is "Agree" with a total of 400 answers (51.02%) and the answer "Less Agree" as many as 161 answers(20.54%). In addition, there are answers "Strongly Agree" as many as 157 answers (20.03%), answers "Disagree" 61 answers (7.78%), and answers "Strongly Disagree" 5 answers (0.64%).

Table 7. Results of Answers to Statements About Digital Literacy

NO	Answer Respondents	Amount	
		Answer	Percentage (%)
1	Very No Agree	1	0.13%
2	No Agree	6	0.77%
3	Not enough Agree	67	8.55%
4	Agree	346	44.13%
5	Very Agree	364	46.43%
	Amount	**784**	**100%**

Source: Questionnaire, 2025

Measurement of the *Digital Literacy variable* contains 8 statements as can be seen in the table above, that the largest number of answers is "Strongly Agree" with a total of 364 answers (46.43%) and the answer "Agree" with a total of 346 answers (44.13%). In addition, the answer "Less Agree" 67 answers (8.55%), the answer "Disagree" 6 answers (0.77%). And the answer "Strongly Disagree" 1 answer (0.13%).

ANALYSIS

Validation Test

Table 9. Validation of MSME Performance Statements

Item Per Statement	r- count	r- table	Information
Y1	0.413	0.202	valid
Y2	0.664	0.202	valid
Y3	0.508	0.202	valid
Y4	0.325	0.202	valid
Y5	0.29 0	0.202	valid
Y6	0.338	0.202	valid
Y7	0.462	0.202	valid
Y8	0.45 0	0.202	valid

Source: Data processed 2025

In the table above, it can be seen that the MSME Performance statement items have a calculated r-value greater than the r-table value, so it can be stated that all statement items that measure the variable are valid.

Table 10. Validation of Digital Capability Statements

Item Per Statement	r- count	r- table	Information
X1-1	0.408	0.202	valid
X1-2	0.476	0.202	valid
X1-3	0.432	0.202	valid
X1-4	0.616	0.202	valid
X1-5	0.365	0.202	valid

X1-6	0.43 0	0.202	valid
X1-7	0.6 00	0.202	valid
X1-8	0.604	0.202	valid

Source: Data processed 2025

Item Per Statement	r- count	r- table	Information
X2-1	0.74 0	0.202	valid
X2-2	0.742	0.202	valid
X2-3	0.741	0.202	valid
X2-4	0.604	0.202	valid
X2-5	0.664	0.202	valid
X2-6	0.68 0	0.202	valid
X2-7	0.551	0.202	valid
X2-8	0.338	0.202	valid

Digital Capability statement items have a calculated r-value greater than the r-table value so that it can be stated that all statement items that measure the *Digital Capability variable* are valid.

Table 11. Validation of *Digital Literacy statements*

Source; Data processed 2025

The table above shows that the statement items of *the Digital Literacy variable* have a calculated r-value greater than the r-table value so that it can be stated that all statement items are valid.

Reliability Test

Table 12. Results of Statement Reliability Test

Variables	*cronbach's alpha*	Criteria	Information
MSME Performance	0.709	0, 60	Reliable
Digital Capability	0.88 0	0, 60	Reliable
Digital Literacy	0.565	0, 60	Reliable

Source: Data processed 2025

The table above shows that *the Cronbach's alpha value* of the MSME Performance, Digital Capability, and Digital Literacy variables is greater than 0.60 so it can be concluded that the statement items measuring all of the research variables are reliable.

CLASSICAL ASSUMPTION TEST

Normality Test

Table 13. *One-sample Kolmogorov-Smirnov Test*

		Unstandardized Residue
N		98
Normal Parallel ethers [a,b]	Mean	0.0000000
	Std. Deviation	1.74741554
Most Extreme	Absolute	0.072
Differences	Positive	0.038
	Negative	-0.072
Statistical Test		0.072
Asymp . Sig. (2-itailed)		,200 [c,d]
a. Test distribution is Normal		
b. Calculated from data		
c . Liliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS Output, 2025

Based on the results, the significance value or Asyamp. Sig (2-itailed) obtained is: 0.200 > 0.05, then Ho is accepted, which means that the data population is normally distributed.

Table 14. Multicollinearity Test of Research Variables

Model		Linearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Digital Capability	0.774	1.292
	Digital Literacy	0.774	1.292
a. Dependent variable: MSME performance			

Source: SPSS Output, 2025

Based on the table above, it can be seen that the Tolerance and VIF values of each research variable: *Digital Capability* . Tolerance value = 0.774> 0.1 and VIF = 1.292 <10 means that there are no symptoms of multicollinearity. *Digital Literacy.* Tolerance value = 0.774> 0.1 and VIF 1.292 <10 means that there are no symptoms of multicollinearity.

Table 14. Heteroscedasticity Test with *Glejser Test*

Source: SPSS Output, 2025

Model		Unstable coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.486	1,064		-1.397	0.166
	Digital Capability	0.018	0.034	0.059	0.532	0.596

	Digital Literacy	0.066	0.030	0.249	0.249	0.029
a. Dependent variable: MSME performance						

Based on the heteroscedasticity test with the *glejser test* in the table above,it shows that the significance value (*Sig* .) For the *Digital Capability variable* is 0.596, *Digital Literacy* is 0.029. So the value of both variables is greater than 0.05. So according to the basis for decision making in the *glejser test*, it is concluded that there is no symptom of heteroscedasticity in this regression model.

STATISTICAL TEST

Table 15. Multiple Linear Regression Analysis (*coefficients* [a])

Model		Unstable coefficients		Standardized coefficients
		B	Std. Error	Beta
1	(Constant)	14 ,098	1,814	
	Digital Capability	0.302	0.057	0.422
	Digital Literacy	0.272	0.051	0.426
a. Dependent Variables MSME Performance				

Source: Output, SPSS, 2025

Based on the table above, the multiple linear regression analysis shows the regression coefficient value of each variable, which is then used to create a multiple linear regression equation as follows:

$Y = 14.098 + 0.302X_1 + 0.272X_2$

From the regression equation above, it can be seen that:

1. The constant value is 14.098, which means that if the independent variable has a fixed value (constant), then the dependent variable has a value of 14.098.
2. The value of the regression coefficient of Variable X1 (Digital Capability) is (+) or in the same direction as (0.302). So it can be interpreted that Variable Y (UMKM Performance) will also increase by 0.302 and vice versa.
3. The value of the regression coefficient of Variable X2 (Digital Literacy) is (+) or in the same direction as (0.272). So it can be interpreted that Variable Y (MSME Performance) will also increase by 0.272.

Table 16. Correlation and Determination Coefficients (*Model Summary*)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.728 [a]	0.53 0	0.52	1,766
a. Predictors: (Constant), Digital Capability, Digital Literacy				

Source: SPSS Output, 2025

The table above shows that the correlation (R) is 0.728, meaning that *Digital Capability* and *Digital Literacy* have a fairly high level of closeness (correlation) to MSME Performance. From the table, it is known that the coefficient of determination (R *Square*) is 0.530, which means that *Digital Capability* and *Digital Literacy* are able to provide an influence of 53.0% on MSME Performance. While the remaining 47% is influenced by other variables outside this study.

Table 18. T test (*Coefficients* [a])

Model		T	Sig.
1	(Constant)	7,773	0, 0 01
	Digital Capability	5.278	0.001
	Digital Literacy	5.328	0.001
a. Dependent variable: MSME performance			

Source: SPSS Output, 2025

Based on the table above, if the significance value > 0.05; then H 0 is accepted and H 1 is rejected. This means that the independent variable partially does not have a significant effect on the dependent variable. If the significance value ≤ 0.05; then H 0 is rejected and H 1 is accepted. This means that the independent variable partially has a significant effect on the dependent variable

a) Analysis results

1) Digital Capability

Significance value = 0.001 is less than 0.05. It can be determined that: 0.001 ≤ 0.05 So H 0 is rejected, and H 1 is accepted, meaning that *Digital Capability* has a significant effect on MSME Performance

2) Digital Literacy

Significance value = 0.001 is less than 0.05. It can be determined that:

0.001 ≤ 0.05 So H 0 is rejected, and H 1 is accepted, meaning that *Digital Literacy* has a significant effect on MSME Performance.

Table: 19. F Test (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	334,314	2	167,157	53,615	0.001
	Residue	296,186	95	3,118		
	Total	**630,500**	**97**			

a. Dependent Variable : MSME Performance
b. Predictors: (Constant), *Digital*, *Literacy Digital Capability*

Source: SPSS Output, 2025

Based on the table above, if the significance value is > 0.05 ; then H0 is accepted and H1 is rejected. This means that the independent variable partially does not have a significant effect on the dependent variable. If the significance value is ≤ 0.05; then H0 is rejected and H1 is accepted. This means that the independent variable partially has a significant effect on the dependent variable.

CONCLUSION

This study shows that Digital Capability and Digital Literacy have a significant effect on the performance of MSMEs in Tanjung Redeb. Digital Capability has a greater effect on the performance of MSMEs compared to Digital Literacy . The combination of Digital Capability and Digital Literacy has a significant impact on the performance of MSMEs. Based on the analysis and discussion that have been presented in the previous chapter, the following conclusions can be drawn: Digital Capability has a significant effect on the performance of MSMEs in Tanjung Redeb. This is evidenced by a significance value of 0.001 (less than 0.05) and a t-count value of 5.278 (greater than the t-table of 1.662). This means that the better the ability of MSMEs to utilize digital technology, the higher the performance they achieve. Digital iteracy has a significant effect on the performance of MSMEs in Tanjung Redeb. This is evidenced by a significance value of 0.001 (less than 0.05) and a t-count value of 5.328 (greater than the t-table of 1.662). This means that the better the understanding and ability of MSMEs in using digital technology, the higher the performance they achieve. Digital Capability and Digital Literacy together have a significant effect on the performance of MSMEs in Tanjung Redeb. This is evidenced by a significance value of 0.001 (less than 0.05) and an F-count value of 53.491 (greater than the F-table of 3.09). This means that the combination of MSMEs' ability and understanding in utilizing digital technology has a significant impact on their performance.

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