



The Influence of Entrepreneurial Competence and Entrepreneurial Orientation on The Competitiveness of MSMEs in Sumbawa Regency

Novita Rianti Anggraeni¹, Fahlia^{2*}

Fakultas Ekonomi dan Bisnis, Universitas Teknologi Sumbawa

*Corresponding Author. E-mail: fahlia@uts.ac.id

Receive: 10/02/2024

Accepted: 10/09/2024

Published: 01/09/2024

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh kompetensi wirausaha dan orientasi kewirausahaan terhadap daya saing Usaha Mikro, Kecil, dan Menengah (UMKM) di Kabupaten Sumbawa. UMKM memegang peranan vital dalam perekonomian Indonesia, namun menghadapi tantangan dalam persaingan global dan revolusi digital, yang menuntut penguatan aspek internal seperti kompetensi wirausaha dan orientasi kewirausahaan. Kompetensi wirausaha mencakup kemampuan perencanaan bisnis, pengelolaan sumber daya, inovasi, komunikasi, dan kepemimpinan, yang esensial agar UMKM adaptif dan tangguh. Sementara itu, orientasi kewirausahaan merefleksikan sikap inovatif, proaktif, dan keberanian mengambil risiko, yang terbukti memperkuat strategi bisnis dan mendorong penetrasi pasar. Data di Kabupaten Sumbawa menunjukkan adanya keterbatasan dalam pengembangan kompetensi SDM dan mentalitas kewirausahaan. Penelitian kuantitatif ini menggunakan survei terhadap 100 responden UMKM di Kabupaten Sumbawa, dengan analisis data menggunakan Structural Equation Modeling (SEM) pendekatan Partial Least Squares (PLS-SEM). Hasilnya menunjukkan bahwa baik kompetensi wirausaha maupun orientasi kewirausahaan secara signifikan dan positif memengaruhi daya saing UMKM. Orientasi kewirausahaan bahkan menunjukkan pengaruh yang lebih kuat dibandingkan kompetensi wirausaha, menegaskan pentingnya kedua faktor ini untuk meningkatkan keunggulan kompetitif UMKM di tengah dinamika pasar.

Kata Kunci: Kompetensi Wirausaha, Orientasi Kewirausahaan, Daya Saing, UMKM

Abstract

This study aims to analyze the influence of entrepreneurial competence and entrepreneurial orientation on the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in Sumbawa Regency. MSMEs play a vital role in the Indonesian economy, but face challenges in global competition and the digital revolution, which require strengthening internal aspects such as entrepreneurial competence and entrepreneurial orientation. Entrepreneurial competence encompasses business planning, resource management, innovation, communication, and leadership skills, which are essential for MSMEs to be adaptive and resilient. Meanwhile, entrepreneurial orientation reflects innovative, proactive attitudes, and the courage to take risks, which have been proven to strengthen business strategies and drive market penetration. Data from Sumbawa Regency indicates limitations in the development of human resource competencies and entrepreneurial mindset. This quantitative study utilized a survey of 100 SME respondents in Sumbawa Regency, with data analysis employing Structural Equation Modeling (SEM) using the Partial Least Squares (PLS-SEM) approach. The results indicate that both entrepreneurial competencies and entrepreneurial orientation significantly and positively influence the competitiveness of SMEs. Entrepreneurial orientation even shows a stronger influence than entrepreneurial competencies, emphasizing the importance of both factors in enhancing the competitive advantage of SMEs amid market dynamics.

Keywords: Entrepreneurial Competence, Entrepreneurial Orientation, Competitiveness, MSMEs

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) constitute a crucial pillar within Indonesia's economic structure, serving as a driver of economic growth, a creator of employment opportunities, and a bulwark for national economic resilience. The significant contribution of MSMEs to the Gross Domestic Product (GDP), reaching over 60% and absorbing approximately 97% of the national workforce, underscores the urgency of strengthening this sector's capacity and competitiveness (Badan Pusat Statistik, 2024; Handayani, 2023). Amidst the dynamic global competition and accelerating digital revolution, the challenges faced by MSMEs extend beyond mere financing and market access to encompass the reinforcement of internal aspects such as entrepreneurial competence and entrepreneurial orientation (Putra & Hasanah, 2022).

Entrepreneurial competence has been identified as a key factor in fostering the competitive advantage of MSMEs across various regions in Indonesia, including Sumbawa Regency. This competence encompasses diverse dimensions, ranging from business planning capabilities, resource management, innovation development, to communication and leadership (Simosi et al., 2024). Strong competence enables MSME actors to be more adaptive, creative, and resilient in navigating market dynamics and massive technological changes (Hasan et al., 2021).

Concurrently, entrepreneurial orientation is a strategic variable reflecting an innovative, proactive, and risk-taking attitude in business operations. This orientation, according to recent studies, has been proven to strengthen the uniqueness of MSME business strategies, enhance innovation capacity, and drive broader market penetration (Widodo et al., 2023). Entrepreneurial orientation also encourages the process of creating new business opportunities in uncertain situations, such as those experienced by MSMEs post-Covid-19 pandemic (Fauziah et al., 2024).

Empirical data from Sumbawa Regency indicate that most MSME actors still face limitations in developing human resource competence and strengthening entrepreneurial mentality. Yet, in the context of regional and even global competition, innovation capability,

speed of adaptation, and partnerships are primary prerequisites for success (Rahman & Aswandi, 2022). These challenges are exacerbated by limited access to training and low engagement in the digital entrepreneurial ecosystem (Rosdiana et al., 2024). Recent research findings affirm that entrepreneurial competence significantly impacts MSME competitiveness through enhanced product innovation, process efficiency, and strengthened business networks (Purwanti et al., 2021). Comprehensive skills and knowledge enable business actors to identify market trends, understand consumer needs, and respond to changes in the business environment swiftly and accurately (Utami & Pramudito, 2022).

Meanwhile, entrepreneurial orientation encourages MSME owners to boldly make expansive decisions, strengthen business positioning, and enhance digital capabilities, which are now crucial in the technology-driven economy. Business actors with a high entrepreneurial orientation tend to be more innovative, responsive, and open to business diversification opportunities (Desfiandi & Firmansyah, 2023). The synergy between entrepreneurial competence and entrepreneurial orientation is vital for ensuring the sustained growth of MSMEs. A study by Hanif et al. (2023) demonstrates that their simultaneous integration can foster sustainable competitive advantage by driving business model transformation, digitalization, and strengthened customer relations.

In Sumbawa Regency, there is an urgent need for research capable of empirically and contextually mapping the influence of these two variables. The local business environment, often characterized by conventional business culture and uneven supporting infrastructure, necessitates a more structured and needs-based strengthening strategy for local entrepreneurs (Handayani, 2023). Recent literature also reveals that the paradigms of entrepreneurial competence and entrepreneurial orientation can no longer be separated in modern MSME empowerment strategies. The integration of innovation values, risk-taking courage, and managerial acumen has been proven to lead MSMEs to higher competitiveness, both financially and non-financially (Dewi et al., 2022).

Business digitalization and shifts in consumer behavior also accelerate the need for adapting entrepreneurial competence, enabling MSMEs to access new opportunities through online platforms, e-commerce, and social media utilization for market penetration (Sary et al., 2022; Ulfah et al., 2021). Within a macro framework, central and regional government policies are now directed towards strengthening the entrepreneurial ecosystem with an emphasis on training, digitalization, financing facilitation, and synergy among business actors. However, the effectiveness of these policies heavily depends on the readiness of entrepreneurial competence and the strength of entrepreneurial orientation at the business actor level (Puspitasari et al., 2021).

A research gap emerges from the limited literature that simultaneously examines the influence of entrepreneurial competence and entrepreneurial orientation on MSME competitiveness in Sumbawa Regency, given that most previous research was conducted in major economic centers or large cities with different business environment characteristics (Novitasari & Zuraida, 2015). The novelty of this research lies in its empirical snapshot, local data, and the relevance of an integrative model between entrepreneurial competence and entrepreneurial orientation for MSME competitiveness in a semi-peripheral region like Sumbawa. This is expected to provide theoretical and practical contributions, both for strengthening the regional business ecosystem and for national MSME empowerment policies. This research is anticipated to serve as a primary reference in formulating strategic intervention policies for local governments, MSME support institutions, and academics in developing more competitive, innovative, and sustainable MSMEs in Sumbawa Regency and areas with similar characteristics.

METHOD

This study employs a quantitative approach with an explanatory research design, aiming to test and elucidate the causal relationship between entrepreneurial competence and entrepreneurial orientation on the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in Sumbawa Regency. This approach is deemed appropriate for empirically and quantitatively examining the

significant influence of these two independent variables on competitiveness. The primary focus of explanatory research is hypothesis testing through structural analysis conducted via surveys of a predetermined population.

The population for this study comprises all registered MSME actors in Sumbawa Regency, totaling 1,632 active business units based on official data from the relevant local agency for the current year. The specific determination of the population was undertaken to ensure that all MSME actors serving as respondents met the criteria of actively operating micro, small, and medium enterprises. The sampling technique utilized in this research is probability sampling, applying Slovin's formula. The selection of Slovin's formula is highly relevant when the population size is known, and the researcher desires a specific level of precision, in this case, 10%. With a sampling error rate of 10%, the minimum sample size derived from Slovin's formula is:

$$n = \frac{N}{1 + Ne^2}$$
$$n = \frac{1632}{1 + 1632(0,10)^2}$$
$$n = \frac{1632}{17,32}$$
$$n = 94$$

Based on the calculations performed, a minimum sample size of 94 respondents was obtained. To accommodate the potential for incomplete data or data not meeting analysis criteria, this sample size was rounded up to 100 respondents. This rounding is intended to ensure data sufficiency, maintain analytical integrity, and enhance the reliability and statistical power in hypothesis testing.

Primary data collection will be conducted through a survey method using a questionnaire as the main instrument. This questionnaire is structured to measure respondents' perceptions of each research construct. All questionnaire items will use a 4-point Likert scale, ranging from a score of 1 (Strongly Disagree) to 4 (Strongly Agree). The use of this scale aims to systematically quantify respondents' attitudes and perceptions so that

they can be statistically analyzed (Sekaran & Bougie, 2020).

The variables in this study are operationalized based on relevant theoretical foundations and previous research. The independent variables consist of Entrepreneurial Competence (X1), measured through managerial, technical, and personal competence dimensions, and Entrepreneurial Orientation (X2), measured through innovative, proactive, and risk-taking dimensions. The dependent variable is Competitiveness (Y), measured through indicators reflecting competitive advantage, such as product uniqueness, operational efficiency, and market adaptability.

The data analysis technique employed is Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach, also known as PLS-SEM. This method was chosen due to several advantages, including its ability to simultaneously test complex models, its less stringent requirements for normal data distribution assumptions, and its high reliability for research aiming at prediction and theory development (Hair et al., 2022). The analysis process will be facilitated by the SmartPLS statistical software for calculations and model evaluation.

The PLS-SEM data analysis process will be carried out in two main stages in accordance with existing guidelines (Sarstedt et al., 2021). The first stage is the evaluation of the measurement model (outer model), which aims to ensure that all indicators used are valid and reliable. Validity will be tested through convergent validity (AVE value) and discriminant validity, while reliability will be tested through Cronbach's Alpha and Composite Reliability values. Once the measurement model is proven feasible, the analysis proceeds to the second stage, which is the evaluation of the structural model (inner model). At this stage, hypothesis testing will be conducted to determine the significance of the influence between variables by analyzing path coefficients (β) and p-values from the bootstrapping procedure results.

RESULT AND DISCUSSION

Results

Data analysis in this study was conducted using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach through SmartPLS software. The analysis process was divided into two main stages: evaluation of the measurement model (outer model) to ensure the validity and reliability of the instruments, followed by evaluation of the structural model (inner model) to test the research hypotheses.

1. Measurement Model (Outer Model)

The evaluation of the outer model aims to validate the relationship between indicators and their latent constructs. This stage includes testing convergent validity, discriminant validity, and internal reliability.

a. Convergent Validity

Convergent validity is used to assess the extent to which indicators of a construct are truly positively correlated and measure the same construct. This test is conducted by looking at the outer loading (factor loading) value of each indicator and the Average Variance Extracted (AVE) value. An indicator is considered valid if it has an outer loading value above 0.70. Furthermore, a construct is said to meet convergent validity if its AVE value exceeds 0.50, meaning that the construct is able to explain more than 50% of the variance of its indicators (Hair et al., 2022).

Table 1. Outer Loading Test Results

Construct	Indicator	Outer Loading	Description
Entrepreneurial Competence (X1)	EC1	0.815	Valid
	EC2	0.864	Valid
	EC3	0.772	Valid
	EC4	0.839	Valid
	EC5	0.791	Valid
Entrepreneurial Orientation (X2)	EO1	0.881	Valid
	EO2	0.902	Valid
	EO3	0.857	Valid
	EO4	0.799	Valid
Competitiveness (Y)	C1	0.845	Valid
	C2	0.893	Valid
	C3	0.828	Valid
	C4	0.870	Valid

Source: Data Processed, 2024

Based on Table 1, all indicators used to measure the three research constructs showed excellent outer loading values, above the threshold of 0.70. This indicates

that each item in the questionnaire was valid in measuring the intended latent construct. After conducting the outer loading test, we then looked at the AVE values in the following table.

Table 2. Average Variance Extracted (AVE) Value

Construct	Average Variance Extracted (AVE)	Description
Entrepreneurial Competence (X1)	0.692	Valid
Entrepreneurial Orientation (X2)	0.771	Valid
Competitiveness (Y)	0.739	Valid

Source: Data Processed, 2024

The data in Table 2 shows that the AVE value for each construct has exceeded the minimum limit of 0.50. With the fulfillment of the outer loading and AVE criteria, the measurement model is declared to have met the convergent validity requirements.

b. Discriminant Validity

Discriminant validity was evaluated to ensure that a construct was empirically distinct and did not overlap with other constructs in the model (Sarstedt et al., 2021). This test was conducted using the Fornell-Larcker criteria, whereby the square root of the AVE value of each construct must be higher than its correlation with all other constructs in the model.

Table 3. Fornell-Larcker Criteria

Construct	X1	X2	Y
Entrepreneurial Competence (X1)	0.832		
Entrepreneurial Orientation (X2)	0.589	0.878	
Competitiveness (Y)	0.615	0.674	0.860

Source: Data Processed, 2024

The results in Table 3 show that the AVE square root values for each construct (bold numbers on the diagonal) are higher than the inter-construct correlation values below them. For example, the AVE square root value for Entrepreneurial Competence (0.832) is greater than its correlation with Entrepreneurial Orientation (0.589) and Competitiveness (0.615). This applies to all constructs, so it can be concluded that this

research model has met the criteria for discriminant validity.

c. Reliability Test

Construct reliability was measured using Composite Reliability (CR) and Cronbach's Alpha (CA). As explained by Hair et al. (2022), CR and CA values above 0.70 are considered adequate indicators of good reliability.

Table 4. Construct Reliability Test Results

Variable Construct	Cronbach's Alpha	Composite Reliability
Entrepreneurial Competence (X1)	0.894	0.918
Entrepreneurial Orientation (X2)	0.910	0.939
Competitiveness (Y)	0.803	0.927

Source: Data Processed, 2024

Based on Table 4 above, the Composite Reliability and Cronbach's alpha values for all constructs are also above 0.70, indicating that the research instrument has excellent internal consistency and reliability.

2. Structural Model (Inner Model)

After the measurement model was declared valid and reliable, the analysis continued with a structural model evaluation to test the relationships between constructs and research hypotheses.

a. Coefficient of Determination (R-Square) Test

The coefficient of determination (R^2) is used to measure the percentage of variance in the dependent variable (competitiveness) that can be explained by the independent variables (entrepreneurial competence and entrepreneurial orientation). R^2 values of 0.67, 0.33, and 0.19 are categorized as strong, moderate, and weak, respectively (Hair et al., 2022).

Table 5. R-Square Test Results

Dependent Variable	R-Square	Category
Competitiveness (Y)	0.582	Moderate

Source: Data Processed, 2024

Based on Table 5, the R-Square value for the Competitiveness variable is 0.582. This means that the Entrepreneurial Competence and Entrepreneurial Orientation variables together can explain 58.2% of the variance in the Competitiveness variable. These results indicate that the model has moderate predictive power. The remaining 41.8% of the variance is explained by factors outside the scope of this research model.

b. F-Square Test (f^2)

The F-Square (f^2) test is performed to assess the relative contribution or effect size of each independent variable on the dependent variable. F^2 values of 0.02, 0.15, and 0.35 indicate small, medium, and large effect sizes, respectively (Sarstedt et al., 2021).

Table 6. F-Square Test Results (f^2)

Influence	F-Square (f^2)	Description
X1 → Y	0.267	Medium
X2 → Y	0.361	Large

Source: Data Processed, 2024

The results in Table 6 show that Entrepreneurial Competence (X1) has an effect size of 0.267 on Competitiveness (Y). This value falls into the medium effect category, indicating that entrepreneurial competence makes a substantial contribution to explaining the variance in competitiveness. Meanwhile, Entrepreneurial Orientation (X2) shows an effect size of 0.361, which is categorized as large. This finding confirms that entrepreneurial orientation has a very strong influence and is an important predictor of SME competitiveness in this model.

c. Hypothesis Testing (Bootstrapping)

Hypothesis testing was conducted using the bootstrapping procedure to determine the significance of the causal relationship between variables. The hypothesis was accepted if the T-statistic value was greater than 1.96 and the P-value was less than 0.05.

Table 7. Hypothesis Testing Results (Path Coefficients)

Relationship	Path Coefficient (β)	T-Statistic	P-Values
X1 → Y	0.418	5.824	0.000
X2 → Y	0.495	6.713	0.000

Source: Data Processed, 2024

Based on the results of the hypothesis testing presented in Table 7, the findings can be interpreted as follows:

1) Effect of Entrepreneurial Competence (X1) on Competitiveness (Y)

The path coefficient obtained is 0.418 with a T-statistic of 5.824 and a P-value of 0.000. Since the T-statistic (5.824) is greater than 1.96 and the P-value (0.000) is less than 0.05, the first hypothesis (H1) is accepted. This result indicates that entrepreneurial competence has a positive and significant effect on the competitiveness of MSMEs in Kabupaten Sumbawa.

2) Effect of Entrepreneurial Orientation (X2) on Competitiveness (Y)

The path coefficient obtained is 0.495 with a T-statistic of 6.713 and a P-value of 0.000. Since the T-statistic (6.713) is greater than 1.96 and the P-value (0.000) is less than 0.05, the second hypothesis (H2) is accepted. This result demonstrates that entrepreneurial orientation has a positive and significant effect on the competitiveness of MSMEs in Kabupaten Sumbawa.

Discussion

1. The Effect of Entrepreneurial Competence (X1) on Competitiveness (Y)

The results of this study reveal that entrepreneurial competence exerts a positive and significant influence on the competitiveness of MSMEs in Kabupaten Sumbawa. This finding indicates that the higher the level of competence possessed by MSME actors as reflected in managerial skills, technical expertise, market understanding, and adaptability to innovation the greater their ability to compete in dynamic and challenging markets. Entrepreneurial competence serves as a fundamental asset for designing

business strategies, managing resources efficiently, and identifying opportunities as well as threats in an ever-changing business environment.

Moreover, this study reinforces the notion that entrepreneurial competence impacts not only internal organizational aspects but also external success factors such as market expansion, improvement of product or service quality, and strengthening of business networks. In the context of MSMEs in Kabupaten Sumbawa, enhancing entrepreneurial capabilities enables business actors to be better prepared to face competition, adapt to technological advancements, and optimally leverage local resources to create sustainable competitive advantages.

These findings are consistent with previous research. Simosi, Lytovchenko, and Martono (2024) concluded that developing entrepreneurial competence significantly enhances SME competitiveness by improving innovation capacity, strategic decision-making, and knowledge-based business adaptation. Similarly, Purwanti, Sari, and Prabowo (2021) found that entrepreneurial competence mediates the relationship between managerial characteristics and MSME competitive advantage, with highly competent entrepreneurs demonstrably better equipped to compete in highly competitive markets.

2. The Effect of Entrepreneurial Orientation (X2) on Competitiveness (Y)

The findings of this study indicate that entrepreneurial orientation has a positive and significant effect on the competitiveness of MSMEs in Kabupaten Sumbawa. Entrepreneurial orientation, manifested through innovative attitudes, proactivity, and a willingness to take risks, becomes a crucial factor in enhancing the competitive advantage of MSMEs amid the dynamics of both local and global business competition. MSME actors who possess a strong entrepreneurial orientation tend to be more aggressive in pursuing new opportunities, continuously initiate renewal, and respond rapidly to market shifts and technological advancements.

Furthermore, this study reveals that entrepreneurial orientation functions not only as a catalyst in creating added value for businesses but also accelerates the transformation process toward a more dynamic and innovation-driven business model. The proactive and adaptive characteristics inherent to entrepreneurially oriented business owners help MSMEs develop a long-term vision, expand strategic networks, and establish more flexible and responsive management systems. Consequently, MSMEs are better equipped to survive and grow sustainably under competitive pressures.

The support for these findings is further reinforced by empirical evidence from prior studies. Widodo, Taufik, and Mustofa (2023) found that entrepreneurial orientation plays a pivotal role as a lever in strengthening MSME business sustainability through improved innovation capability and market responsiveness. Similarly, Adam (2024) emphasizes that entrepreneurial orientation encourages business actors to continuously implement differentiation strategies, product innovation, and market expansion, thereby elevating the competitiveness of MSMEs in both domestic and international markets.

In summary, achieving a high level of competitiveness among MSMEs in Kabupaten Sumbawa is greatly influenced by the degree of entrepreneurial orientation exhibited by their business owners. Investment in continuous learning, the development of an open mindset toward change, and the strengthening of entrepreneurial values are critical factors that must be prioritized in future MSME empowerment strategies. The ability of MSMEs to adapt to the increasingly complex demands of the business environment strongly depends on their commitment to consistently and purposefully develop their entrepreneurial orientation.

CONCLUSION

Based on the data analysis and the in-depth discussion presented, this study yields a series of important conclusions regarding the

internal factors that shape the competitiveness of MSMEs in Kabupaten Sumbawa.

1. Entrepreneurial competence has a positive and significant effect on competitiveness. This empirical finding demonstrates that the level of expertise, knowledge, and skills possessed by an entrepreneur constitutes a crucial foundation for building competitive advantage. The higher the level of managerial, technical, and personal competence held by MSME actors, the greater their ability to manage resources efficiently, produce high-quality products or services, and adapt to market dynamics. Ultimately, this enhances the overall competitiveness of their businesses.
2. Entrepreneurial orientation has a positive and significant effect on competitiveness. This research also confirms that the strategic posture of an enterprise reflected in its innovativeness, proactiveness, and willingness to take risks is a primary driver of competitiveness. Entrepreneurial orientation not only motivates MSMEs to continuously seek new opportunities but also fosters a dynamic and adaptive organizational culture. Its influence, which is found to be greater than that of entrepreneurial competence in this model, indicates that the "willingness" to act entrepreneurially serves as a strong differentiator for the success of MSMEs in Kabupaten Sumbawa.

REFERENCES

- Adam, L. (2024). Entrepreneurial orientation in Indonesian SMEs: Determinants and impact on performance. *Cogent Business & Management*, 11(1), 139–154. <https://doi.org/10.1080/23311975.2024.2399750>
- Desfiandi, A., & Firmansyah, R. (2023). Entrepreneurial orientation and digital capability: Impact on business growth and competitiveness among Indonesian MSMEs. *Journal of Asian Business and Economic Studies*, 30 (1), 55–71. <https://doi.org/10.1108/JABES-05-2022-0078>
- Dewi, V. I., Rahma, A., & Yuliana, C. (2022). The role of entrepreneurial competencies and digital orientation on SME competitiveness. *Journal of Entrepreneurship Education*, 25 (4), 1–12.
- Fauziah, F., Nasution, P., & Utomo, T. (2024). Proactive entrepreneurial orientation and adaptability of MSMEs post-Covid-19. *Asia Pacific Journal of Innovation and Entrepreneurship*, 18 (2), 180–193. <https://doi.org/10.1108/APJIE-01-2024-0012>
- Ghozali, I., & Latan, H. (2021). *Partial Least Squares: Konsep, Teknik dan Aplikasi SmartPLS 3.0 untuk Penelitian Empiris*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). *A primer on partial least squares structural equation modeling (PLS-SEM)* (3rd ed.). Thousand Oaks, CA: SAGE Publications.
- Handayani, D. (2023). SME competitiveness in the Indonesian digital economy: Policy and practical implications. *Small Business International Review*, 7 (1), e479. <https://doi.org/10.3926/sbir.479>
- Hanif, M., Sulaiman, M., & Lubis, M. (2023). Integration of entrepreneurial orientation and competence to enhance SME competitiveness: Evidence from Indonesia. *Journal of Small Business Strategy*, 33 (4), 49–66.
- Hasan, M., Latief, F., & Widiastuti, H. (2021). Entrepreneurial competencies and innovation capability among small business owners. *International Journal of Entrepreneurship*, 25 (3), 1–14.
- Novitasari, D., & Zuraida, L. (2015). Pengaruh orientasi kewirausahaan dan kompetensi wirausaha terhadap daya saing: Studi empiris pada UMKM di DIY. *Jurnal Riset Manajemen*, 2 (2), 165–178.
- Purwanti, A., Sari, R. W., & Prabowo, H. (2021). Entrepreneurial competency and business performance: The mediating role of competitive advantage in MSMEs. *Management Science Letters*, 11 (3), 721–728. <https://doi.org/10.5267/j.msl.2020.12.014>
- Puspitasari, D., Setiyono, B., & Yulianto, G. (2021). Government policy, entrepreneurial competence, and MSME competitiveness: The moderating effect

- of digital adoption. *Journal of Entrepreneurship Development*, 23 (2), 42–58.
- Putra, J. D., & Hasanah, N. (2022). Entrepreneurial orientation, competence, and sustainable competitive advantage: Evidence from Indonesian SMEs. *Journal of Entrepreneurship and Business*, 9 (2), 41–57.
- Rahman, N., & Aswandi, A. (2022). Entrepreneur competency and digital literacy for MSME competitiveness in West Nusa Tenggara. *Indonesian Journal of Business and Entrepreneurship*, 8 (2), 89–103. <https://doi.org/10.17014/ijost.v8i2.1387>
- Ramadhan, S. S., & Yuwono, T. (2022). *Metodologi Penelitian Bisnis dan Manajemen: Pendekatan Kuantitatif dan PLS-SEM*. Jakarta: Prenadamedia Group.
- Rosdiana, R., Wahyuni, S., & Nugroho, A. (2024). Exploring innovation readiness and managerial skill gaps in rural MSMEs. *Journal of Rural Enterprises*, 12 (1), 15–30.
- Sarstedt, M., Ringle, C. M., & Hair, J. F. (2021). Partial least squares structural equation modeling. In C. Homburg, M. Klarmann, & A. E. Rendón (Eds.), *Handbook of market research* (pp. 587–632). Cham: Springer.
- Sary, E. F., Dewi, S. R., & Amir, F. (2022). Digital transformation and entrepreneurial orientation: Strategy for MSME competitiveness. *Open Access Library Journal*, 9 (12), e9366. <https://doi.org/10.4236/oalib.1109366>
- Sekaran, U., & Bougie, R. (2020). *Research methods for business: A skill-building approach* (8th ed.). Hoboken, NJ: John Wiley & Sons.
- Simosi, M., Lytovchenko, L., & Martono, M. (2024). Entrepreneurial competence development and SMEs' competitive advantage: A multi-country study. *International Journal of Entrepreneurial Behavior & Research*, 30(1), 78–102.
- Sugiyono. (2023). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D* (3rd ed.). Bandung: Alfabeta.
- Ulfah, R., Syamsidar, S., & Wahyuni, N. (2021). UMKM digital transformation: The role of digital literacy, competence, and innovation. *Review of Integrative Business and Economics Research*, 10 (4), 10–25.
- Utami, S., & Pramudito, A. (2022). The effect of entrepreneurial competence on market orientation and performance of MSMEs. *International Journal of Research in Business and Social Science*, 11 (7), 128–136. <https://doi.org/10.20525/ijrbs.v11i7.1954>
- Widodo, L., Taufik, R., & Mustofa, N. (2023). Strategic orientation, entrepreneurial competence and business sustainability: Evidence from Indonesian MSMEs. *Journal of Entrepreneurship in Emerging Economies*, 15 (1), 150–171. <https://doi.org/10.1108/JEEE-02-2022-0056>.