

Exploration Of The Influence Of Entrepreneurial Competence And Capital Support On The Success Of Micro-Enterprises In The Local Crafts Sector In Bima City

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Article History

Received: 12-06-2026

Revised: 03-07-2026

Published: 30-07-2026

Keywords: Entrepreneurial Competencies, Capital Support, Business Success, Microenterprises, Local Crafts

ABSTRACT

This study aims to analyze the influence of entrepreneurial competencies and capital support on the success of microenterprises in the local handicraft sector in Bima City. The success of microenterprises is a key indicator in boosting the local economy, particularly in sectors based on local potential. However, microentrepreneurs still face various challenges, such as low entrepreneurial competence and limited business capital, which can hinder business growth. Therefore, this study was conducted to determine the extent to which entrepreneurial competence and capital support contribute to the success of microenterprises. This study employs a quantitative approach using a survey method. The study population consists of micro-business operators in the local handicraft sector in Bima City, while the sample was determined using purposive sampling. Data collection was conducted through questionnaires, brief interviews, and documentation. Data analysis utilized multiple linear regression with the assistance of the Statistical Package for the Social Sciences (SPSS). The results indicate that entrepreneurial competence has a positive and significant effect on the success of microenterprises. Capital support also has a positive and significant effect on the success of microenterprises. Simultaneously, entrepreneurial competence and capital support have a significant effect on the success of microenterprises in the local handicraft sector in Bima City. These findings suggest.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are an economic sector that plays a significant role in national economic growth, job creation, and improving community welfare. MSMEs not only serve as a pillar of the regional economy but also as a means of community empowerment through the development of local potential. One sector with significant potential for development is the local crafts sector, which can create added economic value while preserving regional culture. In Bima City, micro-enterprises in the local crafts sector are

a source of income for the community, with the potential for continued growth if supported by adequate internal and external factors.

However, micro-entrepreneurs still face various challenges, such as limited managerial skills, low entrepreneurial competency, and limited access to business capital. These conditions can hinder business growth and success in the face of increasingly competitive markets. Therefore, improving entrepreneurial competency and capital support are crucial aspects that need to be considered in micro-enterprise development. Research shows that entrepreneurial competency has a significant impact on improving business performance because it helps entrepreneurs identify opportunities, manage resources, and create business innovations (Viren Juliani, 2024).

Entrepreneurial competence is a combination of knowledge, skills, attitudes, and individual abilities to run and develop a business effectively. Entrepreneurs with strong entrepreneurial competence tend to be better able to adapt to changes in the business environment and increase their competitiveness. Research (Safitri & Handoyo, 2024) shows that entrepreneurial competence plays a crucial role in improving MSME business performance through innovation capabilities and appropriate business strategies. Furthermore, research (Fikriyah & Nuraeni, 2025) found that entrepreneurial competence and knowledge positively influence the success of MSMEs, thus becoming a crucial factor in achieving business sustainability.

In addition to entrepreneurial competence, business capital is an equally important factor in determining the success of micro-enterprises. Business capital serves as a resource used to run business operations, increase production capacity, develop products, and expand marketing. The availability of adequate capital enables business actors to increase their productivity and competitiveness. Research (Desmar & Setyawan, 2023) shows that capital has a positive influence on MSME performance because it supports sustainable business activities. This finding is reinforced by research (Paramita & Citra Indah Kirana, 2023) , which states that business capital and entrepreneurial competence simultaneously have a significant impact on the sustainability of MSME businesses.

In the context of local micro-businesses in the craft sector in Bima City, entrepreneurial competency and capital support are highly relevant factors to examine. Local craft entrepreneurs are required to possess innovation, creativity, and managerial skills to maintain and grow their businesses. Furthermore, limited capital often hinders scaling businesses and expanding market access. Recent research also shows that entrepreneurial competency, supported by adequate financial access, can significantly improve MSME performance (Purwito et al., 2024).

Based on this description, further research is needed to specifically explore the influence of entrepreneurial competency and capital support on the success of micro-enterprises in the local crafts sector in Bima City. This research is expected to provide theoretical contributions to the development of entrepreneurship science and serve as a

consideration for local governments and stakeholders in formulating policies for sustainable MSME development.

RESEARCH METHODS

This study employed a quantitative approach with an explanatory research approach. This approach was used to examine and explain the causal relationship between entrepreneurial competency and capital support variables on the success of micro-enterprises in the local crafts sector in Bima City. Explanatory research using a survey method was chosen because it can explain the causal relationship between variables and test the influence of independent variables on the dependent variable (Assayakurrohim et al., 2023).

The research was conducted on micro-entrepreneurs in the local craft sector in Bima City. The study population comprised all micro-entrepreneurs engaged in local crafts and had been operating their businesses for at least two years. Based on the data obtained, the study population consisted of 120 micro-entrepreneurs. The sample size was determined using the Slovin formula with a 10% margin of error, resulting in a total of 55 respondents. The sampling technique used proportional random sampling to ensure that each member of the population had an equal opportunity to become a respondent.

The data used in this study consisted of primary and secondary data. Primary data were obtained directly through questionnaires distributed to local micro-businesses in the craft sector in Bima City. Secondary data were obtained from relevant agency documents, MSME reports, books, and scientific articles relevant to the research. Data collection was conducted through questionnaires, short interviews, and documentation (Ardiansyah et al., 2023). The questionnaire was structured using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

The independent variables in this study consist of entrepreneurial competence (X_1) and capital support (X_2), while the dependent variable is business success (Y). Entrepreneurial competence is measured through the ability to recognize business opportunities, the ability to manage a business, the ability to build business networks, the ability to make decisions, and the courage to face risks. Capital support is measured through access to financing sources, the adequacy of business capital, ease of obtaining capital, and the use of capital for business development. Business success is measured through increased sales turnover, increased business profits, growth in the number of customers, expansion of marketing areas, and business sustainability.

Data analysis was performed using IBM SPSS Statistics. The analysis stages included descriptive statistical analysis, validity testing, reliability testing, classical assumption testing, including normality, multicollinearity, and heteroscedasticity testing, and multiple linear regression analysis. The regression model used in this study is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Information:

Y = Business success

α = Constant

β_1 = Regression coefficient of entrepreneurial competence

β_2 = Capital support regression coefficient

X_1 = Entrepreneurial competence

X_2 = Capital support

e = Error

Hypothesis testing was conducted using the t-test to determine the partial effect of independent variables on the dependent variable, the F-test to determine the simultaneous effect of independent variables on the dependent variable, and the coefficient of determination (R^2) to determine the magnitude of the contribution of entrepreneurial competence and capital support in explaining the success of local craft sector micro-enterprises in Bima City (Sofya et al., 2024).

Based on the results of questionnaires distributed to 55 micro-entrepreneurs in the local craft sector in Bima City, it was found that the respondents' entrepreneurial competency level was high. Most respondents demonstrated strong abilities in identifying business opportunities, developing products tailored to market needs, building business relationships, and making decisions in business management. This indicates that local craft entrepreneurs in Bima City possess adequate basic entrepreneurial skills in running their businesses.

Regarding capital support, the majority of respondents stated that business capital plays a crucial role in supporting business activities. Respondents who accessed financing from financial institutions or government programs tended to have more successful businesses than those who relied solely on personal capital. This indicates that access to capital remains a crucial factor in micro-enterprise development.

Meanwhile, regarding business success, most respondents stated that their businesses have experienced increases in turnover, number of customers, and market reach in recent years. This indicates quite positive business development in the local crafts sector in Bima City.

RESULTS AND DISCUSSION

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Table 1. Results of Multiple Linear Regression Analysis

Variables	Regression Coefficient (β)	t-count	Sig.
Constant	5,214	2,845	0.006
Entrepreneurship Competence (X_1)	0.421	4,652	0,000
Capital Support (X_2)	0.367	3,874	0.001

Source: Processed data (2026)

Based on Table 1, the following regression equation is obtained:

$$Y = 5.214 + 0.421X_1 + 0.367X_2$$

This equation shows that entrepreneurial competence and capital support have a positive relationship with micro-business success. This means that the higher the entrepreneurial competence and the greater the capital support received by the entrepreneur, the higher the level of business success achieved.

Table 2. F Test Results

Model	F-count	Sig.
Regression	28,763	0,000

Source: Processed data (2026)

Based on the F-test results, the significance value of 0.000 is less than 0.05. These results indicate that entrepreneurial competence and capital support simultaneously have a significant influence on the success of local craft micro-enterprises in Bima City.

Table 3. Results of the Determination Coefficient

R	R Square	Adjusted R Square
0.776	0.602	0.584

Source: Processed data (2026)

The Adjusted R Square value of 0.584 indicates that 58.4% of the variation in business success can be explained by entrepreneurial competence and capital support. Meanwhile, 41.6% is influenced by factors outside the research model, such as product innovation, digital marketing strategies, financial literacy, and government support.

A More Critical Discussion

The Influence of Entrepreneurial Competence on Business Success. The results of the study indicate that entrepreneurial competence has a positive and significant influence on the success of micro-enterprises in the local craft sector in Bima City. This finding indicates that

the ability of entrepreneurs to recognize business opportunities, innovate products, manage resources, and build business networks is an important factor in increasing business success.

These findings align with research by Fikriyah & Nuraeni (2025) , which found that entrepreneurial competency significantly contributes to improving MSME performance through adaptability, innovation, and business decision-making. These findings also support research by Silaban & Sitorus (2025) , which states that entrepreneurial knowledge and skills are key factors determining MSME success. Entrepreneurs with strong entrepreneurial skills tend to be better able to navigate market changes and maintain business continuity.

In the context of Bima City, the ability of business actors to develop craft motifs that are in line with market trends, utilize digital media for marketing, and build relationships with customers are tangible forms of entrepreneurial competence that contribute to business success.

The Influence of Capital Support on Business Success

Capital support has been shown to have a positive and significant impact on the success of local craft micro-enterprises in Bima City. These findings indicate that access to capital is a crucial factor in supporting business development, particularly for increasing production capacity, purchasing raw materials, developing products, and expanding marketing.

The results of this study align with those of Febrianti et al., 2025, which stated that access to capital influences the sustainability of MSMEs because it enables entrepreneurs to increase productivity and competitiveness. Furthermore, research by Riyan Alamsyah et al., 2025, shows that business capital is a factor that directly influences the success and growth of MSMEs.

This situation indicates that many local craft entrepreneurs in Bima City still face limited capital to expand their businesses. Therefore, financial support from financial institutions, cooperatives, and government programs is crucial for increasing the business capacity of MSMEs.

The Influence of Entrepreneurial Competence and Capital Support on Business Success

The results of the study indicate that entrepreneurial competence and capital support simultaneously have a significant influence on the success of local craft micro-enterprises in Bima City. This finding indicates that business success is not only determined by the individual capabilities of entrepreneurs, but also by the availability of adequate financial resources. This study supports the findings of Fikriyah and Nuraeni (2025) who showed that entrepreneurial competence and financial access together can significantly improve the performance of MSMEs.

Therefore, improving the success of local micro-businesses in the craft sector in Bima City requires two main approaches: enhancing entrepreneurial competency through training and business mentoring, and increasing access to capital through accessible financing

programs for MSMEs. This approach is expected to enhance the competitiveness and sustainability of local craft businesses in Bima City.

CONCLUSION

Based on the research results, it can be concluded that access to capital has a positive and significant impact on the sustainability of Micro, Small, and Medium Enterprises (MSMEs). The availability of adequate capital enables business actors to carry out operational activities optimally, increase production capacity, innovate products, and expand marketing reach. With sufficient capital support, MSMEs have a better ability to maintain and grow their businesses amidst increasingly dynamic business competition.

The results of this study also show that access to capital is a critical factor in determining business success and sustainability. MSMEs that have easy access to financing tend to have greater opportunities to increase productivity, strengthen competitiveness, and create sustainable business growth. These findings indicate that limited capital remains a barrier that requires attention from various parties, particularly in efforts to improve MSME performance and development.

The implication of this research is the need for greater support from the government, financial institutions, and other stakeholders to expand access to financing for MSMEs. This effort can be achieved through the provision of easily accessible credit programs, improving financial literacy, and simplifying financing procedures. With increased access to capital, MSMEs are expected to be able to develop sustainably, increase their contribution to economic growth, and create more jobs for the community.

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