

M. Faizal Rangkuti¹, Nolla Puspita Dewi², Ramli³

1,2,3 Faculty of Economics and Business, Universitas Batam, Indonesia E-mail: 64123018@univbatam.ac.id*, nollapuspitadewi@univbatam.ac.id,

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) have a significant contribution to the Indonesian economy, including in Tanjung Pinang City, which has great potential in the culinary sector. However, MSMEs in this region still face challenges such as low entrepreneurial competency, weak market orientation, suboptimal government support, and varying levels of self-efficacy. This study aims to analyze the influence of entrepreneurial competency, market orientation, and government support on the performance of MSMEs in the culinary sector in Tanjung Pinang City, with self-efficacy as an intervening variable. The research approach uses a quantitative method with an explanatory design. The research sample consisted of 291 respondents selected using a purposive sampling technique, and data were analyzed using Structural Equation Modeling based on Partial Least Squares (SEM-PLS). The results show that entrepreneurial competency, market orientation, and government support have a positive and significant effect on MSME performance, both directly and through self-efficacy as a mediating variable. Selfefficacy is proven to strengthen the relationship between internal and external factors on business performance. These findings underscore the importance of enhancing entrepreneurial capacity, consistently implementing market orientation, and optimizing government support in boosting the performance of MSMEs in the culinary sector. This research provides practical implications for local governments and MSMEs in designing integrated business development strategies, as well as theoretical contributions in expanding the study of the relationship between entrepreneurial competency, market orientation, government support, and self-efficacy in the context of MSMEs in Indonesia.

Keywords: Entrepreneurial competence, market orientation, government support, self-efficacy, MSME performance, culinary sector.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a key pillar of the Indonesian economy, playing a significant role in job creation, poverty alleviation, and income equality. Data from the Ministry of Cooperatives and SMEs shows that in 2023, MSMEs contributed more than 60.5% to the national Gross Domestic Product (GDP) and absorbed approximately 97% of the workforce (Ministry of Cooperatives and SMEs, 2023). This strategic role is increasingly important amidst the dynamics of the global economy, where regional economic resilience is highly dependent on the competitiveness of the MSME sector. However, despite their significant contribution, many MSMEs in Indonesia still face structural challenges such as limited access to financing, low technology adoption, and weak managerial skills (World Bank, 2022). This situation demands a strategy to increase the capacity of business actors, both through internal intervention and external support, so that MSMEs can survive and thrive amidst increasingly competitive markets. In the context of MSME development, entrepreneurial competence is an internal factor that significantly determines business performance. This competence encompasses the integration of knowledge, skills, and attitudes that enable an entrepreneur to manage a business effectively and adapt to changes in the business environment (Mitchelmore & Rowley, 2010). MSMEs with strong competence tend to be able to identify market opportunities, innovate products, and utilize resources optimally. However, research conducted by Rahman and Abdillah (2021) found that most MSMEs in Indonesia, particularly in the culinary sector, still lack managerial skills, financial literacy, and digital marketing. These limitations result in low product competitiveness in both local

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and global markets, necessitating systematic efforts to strengthen entrepreneurial competence. In addition to individual competencies, market orientation is a crucial element influencing the success of MSMEs. Market orientation refers to the extent to which business actors are able to understand and respond to customer needs, monitor competitor movements, and coordinate internal functions to create value for consumers (Narver & Slater, 1990). Research by Setiawan et al. (2022) shows that strong market orientation positively contributes to sales growth and customer loyalty in culinary MSMEs. However, the reality on the ground shows that many business actors have not fully adopted the principles of market orientation. Limited information on consumer trends, minimal market research, and inadequate utilization of customer data are major obstacles to developing business strategies that are responsive to changing demand.

Government support is an external factor that significantly influences MSME performance. This support includes facilitating access to capital through People's Business Credit (KUR), entrepreneurship training, supporting infrastructure development, and product promotion through events and digital platforms (Ministry of Cooperatives and SMEs, 2023). A study by Pratama and Wulandari (2021) found that targeted government support can increase production capacity, expand marketing networks, and encourage MSME innovation. However, policy implementation in the field is often uneven, resulting in some business actors, particularly in the regions, still experiencing difficulties accessing these programs. This highlights the need to evaluate and strengthen support distribution mechanisms to ensure all MSMEs optimally benefit from these programs. Amidst these various internal and external factors, self-efficacy emerges as a psychological variable that contributes to business success. Self-efficacy, defined by Bandura (1997) as an individual's belief in their ability to organize and execute the actions necessary to achieve goals, plays a crucial role in driving decision-making and persevering in the face of challenges. Research by Indrawati et al. (2020) shows that MSMEs with high levels of self-efficacy tend to be more willing to take risks, more proactive in seeking opportunities, and more resilient in the face of failure. Thus, self-efficacy can serve as a bridge connecting entrepreneurial competence, market orientation, and government support to MSME performance.

Tanjung Pinang City, the capital of the Riau Islands Province, has significant potential for MSME development, particularly in the culinary sector. Its cultural diversity and rich natural resources create a vast market opportunity for both tourists and local residents. However, a preliminary survey conducted by researchers of 30 culinary MSMEs in Tanjung Pinang revealed that business performance indicators such as revenue growth, customer numbers, and product quality remain below 80% of the ideal target. This indicates problems stemming not only from external factors such as purchasing power, but also from internal factors such as low entrepreneurial competency, weak market orientation, and suboptimal local government support. Based on these conditions, this study focuses on analyzing the influence of entrepreneurial competence, market orientation, and government support on the performance of MSMEs in the culinary sector in Tanjung Pinang City, with self-efficacy as an intervening variable. This approach is expected to provide a more comprehensive picture of the relationships between variables, thereby generating strategic recommendations for improving the competitiveness of MSMEs in the region. By identifying the most influential factors, this study can also serve as a reference for formulating more targeted MSME empowerment policies and programs.

LITERATURE REVIEW

Social Cognitive Theory (Grand Theory)

Social Cognitive Theory (SCT), developed by Bandura (1986), explains the reciprocal interaction between personal, environmental, and behavioral factors, known as reciprocal determinism. The concept of self-efficacy is at the heart of SCT, namely an individual's belief in their ability to organize and execute actions to achieve goals (Bandura, 1997). In the context of MSMEs, self-efficacy influences entrepreneurs' ability to take risks, innovate, and survive amid market uncertainty (Newman et al., 2019). Environmental factors such as government support and market conditions can strengthen or weaken self-efficacy (Pratama & Wulandari, 2021). Therefore, SCT is a relevant conceptual framework for explaining the relationship between entrepreneurial competence, market orientation, government support, self-efficacy, and MSME performance.

Entrepreneurial Competence

Entrepreneurial competency encompasses the integration of knowledge, skills, and attitudes necessary to identify opportunities, manage resources, and make strategic decisions (Mitchelmore & Rowley, 2010). This competency has been shown to positively impact MSME performance by enabling entrepreneurs to respond adaptively to market changes (Rahman & Abdillah, 2021). A study by Sidharta and Lusyana (2014) showed that

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managerial knowledge, technical skills, and leadership are key indicators of entrepreneurial competency. In the culinary sector, this competency plays a role in product innovation, quality management, and brand development, distinguishing businesses from competitors. Therefore, enhancing entrepreneurial competency is key to MSME success in facing intense competition.

Market Orientation

Market orientation is an organizational culture that prioritizes understanding and meeting customer needs through monitoring consumer trends, competitor analysis, and internal coordination (Narver & Slater, 1990). Research shows that market orientation contributes to increased sales, customer loyalty, and business sustainability (Setiawan et al., 2022). However, many MSMEs still lack market research and customer data utilization, which limits their competitiveness (Damayanti, 2018). For culinary entrepreneurs, market orientation means the ability to create products according to consumer tastes and adapt marketing strategies to changing demand. Consistent implementation of market orientation can be a significant competitive advantage for MSMEs.

Government Support

Government support includes policies, financial assistance, training, and infrastructure aimed at strengthening the capacity of MSMEs (Ministry of Cooperatives & SMEs, 2023). Programs such as the People's Business Credit (KUR) and management training have been shown to improve MSME productivity and financial performance (Susilowati et al., 2023). A study by Fitriana et al. (2024) showed that high levels of government support moderate the positive relationship between capital availability and business performance. In Tanjung Pinang, strengthening government support is crucial given the limited access to capital, technology, and markets faced by culinary MSMEs. With equitable and targeted support, MSMEs can be more competitive and sustainable.

Self-Efficacy

Self-efficacy is an individual's belief in their ability to carry out the actions necessary to achieve specific outcomes (Bandura, 1997). In entrepreneurship, self-efficacy encourages entrepreneurs to take risks, persist in the face of failure, and be creative in finding solutions (Indrawati et al., 2020). Research shows that self-efficacy is an important mediator between internal factors such as entrepreneurial competence and external factors such as government support for business performance (Newman et al., 2019). MSMEs with high self-efficacy tend to adopt innovations and adapt more quickly to market trends. Therefore, increasing self-efficacy can be a psychological strategy to strengthen MSME performance.

Performance of MSMEs in the Culinary Sector

MSME performance is measured by achieving business goals, including revenue growth, customer base, operational efficiency, and business sustainability (Aribawa, 2016). Internal factors such as entrepreneurial competence and market orientation, as well as external factors such as government support, have been shown to influence MSME performance (Suparyanto & Rosad, 2020). The culinary sector has unique characteristics, namely high levels of competition and the need for continuous product innovation. Research by Damayanti (2018) shows that culinary MSMEs that consistently innovate and adapt to trends perform better. Therefore, improving the performance of culinary MSMEs requires an effective combination of managerial strategies, marketing strategies, and external support.

METHOD

Research Approach

This study uses a quantitative approach with a survey method. The quantitative approach was chosen because this study aims to empirically test the influence between variables based on numerical data that can be analyzed statistically (Sugiyono, 2019). This research design is explanatory because it seeks to explain the causal relationship between entrepreneurial competence, market orientation, government support, self-efficacy, and the performance of MSMEs in the culinary sector in Tanjung Pinang City. The analysis of the relationship between variables was conducted using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) to test the measurement model (outer model) and structural model (inner model).

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Data Types and Sources

The data used are primary and secondary. Primary data was obtained through questionnaires distributed directly to MSMEs in the culinary sector in Tanjung Pinang City. Secondary data was obtained from official reports from the Ministry of Cooperatives and SMEs, the Central Statistics Agency (BPS), and relevant scientific publications. Secondary data was used to provide context for the research findings and support the analysis and discussion.

Population and Sample

The study population comprised all culinary MSMEs operating in Tanjung Pinang City. Based on data from the local Cooperatives and MSMEs Office, the population in 2024 was 1,050 businesses. The sample size was determined using the Slovin method with a 5% margin of error, resulting in a sample size of 291 respondents. The sampling technique used was purposive sampling, with the criteria being business owners who had been operating for at least two years and had a clear business legality or identity.

RESULTS AND DISCUSSION

Structural Model (Inner Model)

The structural model testing process is carried out after the measurement model meets the criteria. Structural model testing is conducted to determine the direct and indirect relationships between variables. The structural model evaluation using SmartPLS 3 for Windows is as follows:

Testing the Coefficient of Determination (R Square)

The evaluation of the PLS-SEM structural model begins by looking at the R-square of each dependent latent variable. Table 1 shows the results of the R-square estimates using

Table 1 R-Square Determination Test

	R Square	R Square Adjusted
Performance_Y	0.589	0.580
Self-Efficacy_Z	0.434	0.425

Based on table 1 above, the adjusted R-Square value of the Self-Efficacy variable is 0.434, which means that the Self-Efficacy variable can be explained by the variables of entrepreneurial competence, market orientation, and government support by 43.4%. Furthermore, the adjusted R-Square value of the performance variable is 0.580, which means that the performance variable can be explained by the variables of entrepreneurial competence, market orientation, and government support by 58% and the remaining 42% is explained by other variables not examined in this study.

Hypothesis Testing Results

Structural model testing aims to explain the relationships between variables in a study. Structural model testing is conducted using PLS software. The basis for direct hypothesis testing is the image output and the values contained in the path coefficients. The basis for direct hypothesis testing is that if the p-value is <0.05 (significance level = 5%), then a significant influence of the exogenous variable on the endogenous variable is stated. The following is a complete explanation of hypothesis testing:

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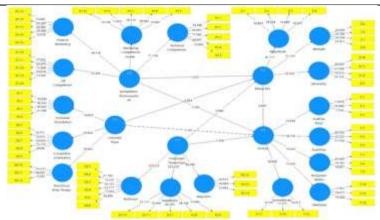


Figure 1 Hypothesis Testing Results

Based on the results of the hypothesis testing above, conclusions can be drawn in the form of a table as follows:

Table 2 Direct Effect Test

Tuble 2 Breet Effect Test								
	Original	Sample	Standard	T Statistic	P Values			
	Sample (O)	Mean (M)	Deviation	(IO/STDEV)				
			(STDEV)					
X1→Y	0.236	0.233	0.071	3,306	0.001			
X2 → Y	0.108	0.103	0.083	1,292	0.099			
X3→Y	0.069	0.060	0.059	1,168	0.122			
$Z \rightarrow Y$	0.516	0.522	0.075	6,847	0.000			
X1→Z	0.207	0.208	0.077	2,673	0.004			
$X2\rightarrow Z$	0.507	0.510	0.077	6,601	0.000			
X3→Z	0.033	0.037	0.068	0.480	0.316			

Based on the table above, it can be explained as follows:

1. Hypothesis 1

The results of the first hypothesis test, namely the influence of Entrepreneurial Competence on the performance of MSMEs, showed a coefficient value of 0.236, p-values of 0.001, and t-statistics of 3.306. These results indicate that competence has a positive and significant effect on the performance of MSMEs, so that hypothesis 1 is accepted.

2. Hypothesis 2

The results of the second hypothesis test, namely market orientation on the performance of MSMEs, showed a coefficient value of 0.108, p-values of 0.099, and a t-statistic of 1.292. These results indicate that market orientation has a positive but insignificant effect on performance, so hypothesis 2 is not accepted.

3. Hypothesis 3

The results of the third hypothesis test, namely Government Support for MSME performance, showed a coefficient value of 0.069, p-value of 0.122, and t-statistic of 1.168. These results indicate that government support has a positive but insignificant effect on the performance of MSME actors, so hypothesis 3 is not accepted.

4. Hypothesis 4

The results of the fourth hypothesis test, namely that Self-Efficacy influences MSME performance, show a coefficient value of 0.516, a p-value of 0.000, and a t-statistic of 6.847. These results indicate that self-efficacy has a significant effect on the performance of MSME actors, thus hypothesis 4 is accepted.

5. Hypothesis 5

The results of the first hypothesis test, namely the influence of entrepreneurial competence on self-efficacy, showed a coefficient value of 0.207, p-value of 0.004, and t-statistic of 2.673. These results indicate that entrepreneurial competence has a significant effect on self-efficacy, so hypothesis 5 is accepted.

6. Hypothesis 6

The results of the second hypothesis test, namely Market Orientation on Self-Efficacy, show a coefficient value of 0.507, a p-value of 0.000, and a t-statistic of 6.601. These results indicate that market orientation has a significant effect on self-efficacy, so hypothesis 6 is accepted.

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7. Hypothesis 7

The results of the third hypothesis test, namely government support for self-efficacy, showed a coefficient value of 0.033, p-values of 0.316, and a t-statistic of 0.480. These results indicate that government support has no significant effect on self-efficacy, so hypothesis 7 is not accepted.

Table 3 Results of Indirect Effect Test

	Original	Sample	Standard	T Statistic	P Values
	Sample (O)	Mean (M)	Deviation	(IO/STDEV)	
			(STDEV)		
$X1 \rightarrow Z \rightarrow Y$	0.107	0.109	0.046	2,313	0.011
$X2 \rightarrow Z \rightarrow Y$	0.262	0.265	0.053	4,897	0.000
$X3 \rightarrow Z \rightarrow Y$	0.017	0.020	0.036	0.470	0.319

8. Hypothesis 8

The results of the eighth hypothesis testing, namely entrepreneurial competence on MSME performance mediated by self-efficacy, showed a coefficient value of 0.107, p-values of 0.011, and t-statistics of 2.313. These results indicate that entrepreneurial competence on MSME performance mediated by self-efficacy has a significant effect, so that hypothesis 8 is accepted.

Hypothesis 9

The results of testing the ninth hypothesis, namely market orientation on MSME performance mediated by self-efficacy, showed a coefficient value of 0.262, p-values of 0.000 and t-statistics of 4.897. These results indicate that market orientation on MSME performance is mediated by self-efficacy so that hypothesis 9 is accepted.

10. Hypothesis 10

The results of the tenth hypothesis test, namely Government support for MSME performance mediated by Self-Efficacy, showed a coefficient value of 0.017, p-values of 0.319, and t-statistics of 0.470. These results indicate that government support for MSME performance mediated by self-efficacy has no significant effect, so hypothesis 10 is not accepted.

DISCUSSION

Entrepreneurial Competence on the Performance of MSMEs

The results of hypothesis testing on the entrepreneurial competency variable on the performance of actors indicate that entrepreneurial competency has a positive and significant effect on the performance of culinary sector MSMEs in Tanjungpinang City. This means that the higher the entrepreneurial competency possessed by MSMEs, the better their business performance will be, especially in aspects of productivity, service quality, and business sustainability. Entrepreneurial competency in the culinary sector MSMEs includes the ability to identify culinary market opportunities, creativity in creating innovative menus, skills in business management, and resilience in facing operational challenges such as demand fluctuations and local competition. MSMEs with high competency will be able to respond to market dynamics more adaptively and run their businesses efficiently. This research also supports the findings of a previous study by Heryanti & Arnu (2024), which confirmed that competence significantly contributes to improved performance, both in formal and informal organizational contexts. In the context of MSMEs in the culinary sector in Tanjungpinang, entrepreneurs with high competence tend to be more creative in modifying food/beverage products, more careful in financial management, and able to build good relationships with customers.

Furthermore, in research (Ariyani & Fauzan, 2020) Entrepreneurial Competence has a positive correlation with MSME Performance. This shows that MSME actors who have a high level of entrepreneurial competence, such as the ability to formulate business strategies, create product innovations, and run business operations efficiently, tend to have better business performance. The study also underlines that competency dimensions such as the courage to take risks, leadership skills, and adaptability to market changes, significantly encourage increased productivity and competitiveness of MSMEs. In other words, the better the competence of an entrepreneur, the higher the opportunity for the business to grow and sustain amidst economic challenges. Thus, it can be concluded that strengthening entrepreneurial competencies is an urgent need for the development of MSMEs in the culinary sector in Tanjungpinang. Practice-based training programs, increased digital literacy, and ongoing business mentoring will significantly assist entrepreneurs in improving their performance and competitiveness at the local and regional levels.

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Market Orientation on the Performance of MSMEs

The results of this study indicate that market orientation has a positive but insignificant effect on the performance of MSMEs in the culinary sector in Tanjungpinang City. This means that the higher the level of market orientation of MSMEs, the lower their business performance. Market orientation reflects the extent to which MSMEs understand customer needs and desires, monitor competitor activity, and respond quickly and appropriately to market changes. In the context of culinary MSMEs, this is evident in the ability of business owners to create menus that meet consumer preferences, maintain quality taste and service, and innovate in marketing, including utilizing social media and delivery services. Although the relationship is positive (meaning that MSMEs with market awareness and understanding tend to have better business performance), the effect is not statistically strong enough to be considered significant. This suggests that market orientation alone is not sufficient to improve performance, and there may be other factors that more dominantly influence MSME performance.

Furthermore, market orientation implementation is suboptimal. This could be due to MSMEs recognizing the importance of the market (e.g., following trends and understanding consumers), but not consistently implementing it in their business strategies. This could be due to a lack of ability to process market information into product/service innovation, and limited access to market data, training, and digital marketing technology. Furthermore, the characteristics of culinary MSMEs in Tanjungpinang can also influence: Many culinary MSMEs in Tanjungpinang still rely on traditional systems and regular customers, competition may not be too competitive, so market orientation has not become the main determinant of performance, social capital and community relations may be more influential than modern market understanding. These findings imply that MSMEs need to be equipped with the skills to translate market orientation into concrete actions, such as product innovation, service innovation, and promotional strategies. Furthermore, local governments or relevant agencies need to develop programs to strengthen market literacy, such as digital marketing training, customer surveys, and brand management.

Government Support for the Performance of MSMEs

Based on the results of the hypothesis testing, it was found that government support had a positive but insignificant effect on the performance of MSMEs in the culinary sector in Tanjungpinang City. This means that greater government support does not improve MSME business performance, particularly in terms of revenue growth, operational efficiency, and business sustainability. These findings indicate that government support does exist and is positive (in terms of direction of relationship), but is not statistically strong enough to have a significant impact on improving MSME performance (in terms of turnover, operational efficiency, and business sustainability). Some of the causes are: (1) the gap between policy and implementation, Government assistance, whether in the form of training, access to capital, or incentives, may not reach MSMEs effectively, due to: uneven program distribution, information that does not reach all MSMEs, complicated bureaucratic processes. (2) The quality of support does not match the real needs of MSMEs, It could be that government support is still generic and not tailored to the specific needs of culinary MSMEs: For example, the training provided does not match the real challenges of business actors such as digital marketing, packaging, or financial management. Capital assistance that is not accompanied by ongoing business mentoring. This research aligns with the findings of Suryanto & Pramono (2020), who found that government support did not significantly impact MSME growth in Yogyakarta. The effectiveness of support depends largely on how adaptable and responsive business actors are in utilizing the program. Furthermore, a study by Wibowo & Hartono (2021) on culinary MSMEs in Semarang showed that government support will only be effective if it is supported by the MSMEs' managerial capabilities. Without these capabilities, support in the form of training or capital will not necessarily improve performance.

Self-Efficacy on the Performance of MSME Actors

The results of the study indicate that self-efficacy has a positive and significant impact on the performance of MSMEs in the culinary sector in Tanjungpinang City. This indicates that the higher an MSME's confidence in their ability to run a business, the higher their business performance. Self-efficacy reflects an entrepreneur's confidence in their ability to manage a business, face challenges, and make the right decisions in difficult situations. MSMEs with high self-efficacy tend to be more resilient when facing operational difficulties, are able to recover from failure, and are more consistent in implementing business strategies. This finding aligns with (Kurnianty & Sitorus, 2023) findings that self-efficacy demonstrates a positive and significant influence on MSME performance. In the context of culinary MSMEs in Tanjungpinang, this is evident in the ability of business actors to continuously innovate, improve product quality, and survive amidst intense business competition. This research also aligns with the results of a study conducted by (Kurnianty & Sitorus, 2023) that self-efficacy significantly influences MSME

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business performance. MSME actors with high levels of self-efficacy tend to be more confident in taking risks, more persistent in solving problems, and more proactive in seeking opportunities and innovating. This confidence in one's own abilities encourages faster and more accurate decision-making, which ultimately has a positive impact on operational efficiency, customer satisfaction, and overall business growth. Thus, strengthening self-efficacy is a crucial aspect in the development of MSMEs. Motivational training programs, mentoring from successful entrepreneurs, and the formation of business communities can help boost MSMEs' self-confidence and resilience in running their businesses.

Entrepreneurial Competence on Self-Efficacy

The results of the study indicate that entrepreneurial competence has a significant and positive influence on the self-efficacy of MSMEs in the culinary sector in Tanjungpinang City. This finding indicates that the higher the level of entrepreneurial competence possessed by an entrepreneur, the stronger their confidence in their ability to succeed in managing and developing their business. Entrepreneurial competence, defined as the combination of knowledge, skills, and attitudes needed to recognize business opportunities, manage resources efficiently, and make innovative decisions in facing business challenges, directly contributes to increased individual self-confidence. The mechanism of this influence can be explained through several aspects. MSMEs with high entrepreneurial competencies tend to be more capable of designing well-thought-out business strategies, accurately reading market trends, and effectively managing teams. These abilities provide a strong foundation for them to feel confident that their actions will have a positive impact. For example, an entrepreneur skilled in digital marketing and financial management will be more confident in facing market competition or economic fluctuations, as they have the tools and knowledge to adapt. These competencies also help entrepreneurs remain optimistic and persistent even when facing risks or uncertain situations in business, which are important characteristics of strong self-efficacy. The relationship between entrepreneurial competence and self-efficacy is reciprocal and creates a mutually supportive cycle. Continuously developing competence strengthens self-efficacy, as each success or mastery of a new skill increases an individual's confidence in their abilities. Conversely, high self-efficacy encourages entrepreneurs to continuously learn, innovate, and improve their skills, thereby further enhancing their competence. This positive cycle is crucial in creating entrepreneurs who are not only technically and strategically proficient but also possess a strong mentality and confidence in facing dynamic business challenges. These findings are supported by previous research. (P. Puspita & H. Lisan, 2024) stated that there is a positive relationship between entrepreneurial competence and self-efficacy. Furthermore, research by (Kazel et al., 2020) also showed that entrepreneurial competence can predict self-efficacy and a sense of coherence in female entrepreneurs in South Africa. This consistency of results strengthens the argument that developing entrepreneurial competence is a key factor in building strong self-efficacy in MSMEs, which in turn will positively impact their business performance.

Market Orientation Towards Self-Efficacy

Based on the results of hypothesis testing, it was found that market orientation has a positive and significant effect on the self-efficacy of culinary MSMEs in Tanjungpinang City. This means that MSMEs with a good understanding and sensitivity to the market will have a higher level of confidence in managing and developing their businesses. Market orientation reflects the extent to which business actors understand customer needs, monitor competitor activities, and quickly respond to market changes. In the context of culinary MSMEs, business actors who diligently follow food trends, actively respond to consumer input, and are creative in digital marketing tend to feel more confident in their ability to make business decisions. This increased self-confidence is a form of self-efficacy, which is an individual's perception of their ability to complete tasks and face challenges.

Research by (Imantoro et al., 2024) shows that market orientation contributes to increased adaptability and resilience in culinary MSMEs, especially when facing market uncertainty. These results indicate that entrepreneurs who are responsive to the market feel better prepared and more confident in running their businesses. Conceptually, this relationship is further reinforced by (Rahadhini & Lamidi, 2020), who state that market orientation encourages entrepreneurs to develop strategies based on market data and customer needs. Understanding the market provides a sense of control and certainty in actions, which ultimately increases entrepreneurs' self-efficacy. This means that when MSMEs feel in control of market conditions, their confidence in decision-making also increases. Thus, market orientation not only directly influences performance but also plays a role in shaping entrepreneurs' internal confidence in their capabilities. This is crucial for developing MSMEs that are competitive and independent, both mentally and strategically.

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Government Support for Self-Efficacy

The results of the study indicate that government support has a positive but insignificant effect on the selfefficacy of MSMEs in the culinary sector in Tanjungpinang City. This means that greater government supportwhether in the form of financing, training, regulations, or market access—does not translate into increased confidence in MSMEs in managing and developing their businesses. Government support includes various strategic programs such as facilitating People's Business Credit (KUR), Banpres BPUM (Presidential Assistance for Small Businesses), loan interest subsidies, facilitating licensing through the OSS (Owner-Source Online Shopping), and digital promotional assistance through the National Movement for Proudly Made in Indonesia (Gernas BBI) and the government marketplace (PaDi UMKM). MSMEs who receive this support tend to feel psychologically unprepared, with an underdeveloped sense of control and capability, which leads to suboptimal self-efficacy. The results of this study indicate that government support has not significantly increased the self-efficacy of MSMEs, despite the positive relationship. This means that even though entrepreneurs have received various forms of government support, their self-efficacy in running and developing their businesses has not yet been firmly established. MSMEs may gain access to KUR (People's Business Credit), training, or market access. However, if they lack self-confidence, the courage to take risks, and a clear business vision, this assistance will not function optimally in building self-efficacy. For example, MSMEs who receive KUR funds still lack the confidence to expand their businesses due to concerns about defaulting on payments or confusion about bookkeeping. Furthermore, much government support is top-down, not always involving MSMEs in planning or adapting to local conditions. This results in programs that feel foreign or formalistic, lack of ownership, and low motivation to develop businesses based on the assistance.

These results are supported by the research findings of Fitriani & Ramadhani (2020). Research in West Sumatra found that government support for MSMEs was symbolic and ineffective in improving self-efficacy due to a lack of experience-based training and practical simulations. Furthermore, Rohmah et al. (2021), in a study of MSME Presidential Assistance recipients, found that direct cash assistance did not increase self-confidence unless accompanied by a program to strengthen mindsets and business management strategies. Thus, it can be concluded that these findings demonstrate that the effectiveness of government support is measured not only by its availability but also by its psychological impact on business actors. To build self-efficacy, MSMEs need direct experience in managing challenges, learning from small successes, and being supported by a positive social environment.

The Impact of Entrepreneurial Competence on the Performance of MSMEs Through Self-Efficacy

The results of this study indicate that entrepreneurial competence has a positive and significant effect on the performance of culinary MSMEs in Tanjungpinang City, both directly and indirectly through the mediating variable of self-efficacy. This is indicated by the positive and significant path coefficients on the path of entrepreneurial competence to self-efficacy, and from self-efficacy to MSME performance. Thus, self-efficacy is proven to partially mediate the relationship between entrepreneurial competence and MSME performance. Entrepreneurial competence possessed by culinary MSMEs includes the ability to design business strategies, manage business operations, exploit market opportunities, and make independent and measured decisions. These competencies not only strengthen technical and managerial capabilities but also increase the self-confidence of entrepreneurs in facing challenges. The higher the competence possessed by entrepreneurs, the greater their confidence in being able to run and develop their businesses successfully.

Self-efficacy is an individual's perception of their ability to complete tasks and achieve specific goals. MSMEs who feel competent in running their businesses will be more confident in taking risks, innovating, and setting growth targets. This confidence ultimately motivates entrepreneurs to work more optimally and increase productivity, which in turn positively impacts overall business performance. Research by (Refa & Anisah, 2024) proves that entrepreneurial competence and self-efficacy simultaneously have a significant influence on the performance of MSMEs, particularly culinary entrepreneurs in Banjarmasin City. The results also indicate that self-efficacy plays a crucial role as a mediating variable in bridging the influence of competence on performance. This finding supports the findings of their research, which found that entrepreneurial competence not only directly impacts performance but also indirectly through increased self-efficacy of entrepreneurs. A similar finding was also found in a study by (Fiqih Maria Rabiatul Hariroh et al., 2022) which examined self-efficacy as a determining factor in the success of MSMEs in Bekasi. In this study, self-efficacy strengthened the relationship between entrepreneurial behavior and business success. Self-efficacy encourages entrepreneurs to be consistent in innovating, more resilient in facing challenges, and confident in expanding their businesses. Thus, these findings confirm that developing entrepreneurial competencies should not only focus on technical skills or knowledge, but also on enhancing the psychological dimensions of entrepreneurs, such as self-efficacy. Ideally, MSME empowerment programs combine

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business skills training with the development of a resilient entrepreneurial mindset. This effort is crucial to ensure that culinary MSMEs in Tanjungpinang City can sustainably improve their business performance and adapt to market dynamics.

Market Orientation on MSME Performance Through Self-Efficacy

Based on the research results, it is known that market orientation has a positive and significant effect on the performance of MSMEs in the culinary sector in Tanjungpinang City, both directly and through self-efficacy as a mediating variable. This means that business actors who have a good market orientation—such as understanding customer needs, responding to market trends, and analyzing competitors' moves—will have higher self-confidence in running their business, which ultimately improves their overall business performance. Self-efficacy is an important psychological component that bridges the relationship between market orientation and business performance. When MSMEs feel capable of understanding the market and implementing the right strategy, they will be more confident in making decisions and facing challenges. This finding is supported by (Heryanto & Wijaya, 2025) who stated that self-efficacy has a positive and significant effect on the performance of MSMEs in Jakarta, thus making self-efficacy a crucial variable in improving business performance.

Furthermore, a study by Novianty & Handoyo (2025) also showed that self-efficacy plays a crucial role in driving the performance of culinary MSMEs. Their research highlighted that entrepreneur self-confidence, strengthened through experience and innovation, has a significant impact on business performance. In the context of market orientation, MSMEs who feel they have mastered market information will build stronger self-efficacy, which then encourages them to be more proactive, innovative, and resilient in facing competition. Furthermore, although the context was student entrepreneurs, a study by Setyawati & Ricky (2021) showed that entrepreneurial orientation influences self-efficacy, which in turn influences entrepreneurial intentions. The implications of this study can be applied to MSMEs, where market orientation as part of a business strategy can also shape positive perceptions of one's ability to run a business sustainably. Based on these findings, it can be concluded that market orientation is not only an external strategy but also acts as a psychological stimulus that increases the self-efficacy of MSMEs. This increased self-efficacy contributes to better business performance. Therefore, efforts to increase MSME competitiveness need to focus not only on marketing training and market understanding, but also on strengthening the entrepreneurial mindset through self-efficacy development programs, such as motivational training, business mentoring, and hands-on experience in market analysis.

Government Support for MSME Performance Through Self-Efficacy

This study revealed that government support had a positive but insignificant effect on the performance of MSMEs in the culinary sector in Tanjungpinang City, mediated by self-efficacy. In this case, government support may be poorly targeted, inconsistent, or not optimally utilized by recipients. Many MSMEs receive assistance without accompanying improvements in managerial and emotional capacity, resulting in no tangible changes in business behavior that impact performance. Based on Bandura's theory (1997), self-efficacy is a person's perception of their ability to perform tasks and achieve goals. In this context, MSMEs with high self-efficacy tend to be more confident in facing competition and risks, more capable of managing aid funds or participating in training with high commitment, and applying knowledge gained from government programs into real business practices. Without strong self-efficacy, external assistance tends not to be utilized optimally, so its impact on performance is weak.

Although the direction of the relationship between government support and MSME performance indicates a positive correlation, the test results indicate that this influence is not statistically significant, either directly or through self-efficacy as a mediator. This finding confirms that external support such as government policies and assistance is not sufficient to directly improve business performance. MSME performance will only improve if such support can build self-efficacy in entrepreneurs. Therefore, the policy approach must transform from facility-based programs to programs based on psychological transformation and self-leadership. The support provided by the governmentsuch as facilitation of People's Business Credit (KUR), BPUM, subsidies, OSS, digital marketing training, and others—is not yet strong enough to: significantly increase the self-efficacy of business actors, and translate this selfefficacy into real improvements in business performance (e.g., turnover, efficiency, or sustainability). While selfefficacy is an important psychological variable, its mediating effect is not yet significant in this context. This could be due to: MSMEs are unable to absorb or internalize assistance into self-confidence. The support provided is not sustainable or impersonal (not tailored to specific needs). Other factors such as economic pressure, market competition, and social conditions also influence outcomes.

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The findings of this study align with those of Suhartini & Wardhana (2020), which showed that self-efficacy is not a strong intermediary in linking entrepreneurship training with microbusiness performance. This occurs because the training is technical in nature but does not target psychological aspects such as self-confidence, resilience, and achievement motivation. Furthermore, Kristiyanti & Nurjanah (2022), studying MSMEs in West Java, found that government assistance had no significant impact on self-efficacy because the program was not based on the personal needs of entrepreneurs, but rather was top-down and general. These findings indicate that government support has not significantly improved self-efficacy or business performance. This underscores the importance of a more integrated and human-centered approach in designing MSME empowerment policies, rather than solely focusing on capital or technical training. Self-efficacy, as a psychological construct, cannot be built solely through administrative and financial support; it requires direct experience, coaching, mentoring, and peer success stories to strengthen it.

CONCLUSION

Based on the research results and discussion, this research can be concluded as follows:

- 1. Entrepreneurial Competence on the performance of MSMEs shows a coefficient value of 0.236, p-values of 0.001 and t-statistics of 3.306. These results indicate that competence has a positive and significant effect on the performance of MSMEs, so that hypothesis 1 is accepted;
- 2. Market orientation on the performance of MSMEs shows a coefficient value of 0.108, p-values of 0.099 and t-statistics of 1.292. These results indicate that market orientation has a positive but insignificant effect on performance, so hypothesis 2 is not accepted;
- 3. Government support for MSME performance shows a coefficient value of 0.069, p-value of 0.122, and t-statistic of 1.168. These results indicate that government support has a positive but insignificant effect on the performance of MSME actors, so hypothesis 3 is not accepted.
- 4. Self-efficacy influences the performance of MSMEs, showing a coefficient value of 0.516, p-values of 0.000, and a t-statistic of 6.847. These results indicate that self-efficacy has a significant effect on the performance of MSME actors, thus hypothesis 4 is accepted.
- 5. Entrepreneurial competence on Self-Efficacy shows a coefficient value of 0.207, p-value of 0.004 and t-statistic of 2.673. These results indicate that entrepreneurial competence has a significant effect on self-efficacy, so hypothesis 5 is accepted.
- 6. Market Orientation on Self-Efficacy shows a coefficient value of 0.507, p-value of 0.000, and t-statistic of 6.601. These results indicate that market orientation has a significant effect on self-efficacy, so hypothesis 6 is accepted.
- 7. Government support for self-efficacy shows a coefficient value of 0.033, p-values of 0.316, and t-statistics of 0.480. These results indicate that government support has no significant effect on self-efficacy, so hypothesis 7 is not accepted.
- 8. The results of the eighth hypothesis testing, namely entrepreneurial competence on MSME performance mediated by self-efficacy, showed a coefficient value of 0.107, p-values of 0.011, and t-statistics of 2.313. These results indicate that entrepreneurial competence on MSME performance mediated by self-efficacy has a significant effect, so that hypothesis 8 is accepted.
- 9. The results of testing the ninth hypothesis, namely market orientation on MSME performance mediated by self-efficacy, showed a coefficient value of 0.262, p-values of 0.000 and t-statistics of 4.897. These results indicate that market orientation on MSME performance is mediated by self-efficacy so that hypothesis 9 is accepted.
- 10. The results of the tenth hypothesis test, namely government support for MSME performance mediated by self-efficacy, showed a coefficient value of 0.013, p-values of 0.321, and t-statistics of 0.464. These results indicate that government support for MSME performance mediated by self-efficacy has no significant effect, so hypothesis 10 is not accepted.

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