

## ***ABSTRACT***

*This study aimed to analyze the influence of internal factors, namely human resource competencies and product innovation on company performance at PT BKK Jawa Tengah (Perseroda), mediated by competitive advantage.*

*The variables used in this study are human resource competencies (HR), product innovation, company performance, and competitive advantage. The sample of this research is a portion of the Commissioners, Directors, Chairpersons, Managers, Cash Office Heads, Supervisors, and several employees who are considered to be quite senior and understand the business processes and performance conditions of PT BKK Jawa Tengah (Perseroda). The data analysis method used is Structural Equation Modeling (SEM) with the smart-pls program.*

*The results showed that the competence of human resources (HR) and product innovation significantly influence company performance and competitive advantage partially. In addition, competitive advantage is proven to be able to mediate the effect of human resource competence (HR) and product innovation on company performance.*

*Keyword: Human Resources Competency, Innovation, Company Performance, Competitive Advantage*