

**THE INFLUENCE OF ENTREPRENEURIAL COMPETENCY AND
LEADERSHIP ON MICRO-ENTERPRISE SUSTAINABILITY IN
BANDAR LAMPUNG CITY**

Undergraduate Thesis

By

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**STUDY PROGRAM OF MANAGEMENT
FACULTY OF ECONOMY AND BUSINESS
UNIVERSITAS LAMPUNG**

2026

ABSTRACT***THE INFLUENCE OF ENTREPRENEURIAL COMPETENCY AND
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LAMPUNG CITY******BY******ZAHWA NURA AZIZA******2251011030***

Micro-enterprises play a vital role in supporting local economic development, yet many face persistent challenges in sustaining their operations over time. This study aims to examine the influence of entrepreneurial competency and entrepreneurial leadership on micro-enterprise sustainability in Bandar Lampung City. A quantitative research design was employed, using primary data collected from 125 micro-enterprise owners through a structured questionnaire. The data were analysed using multiple linear regression with SPSS. The results indicate that entrepreneurial competency has a positive and statistically significant effect on micro-enterprise sustainability. This finding suggests that entrepreneurs who possess stronger competencies including opportunity, relationship, conceptual, organizing, strategic, and commitment competencies are more capable of maintaining business continuity in a dynamic and resource-constrained environment. In contrast, entrepreneurial leadership reflected in practices such as encouraging employees to participate in developing business strategies and frequently proposing innovative ideas to improve products or services does not demonstrate a significant direct effect on sustainability, indicating that such leadership behaviours may be less influential in micro-enterprise contexts where owners are deeply involved in daily operations. These findings contribute to the literature by highlighting entrepreneurial competency as a key internal determinant of micro-enterprise sustainability, particularly in developing economies such as Indonesia.

Keywords: entrepreneurial competency; entrepreneurial leadership; micro-enterprise sustainability; MSMEs; Bandar Lampung City.

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Usaha mikro memainkan peran penting dalam mendukung pembangunan ekonomi lokal, namun banyak yang menghadapi tantangan berkelanjutan dalam mempertahankan operasional usahanya dari waktu ke waktu. Penelitian ini bertujuan untuk menguji pengaruh kompetensi kewirausahaan dan kepemimpinan kewirausahaan terhadap keberlanjutan usaha mikro di Kota Bandar Lampung. Desain penelitian kuantitatif digunakan dengan memanfaatkan data primer yang dikumpulkan dari 125 pemilik usaha mikro melalui kuesioner terstruktur. Data dianalisis menggunakan regresi linear berganda dengan SPSS. Hasil penelitian menunjukkan bahwa kompetensi kewirausahaan memiliki pengaruh positif dan signifikan secara statistik terhadap keberlanjutan usaha mikro. Temuan ini menunjukkan bahwa wirausahawan yang memiliki kompetensi yang lebih kuat—seperti kompetensi peluang, relasional, konseptual, pengorganisasian, strategis, dan komitmen—lebih mampu mempertahankan keberlangsungan usaha dalam lingkungan yang dinamis dan terbatas sumber daya. Sebaliknya, kepemimpinan kewirausahaan—yang tercermin dalam praktik seperti mendorong karyawan untuk berpartisipasi dalam pengembangan strategi bisnis dan sering mengusulkan ide-ide inovatif untuk meningkatkan produk atau layanan—tidak menunjukkan pengaruh langsung yang signifikan terhadap keberlanjutan, yang mengindikasikan bahwa perilaku kepemimpinan tersebut mungkin kurang berpengaruh dalam konteks usaha mikro di mana pemilik terlibat secara mendalam dalam operasional sehari-hari. Temuan ini berkontribusi pada literatur dengan menyoroti kompetensi kewirausahaan sebagai determinan internal utama dari keberlanjutan usaha mikro, khususnya di negara berkembang seperti Indonesia.

Kata Kunci: kompetensi kewirausahaan; kepemimpinan kewirausahaan; keberlanjutan usaha mikro; UMKM; Kota Bandar Lampung

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**Undergraduate Thesis
As One of The Requirements to Achieve Degree
BACHELOR OF MANAGEMENT**

**At
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**STUDY PROGRAM OF MANAGEMENT
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TITLE : THE INFLUENCE OF ENTREPRENEURIAL
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BIOGRAPHY

The author, Zahwa Nura Aziza, was born in Bandar Lampung on November 18, 2004. She was raised by her father, Iwan Septiawan, and her mother, Novita Hajrianti, and is the first of two siblings. The author currently resides in Gotong Royong Subdistrict, Tanjung Karang Pusat District, Bandar Lampung City.

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MOTTO

“Failure and invention are inseparable twins. To invent you have to experiment, and if you know in advance that it’s going to work, it’s not an experiment.”

(Scott Galloway)

DEDICATION

Bismillahirrahmanirrahim

All praise and gratitude are due to Allah SWT for His guidance and blessings. Peace and blessings be upon Prophet Muhammad SAW. By His mercy, this thesis was completed smoothly and successfully. This thesis is dedicated to those who have provided support, prayers, and encouragement throughout the completion of this study.

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TABLE OF CONTENT

ABSTRACT	ii
BIOGRAPHY	viii
MOTTO	ix
DEDICATION	x
ACKNOWLEDGEMENT	xi
TABLE OF CONTENT	xiii
LIST OF TABLES	xv
LIST OF FIGURES	xvi
I. INTRODUCTION	1
1.1 Background	1
1.2 Research Formulation	9
1.3 Research Objectives	9
1.4 Research Benefit	10
II. LITERATURE REVIEW	11
2.1 Entrepreneurial Competencies Theory.....	11
2.2 Entrepreneurial Leadership Theory.....	12
2.3 Micro-Enterprise Sustainability Theory.....	13
2.4 Previous Research	14
2.5 Theoretical Framework	17
2.6 Hypothesis.....	18
III. RESEARCH METHOD	20
3.1 Research Design.....	21
3.2 Variable and Operational Definitions	21
3.3 Population and Sample.....	23
3.4 Data Collection Methods	25
3.5 Research Instrument Test.....	25
IV. RESULT	29
4.1 Research Procedure	29
4.2 Respondent Characteristic.....	29

4.3 Descriptive Analysis	34
4.4 Validity Test Result	38
4.5 Reliability Test Result.....	40
4.6 Data Analysis Result	41
4.7 Reliability Test Result.....	46
V. Conclusion.....	48
5.1 Conclusion	48
5.2 Suggestion.....	48
References	50
Appendix	59

LIST OF TABLES

Table 1.1 The Number of MSMEs in Indonesia	3
Table 1.2 Number of Micro, Small, and Medium Enterprises (MSMEs) in Bandar Lampung City	5
Table 2. 1 Main References of The Research	14
Table 3. 1 Operational Variable	21
Table 3. 2 Likert Scale Instrument	22
Table 3. 3 Business Sector Distribution	25
Table 4.1 Respondent Characteristic based on Business Domicile	29
Table 4.2 Respondent Characteristic based on Gender.....	30
Table 4.3 Respondent Characteristic based on Age.....	31
Table 4.4 Respondent Characteristic based on Last Education	31
Table 4.5 Respondent Characteristic based on Business Sector Distribution.....	32
Table 4.6 Respondent Characteristic based on Business Established.....	32
Table 4.7 Respondent Characteristic based on Number of Employee.....	33
Table 4.8 Respondent Characteristic based on Business Asset	33
Table 4.9 Respondent Characteristic based on Business Turnover	34
Table 4.10 Descriptive Analysis of Entrepreneurial Competency	35
Table 4.11 Descriptive Analysis of Entrepreneurial Leadership	36
Table 4.12 Descriptive Analysis of Micro-Enterprise Sustainability	38
Table 4.13 Validity Test Result	39
Table 4.14 Reliability Test Result.....	40
Table 4.15 Multiple Linear Regression Equation	41
Table 4.16 T-Test Result.....	42
Table 4.17 Coefficient of Determination (R^2) Result	45

LIST OF FIGURES

Figure 1. 1 Number of ASEAN MSMEs	2
Figure 1.2 Non Agriculture MSMEs.....	4
Figure 2.1 Theoretical Framework.....	17

I. INTRODUCTION

1.1 Background

Microenterprises are small businesses that not only generate income and profits but also address socioeconomic issues related to poverty (Mohiuddin et al., 2020). Micro-entrepreneurs take great pride in their operations, viewing them as critical drivers of both local and national growth (Sowatey et al., 2018). These small businesses utilize and add value to national resources, positioning them strategically in local and regional markets to meet community needs (Ahmad et al., 2018). Investing in microenterprises contributes to employment development (Zizile & Tendai, 2018) and enhances socioeconomic trade for both the entrepreneurs and the broader community (Ahmed et al., 2018). Therefore, small informal businesses play a vital role in addressing persistent socioeconomic challenges, especially in developing countries (Musara & Nieuwenhuizen, 2020).

In a broader context, microenterprises are part of the wider category of Micro, Small, and Medium Enterprises (MSMEs), which account for more than 90% of firms worldwide and play a vital role in job creation, innovation, and economic growth (Mago & Modiba, 2022). Despite their importance, many MSMEs in developing countries face significant financial constraints. Estimates from the SME Finance Forum (2020) indicate that approximately 131 million firms about 41% of formal MSMEs have unmet annual financing needs amounting to nearly USD 4.5 trillion. Given their substantial contribution to gross domestic product (GDP) and employment generation globally, MSMEs are a key pillar of the world economy (Ratanova & Voroncuka, 2021). Therefore, ensuring the sustainability of MSMEs is essential to support inclusive and long-term economic growth (Simarmata & Sari, 2022).

Indonesia also holds the distinction of having the highest number of MSMEs in ASEAN and one of the largest in Asia. According to World Bank data (Ari Dwi P, 2023), the country is home to 65.4 million MSMEs, far surpassing Thailand's 3.1 million and Malaysia's 1.2 million. The dominance of Indonesian MSMEs is further reflected in their economic contributions, with 2023 data

indicating that they accounted for 97.1% of the total workforce, 61.1% of the country's GDP, and 14.4% of annual exports. This substantial role highlights not only their influence on employment and economic stability but also their potential in strengthening Indonesia's global trade position. As MSMEs continue to grow and evolve, their ability to drive sustainable economic development and innovation remains critical in shaping Indonesia's future economic landscape.

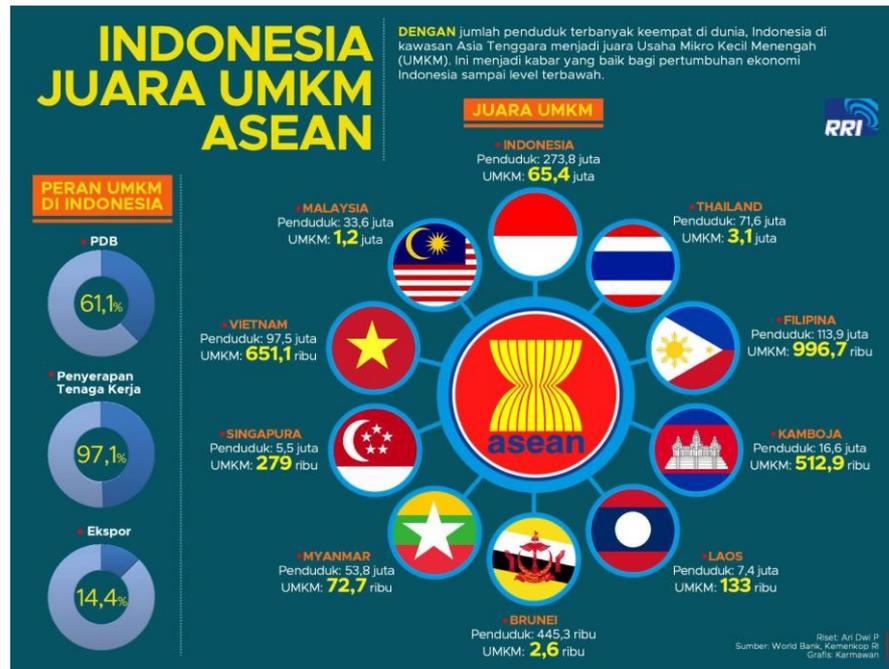


Figure 1. 2 Number of ASEAN MSMEs

Source: World Bank, 2023.

In the context of Indonesia, MSMEs play a strategic role in driving the national economy, particularly in reducing unemployment. Their strong capacity to absorb labor makes them a crucial engine of economic development, as they not only create employment opportunities but also contribute to overall economic stability (Alansori & Listyaningsih, 2022). In addition to their role in employment generation, MSMEs significantly contribute to the economy by fostering innovation, diversifying products, and responding quickly to market changes. These characteristics enhance the resilience and adaptability of the national economy amid dynamic economic conditions (Erdin & Ozkaya, 2020).

Recent data from the Ministry of Cooperatives and SMEs (2024) shows that the largest proportion of MSMEs in Indonesia operates in the agriculture and fisheries sector, comprising 29,341,033 business units. This is followed by the

wholesale and retail trade and motor vehicle repair and maintenance sector (14,433,048 units), the accommodation, food, and beverage sector (6,400,667 units), the manufacturing sector (4,164,542 units), and other service sectors (1,906,799 units). Although agriculture and fisheries represent the largest single sector. Overall, the structure of MSMEs in Indonesia is still dominated by non-agricultural sectors, which make up more than half of all MSMEs nationwide. This distribution illustrates not only the concentration of business activities in trade and services, but also underscores the central role of micro-enterprises in supporting Indonesia's urban and semi-urban economic landscape (KADIN Indonesia, 2024).

Table 1.1 The Number of MSMEs in Indonesia

MSMEs Category	Amount	Presentation	Source
Non-Agriculture & Fisheries MSMEs	30,178,617	50.7%	Single Data Information System (SIDT) 2024, Ministry of MSMEs
Agriculture & Fisheries MSMEs	29,341,033	49.3%	central statistics agency agricultural census (2023)
Total	59,519,650		

Source: KADIN Indonesia, 2024

Furthermore, when disaggregated by business size, the data show that micro-enterprises overwhelmingly dominate the MSME structure in Indonesia, accounting for 99% of all non-agriculture MSMEs. This dominance indicates that most businesses operate on a very small scale with limited capital and managerial capacity, which makes them more vulnerable to market fluctuations and sustainability challenges. Therefore, understanding the sustainability of micro-enterprises becomes crucial, particularly in urban areas like Bandar Lampung City where micro businesses represent the majority of economic actors (KADIN Indonesia, 2024).

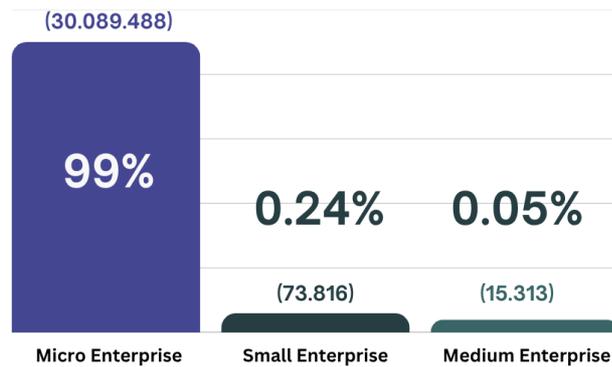


Figure 1.2 Non Agriculture MSMEs

Source: KADIN Indonesia, 2024

Overall, these figures demonstrate that MSMEs continue to play a pivotal role in Indonesia's economic structure. In terms of business size, micro-enterprises overwhelmingly dominate with 99% of total MSMEs, followed by small enterprises (0.24%) and medium enterprises (0.05%). Meanwhile, from a sectoral perspective, agriculture and fisheries account for 49.3% of total MSMEs, while non-agriculture and fisheries account for 50.7%. These statistics indicate that MSMEs remain the backbone of Indonesia's economy, supporting employment creation and income generation at a national scale (KADIN Indonesia, 2024).

This broader national trend is also reflected at the regional level, particularly in Lampung Province. Despite its economic potential, Lampung still ranks among the provinces with the highest poverty rates in Indonesia. Data from the Central Bureau of Statistics (BPS, 2025) shows that Lampung places eighth nationally, with approximately 887.02 thousand people living below the poverty line. The highest numbers of poor populations are recorded in East Java, West Java, and Central Java, followed by North Sumatra, East Nusa Tenggara, and South Sumatra. In this context, strengthening MSMEs becomes increasingly urgent, as they function not only as engines of economic growth but also as effective instruments for poverty reduction and community empowerment. Supporting this view, based on data from the Cooperatives Office and Micro, Small and Medium Enterprise of Lampung Province (2023), the total number of MSMEs in Bandar Lampung consists of 2,243 micro-enterprises, 41 small enterprises, and 12 medium enterprises, bringing the total to 2,296 business units. This distribution indicates that the local business

landscape is overwhelmingly dominated by micro-enterprises, which is consistent with the national pattern where micro-scale businesses account for the majority of MSME actors.

Table 1.2 Number of Micro, Small, and Medium Enterprises (MSMEs) in Bandar Lampung City

Number of Business Units	Year
	2023
Micro	2,243
Small	41
Medium	12
Total	2,296

Source: Cooperatives Office and Micro, Small, Medium Enterprise of Lampung Province, 2023.

Despite this increase, micro-enterprise continues to dominate the MSME sector, accounting for 2,296 business units. In line with Law No. 20 of 2008 on Micro, Small, and Medium Enterprises, a Micro Enterprise is defined as a productive business owned by an individual or an individual business entity that meets the criteria set out in the regulation. Specifically, it is categorized as micro if it has total assets not exceeding Rp 50,000,000 (fifty million rupiah) and an annual turnover of no more than Rp 300,000,000 (three hundred million rupiah). These figures highlight the sector's strong potential for further development while also facing challenges in sustainability.

Despite the vital role of MSMEs in economic development, their sustainability remains a pressing challenge. A significant proportion of MSMEs struggle to maintain operations in the long term, with nearly half failing within the first five years and approximately two-thirds ceasing to operate within a decade (Nikolić et al., 2019). These high failure rates highlight the urgency of addressing sustainability issues within the sector. Sustainability, in this context, is not merely defined by continued existence, but also by the enterprise's ability to uphold sound financial performance and implement effective administrative systems that enhance productivity and profitability over time (Giovannoni & Fabietti, 2013; Orobia et al., 2020).

Despite the significant contribution of micro and small enterprises to economic development, business sustainability remains a critical challenge. Global evidence indicates that a substantial proportion of businesses fail within their early

years of operation. According to data from the U.S. Bureau of Labor Statistics, approximately 20.4% of businesses fail within their first year, nearly 49.4% cease operations within the first five years, and about 65.3% fail within the first ten years (Commerce Institute, 2024). Further evidence suggests that the first year of operation is the most vulnerable period for business survival, with around 20–25% of enterprises failing during this stage. However, businesses that successfully navigate the initial years tend to experience more stable survival rates, reaching approximately 90–95% in subsequent years (S. C. P, 2025). These statistics highlight that early-stage business sustainability is a decisive phase that determines long-term survival.

According to data from the Ministry of Cooperatives and SMEs, more than 60 percent of MSMEs in Indonesia are unable to survive in the long term, indicating a low level of business sustainability (Mesin, 2025). This phenomenon is consistent with the statement of Rocky Adiguna, MBA., Ph.D., an expert from the Faculty of Economics and Business at Universitas Gadjah Mada, who argues that one of the main reasons behind the weak competitiveness of MSMEs is the limited managerial capability of business owners in operating and developing their enterprises (Tasya, 2024). In addition, the Chairwoman of the Jakarta Chamber of Commerce and Industry (KADIN DKI Jakarta), Diana Dewi, revealed that 85.42 percent of MSME actors were only able to sustain their businesses for one year during economic downturns (Suheriadi, 2020). These conditions indicate that MSME sustainability is not solely determined by external factors such as access to capital or market availability, but is also strongly influenced by the extent to which entrepreneurs possess adequate entrepreneurial competencies and demonstrate effective leadership.

One of the most critical factors influencing the sustainability of MSMEs is entrepreneurial competence. Entrepreneurial competence refers to the capacity to cultivate appropriate attitudes and behavioral skills necessary for enterprise growth and social employability (Bolzani & Luppi, 2020). This competence extends beyond theoretical knowledge, as argued by (Chaker & Jarraya, 2021), who emphasize the necessity of creating a conducive environment that simulates real business situations. Such an environment is instrumental in encouraging individuals

to pursue entrepreneurial paths and in reinforcing their capacity to manage business challenges effectively.

Entrepreneurial competencies encompass a broad range of intrinsic attributes, including specialized knowledge, motivations, self-concepts, qualities, social positions, and abilities that collectively contribute to the establishment, survival, and expansion of business ventures (Amini Sedeh et al., 2022; Bird, 2019). These competencies are not static but evolve in response to internal and external business environments. For an enterprise to thrive, it must possess not only the appropriate competencies but also the strategic capacity to utilize them in competitive contexts. As such, entrepreneurial competencies, coupled with competitive strategies, are fundamental to improving enterprise success (Fazal et al., 2019).

On a micro-level, various factors play into the success of micro entrepreneurs. Panjinegara et al. (2024) state that women entrepreneurs, encompassing aspects such as opportunity recognition, drive, funding access, and performance. Effective opportunity identification, often tied to meticulous planning or venturing into international markets, stands as a linchpin for the triumph of women in entrepreneurship, particularly within family-run enterprises. However, women may face challenges in accessing and establishing these networks. Limited connections can hinder access to mentorship, partnerships, and market opportunities.

Nevertheless, despite the recognized importance of entrepreneurial competencies, many entrepreneurs still lack the necessary knowledge and information to apply them effectively, resulting in limited innovation, risk aversion, low enthusiasm, and resistance to change, which ultimately makes it difficult for businesses to sustain and grow (Pepple & Enuoh, 2020). Therefore, the enhancement of entrepreneurial competencies should be understood as a continuous learning process that is essential for MSME resilience and long-term success. However, MSMEs also face challenges arising from rapid growth, which is often unsustainable and may lead to the emergence of “die young firms” (Supramono et al., 2025). For this reason, MSMEs should not focus solely on short-term financial

performance but must also prioritize long-term business sustainability to ensure enduring growth and stability (Ghardallou, 2022).

Furthermore, entrepreneurial leadership, in particular, has emerged as a key factor in supporting the growth and success of micro, small, and medium enterprises (MSMEs), especially within the service sector. Unlike traditional leadership models, entrepreneurial leadership emphasizes personal characteristics such as vision, problem-solving ability, and decisive action (Guberina & Min Wang, 2021). Entrepreneurial leaders are often distinguished by their ability to recognize emerging opportunities, take calculated risks, and act swiftly to capitalize on those opportunities. Their visionary outlook and proactive behavior serve as catalysts for business growth and transformation (Abualoush et al., 2022; Dada et al., 2023; Gezahegn Abera et al., 2022).

Moreover, entrepreneurial leadership remains particularly critical in the context of micro-enterprises, where business growth is often constrained by limited resources and capabilities. Without strong leadership traits, micro-entrepreneurs may struggle to expand their operations or respond effectively to market demands (Mamun et al., 2018). While entrepreneurial leadership has been shown to significantly influence business performance, entrepreneurial success, growth, and sustainability (Mamun et al., 2018; Hussain & Li, 2022; Koryak et al., 2015; Pu et al., 2022), existing research indicates that further exploration is necessary to fully understand the relationship between entrepreneurial leadership and entrepreneurial success (Hussain & Li, 2022). This gap underscores the importance of continued scholarly attention to the role of leadership in shaping entrepreneurial outcomes.

In this context, both entrepreneurial competence and leadership are vital, as the outcome of a business success or failure frequently associated with the extent of managerial capabilities possessed by the entrepreneur (Ncube & Chimucheka, 2019). In practical settings, many micro-entrepreneurs operate without formal training in leadership or business management (Maheshwari et al., 2020). Despite this, there remains a gap in the literature regarding how competencies—alongside leadership practices—contribute to sustaining business operations, especially during periods of crisis or under market pressure. Most existing studies have investigated entrepreneurial competencies (Yahya et al., 2025) and leadership

(Mamun et al., 2018) as separate constructs in relation to MSME sustainability. Therefore, there are still limited research has examined the interplay between these two factors and their combined impact on business sustainability, particularly within the context of micro-enterprise in Bandar Lampung City.

Based on the main problems described, the authors are interested in conducting research entitled **“THE INFLUENCE OF ENTREPRENEURIAL COMPETENCY AND LEADERSHIP ON MICRO-ENTERPRISE SUSTAINABILITY IN BANDAR LAMPUNG CITY”**.

1.2 Research Question

Based on the background that the author describes above, the problem formulations in this study are:

1. Does entrepreneurial competence affect the sustainability of micro-enterprises in Bandar Lampung City?
2. Does entrepreneurial leadership affect the sustainability of micro-enterprises in Bandar Lampung City?

1.3 Research Objectives

Based on the formulation of the research problem above, the objectives of this research are:

1. To determine the effect of entrepreneurial competence on micro-enterprises sustainability in Bandar Lampung City.
2. To determine the effect of entrepreneurial leadership on micro-enterprises sustainability in Bandar Lampung City.

1.4 Research Benefit

This study aims to offer both theoretical and practical contributions by examining the impact of entrepreneurial competency and leadership on the sustainability of micro-enterprises in Bandar Lampung City.

1. Theoretical Contributions

This study is expected to serve as a valuable reference and contribute to the expansion of knowledge in the field of micro-enterprises, particularly regarding entrepreneurial competence and leadership in fostering micro-enterprises sustainability, especially in Bandar Lampung City.

2. Practical Contributions

2.1 For Micro-Enterprises Owners

This research provides practical insights for micro-business owners on the importance of developing entrepreneurial competencies and leadership skills. The findings can guide entrepreneurs in improving their strategic decision-making, innovation capabilities, and business sustainability.

2.2 For Future Researchers

This study serves as a reference for further research related to micro-enterprises sustainability, particularly in Bandar Lampung City. Future researchers can build upon the findings to explore additional variables that may influence micro-enterprises success, such as digitalization, financial literacy, and government support.

By addressing both theoretical and practical aspects, this research aims to provide a comprehensive understanding of the factors affecting micro-enterprise sustainability, supporting sustainable economic development in Bandar Lampung City.

II. LITERATURE REVIEW

2.1 Entrepreneurial Competencies Theory

This study adopts the competency framework proposed by Man et al. (2002), who emphasize a process-oriented or behavioral approach to understanding entrepreneurial competencies. As defined by Man et al (2002) entrepreneurial competencies refer to "higher- level characteristics encompassing personality traits, skills, and knowledge," representing the overall capacity of an entrepreneur to perform tasks effectively. The model identifies six core areas of entrepreneurial competency: (1) opportunity, (2) relationship, (3) conceptual, (4) organizing, (5) strategic, and (6) commitment competencies.

Entrepreneurial competencies are a combination of knowledge, skills, and abilities that enable entrepreneurs to differentiate themselves in the business landscape and enhance business performance (Mamun et al., 2019; Irene, 2017; Tehseen & Ramayah, 2015). These competencies are critical for sustaining competitive advantage, as they integrate technical and non-technical skills into unique entrepreneurial behaviors that are difficult for competitors to imitate (Barazandeh et al., 2015; Raihani Zainol et al., 2018). The more distinctive an entrepreneur's competencies, the greater their ability to create and sustain a competitive edge in their business ventures (Al Mamun, Fazal, et al., 2019).

Entrepreneurial competencies encompass multiple dimensions, including personality traits, motives, knowledge, social roles, skills, and self-image, which collectively influence venture creation and business sustainability (Bird, 2019). Khalid & Bhatti (2015) emphasize that entrepreneurial competence entails managerial capability, particularly in formulating and communicating strategic visions that improve firm performance. According to Man et al., (2002) entrepreneurial competencies can be categorized into seven key areas: opportunity recognition, networking, relationship management, commitment, execution,

innovative thinking, and organizational ability. These competencies are essential for improving SME performance and ensuring long-term sustainability.

Mitchelmore & Rowley (2013) further define entrepreneurial competencies as specific traits that are crucial for business success. Empirical studies support the notion that these competencies are directly linked to organizational growth and sustainability (Gerli et al., 2011; Tehseen & Ramayah, 2015). Due to their inherent uniqueness and complexity, entrepreneurial competencies are difficult for competitors to imitate, thereby reinforcing a firm's competitive advantage (Gerli et al., 2011; Tehseen & Ramayah, 2015). Entrepreneurs who continuously develop and refine their competencies are more likely to sustain their businesses in dynamic market environments.

2.2 Entrepreneurial Leadership Theory

Gupta et al. (2004) highlight that the concepts of *scenario enactment* and *cast enactment* are integral to the entrepreneurial leadership approach, which emphasizes how leaders envision future possibilities and assemble teams to bring those visions to life. According to Gupta et al. (2004), entrepreneurial leadership is a suitable leadership style for navigating unpredictable and challenging environments, as it fosters innovation and helps identify new opportunities—particularly within small and medium-sized enterprises (SMEs). The entrepreneurial leadership literature outlines at least four key conditions that promote entrepreneurial activity within organizations. First, there must be effective communication of a clear entrepreneurial vision. Second, a system that sustains and encourages innovation must be in place. Third, the organization should have adequate mechanisms to generate or preserve the resources and expertise necessary for implementing entrepreneurial initiatives. The central challenge for entrepreneurial leaders is to harness and mobilize both organizational and stakeholder capacities to fulfill these conditions (Gupta et al., 2004).

Entrepreneurial leadership represents an intersection between entrepreneurship and leadership, where leaders guide their teams toward visionary business goals by harnessing their entrepreneurial mindset (Rastogi, 2003). Since

leadership is a collective practice in many firms, the values and perceptions of leadership teams significantly shape business strategies and overall firm performance (Carpenter et al., 2004). Entrepreneurial leadership plays an even more pronounced role in SMEs, where leaders exercise greater discretion in decision-making and have a direct impact on business outcomes (Cogliser & Brigham, 2004; Vecchio, 2003; Wales et al., 2013).

Entrepreneurial leadership involves the ability to combine strategic entrepreneurial thinking with effective leadership qualities to create and sustain successful ventures (Clark et al., 2019). This leadership style is particularly critical in dynamic and uncertain environments, as it helps firms adapt to changing market conditions and seize new opportunities (Leitch et al., 2012). Moreover, entrepreneurial leadership fosters a culture of creativity and autonomy, which is essential for driving innovation and ensuring long-term business sustainability (Clark et al., 2019). Consequently, entrepreneurial leadership is instrumental in navigating uncertainty, fostering innovation, and achieving competitive advantage (Fontana & Musa, 2017; Nguyen et al., 2021).

2.3 Micro-Enterprise Sustainability Theory

In this study on micro-enterprise sustainability, the primary theoretical foundation is drawn from the concept of sustainable development and the *triple bottom line* approach. The principle of pursuing growth without compromising the well-being of future generations has increasingly become a central theme in contemporary business thinking. This notion was further developed through Elkington's (1998) *triple bottom line* framework, which emphasizes that business objectives are inherently connected to the social and environmental contexts in which they operate. Since the publication of the *Our Common Future* report by the World Commission on Environment and Development (1987), which broadly defined sustainable development as fulfilling present needs without endangering future generations' ability to meet theirs, more companies have been grappling with the practical integration of economic, environmental, and social responsibilities (Das et al., 2020).

Sustainability is a synthesis of economic, social, and environmental performance that benefits both the natural environment and society while also offering economic sustainability and competitive advantages for businesses (Hameed & Irfan, 2019). Enterprise sustainability involves stakeholder-centered organizational systems that integrate economic, environmental, and social dimensions over both the short and long term, within the boundaries set by nature and society (Searcy, 2014). According to Hanaysha et al (2022) business continuity within the sustainability framework focuses on achieving three main objectives: economic, environmental, and social performance, emphasizing the dual goals of fulfilling business objectives and promoting human well-being. Similarly, business sustainability reflects an organization's ability to manage limited resources effectively in pursuit of long-term goals, encompassing efforts in business development, strategic growth, and sustaining continuous operations (Alshehhi et al., 2018).

2.4 Previous Research

Table 2. 1 Previous Research

No	Authors (Year)	Journal (Title)	Journal Purpose	Methods	Result
1	Rifki Jundullo h & Yasmine Nasution (2024)	Tazkia Islamic Finance and Business Review (TIFBR) The Influence of Entrepreneurial Leadership, Entrepreneurship Competence on Sustainable Organizational Performance: The Mediation Role of Innovation Capability in MSME.	To analyze the effect of entrepreneurial leadership and competence on sustainable organizational performance of green MSMEs in Indonesia, with innovation capability as mediator.	Quantitative research using SEM (LISREL 8.8); survey with 119 green MSME managers.	Entrepreneurial leadership and competence significantly enhance innovation capability, which in turn improves sustainable performance. Innovation capability mediates both relationships.

No	Authors (Year)	Journal (Title)	Journal Purpose	Methods	Result
2	Farhana Hasbolah, Mohamad Hafiz Rosli, Hanissah Hamzah, Siti Aisyah Omar, Abul Bashar Bhuiyan (2021)	International Journal of Small and Medium Enterprises The Digital Accounting Entrepreneurship Competency for Sustainable Performance of the Rural Micro, Small and Medium Enterprises (MSMEs): An Empirical Review	To review determinants of digital accounting entrepreneurship competencies in sustaining rural MSMEs during and after COVID-19.	Empirical literature review from databases (Google Scholar, Springer Link, Wiley, ScienceDirect, JSTOR, Emerald, Scopus, EBSCO).	Digital accounting competencies positively affect sustainable performance. Critical factors: entrepreneurial skills, marketing, knowledge sharing, financial resources, technology, adaptability. Government support and digital literacy are essential.
3	Ibraheem Saleh Mokbel Al Koliby, Haim Hilman Abdullah & Norazah Mohd Suki (2024)	Asia-Pacific Journal of Business Administration Linking Entrepreneurial Competencies, Innovation and Sustainable Performance of Manufacturing SMEs.	To examine the role of entrepreneurial competencies and innovation in driving sustainable performance of Malaysian manufacturing SMEs, and the mediating role of innovation.	Quantitative study using PLS-SEM with data from manufacturing SMEs.	Entrepreneurial competencies significantly influence innovation and sustainability. Innovation partially mediates this relationship, with the model explaining 62.7% variance in innovation and 67.8% in sustainable performance.
4	Rizki Fakhrol Yahya, Wilda Sari, & Rina Mayasafitri (2025)	Jurnal Ekonomi Kreatif dan Manajemen Bisnis Digital Towards MSME Sustainability: The Role of Entrepreneurial Competence, Information Technology and Access to Capital	To examine the effects of entrepreneurial competence, information technology, and access to capital on MSME sustainability in Pontianak City.	Quantitative; purposive sampling of 156 MSMEs; survey data; analyzed with multiple regression (SPSS v26).	Entrepreneurial competence, information technology, and access to capital all significantly influence MSME sustainability.
5	Dina Lusianti, Rhealin Hening Karatri, Farah Anissa Fauziyah (2024)	Jurnal Analisis Bisnis Ekonomi Performance and Business Sustainability of Food MSMEs in Kudus, Central Java	To investigate the influence of leadership style and financial literacy on business performance and sustainability of food MSMEs.	Quantitative; questionnaires from 150 respondents (purposive sampling); SEM-PLS analysis.	Leadership style and financial literacy positively affect both performance and sustainability. Business performance mediates their effect on sustainability. All hypotheses supported.

No	Authors (Year)	Journal (Title)	Journal Purpose	Methods	Result
6	Lydia Kellen Kainyu Kabii & Dr. Godfrey Kinyua (2023)	International Journal of Education and Research Managerial Competencies and Business Continuity: A Review of Literature	To explore the relationship between managerial competencies and business continuity, and to propose a conceptual model for future studies.	Qualitative; narrative literature review synthesizing empirical and theoretical studies.	Managerial competencies (communication, leadership, teamwork, planning) significantly impact business continuity. Competitive advantage mediates, while market dynamism moderates. Proposed a conceptual model.
7	Maitreyee Das, K. Rangarajan, and Gautam Dutta (2020)	Journal of Asia Business Studies Corporate Sustainability in SMEs: An Asian Perspective	To review corporate sustainability (CS) practices in SMEs across Asian emerging markets, identify challenges, and propose a conceptual model to enhance sustainability outcomes.	Literature review and meta-analysis of 100 studies (2010–2017); supplemented with a pilot survey of 30 SMEs in India.	CS practices in SMEs are inconsistent and often informal. Barriers: limited resources, low awareness, weak policy support. Proposed a model linking collaboration, government support, and organizational culture to sustainability and business performance.
8	Hassan Nor-Aishah, Noor Hazlina Ahmad, and Ramayah Thurasy (2020)	Sustainability Entrepreneurial Leadership and Sustainable Performance of Manufacturing SMEs in Malaysia: The Contingent Role of Entrepreneurial Bricolage	To analyze the impact of entrepreneurial leadership (EL) on economic, environmental, and social aspects of sustainable performance, with entrepreneurial bricolage (EB) as moderator.	Quantitative; cross-sectional survey of 146 Malaysian manufacturing SMEs; analyzed with PLS-SEM.	EL significantly enhances environmental and social performance but not economic performance. EB weakens, rather than strengthens, the EL–sustainability relationship. EL is essential, while EB's role remains questionable.
9	Ismail Juma Ismail (2022)	Journal of Economics and Management Sciences Entrepreneurs' Competencies and Sustainability of Small and Medium Enterprises in Tanzania: A Mediating Effect	To test the relationship between entrepreneurial competencies and SME sustainability, and assess the mediating role of entrepreneurial innovation.	Quantitative; survey of 384 Tanzanian SMEs; data analyzed using SEM.	Strategic, conceptual, relationship, organizing, and commitment competencies all positively affect SME sustainability. Entrepreneurial innovation partially mediates these relationships, highlighting its role in

No	Authors (Year)	Journal (Title)	Journal Purpose	Methods	Result
		of Entrepreneurial Innovations			long-term competitiveness.
10	Prakarsa Panjinegara, Farah Aida Ahmad Nadzri, & Sharifah Norzehan Syed Yusuf (2024)	Management and Accounting Review Management Challenges Faced by Women Microentrepreneurs Participating in the Government-Guaranteed Microfinance Scheme in Indonesia	To explore management challenges of women microentrepreneurs in Indonesia's KUR scheme, and their connection to the free-rider problem.	Qualitative; in-depth interviews with 15 women microentrepreneurs in Lampung Province; thematic analysis.	Five challenges identified: unsuitable financing, lack of training, loan diversion, poor fund allocation, and weak savings habits. These hindered performance and revealed free-rider tendencies. Recommendations: stricter criteria, mandatory training, monitoring, and savings incentives.

2.5 Theoretical Framework

The theoretical framework serves as an initial explanation of the phenomena underlying the research problem. It provides insight into the researcher's thought process in analyzing the impact of entrepreneurial competency and leadership on the sustainability of micro-enterprises in Bandar Lampung City. Developed based on theoretical foundations and previous research findings, the conceptual framework is outlined as follows.

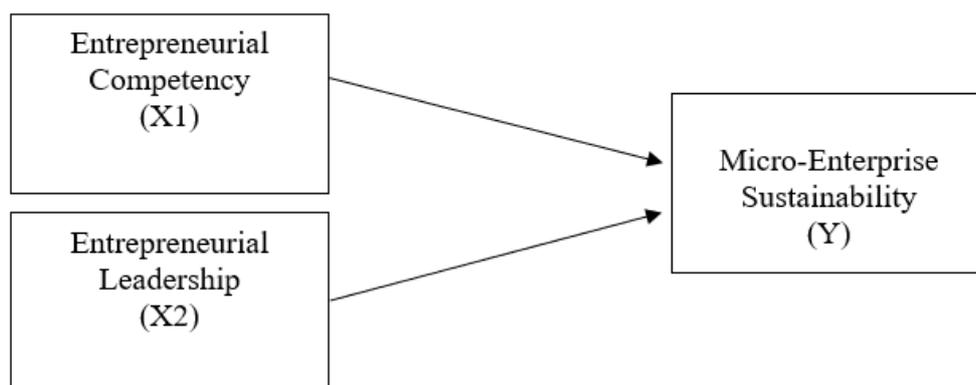


Figure 2.1 Theoretical Framework

(Source: Author, 2025)

Description:

X1 : Entrepreneurial Competency
X2 : Entrepreneurial Leadership
Y : Micro-Enterprise Sustainability

2.6 Hypothesis Development

In a research study, hypothesis formulation is based on problem formulation and theoretical foundation. Therefore, the hypotheses in this study are as follows:

Entrepreneurial competence refers to the ability to develop relevant attitudes, knowledge, and behavioral skills that support business growth and enhance social employability (Bolzani & Luppi, 2020). These competencies enable entrepreneurs to identify opportunities, manage resources effectively, and make strategic decisions that are essential for sustaining business operations. Entrepreneurial competence is not limited to theoretical understanding; it also requires a supportive environment that reflects real business conditions to foster experiential learning and practical problem-solving abilities (Chaker & Jarraya, 2021).

In the context of micro-enterprises, human competence plays a critical role because business owners are directly involved in daily operations and long-term decision-making. However, inadequate human competencies remain a major challenge for micro-enterprises, limiting their ability to sustain operations and respond to environmental changes (Abd Wahid et al., 2017). This limitation becomes more evident when micro-enterprises face external pressures such as market competition, economic instability, and resource constraints.

Recent studies emphasize that entrepreneurial competence is increasingly important in uncertain and dynamic business environments. During periods of crisis and market disruption, such as the COVID-19 pandemic, entrepreneurs with higher levels of competence demonstrated greater resilience, adaptability, and strategic responsiveness, enabling them to sustain their businesses more effectively than those with lower competence levels (Eggers, 2020). Similarly, Kraus et al. (2020) found that entrepreneurial competencies significantly contribute to long-term business survival by enhancing resilience and strategic flexibility, particularly in times of crisis.

H1: There is a positive effect of entrepreneurial competence on the sustainability of micro-enterprise in Bandar Lampung City.

Entrepreneurial leadership plays a crucial role in shaping business direction, decision-making, and long-term sustainability, particularly in micro-enterprises where the owner simultaneously acts as the leader and manager. Entrepreneurial leadership emphasizes opportunity recognition, innovation, proactiveness, and the ability to motivate and mobilize limited resources to achieve business goals (Lubis, 2017). These leadership characteristics are especially relevant for micro-enterprises operating in dynamic and uncertain environments.

In recent years, entrepreneurial leadership has gained increasing attention in sustainability and SME research. Studies conducted after 2020 highlight that entrepreneurial leaders are better equipped to navigate uncertainty, manage risks, and adapt to rapid market changes. During periods of crisis and economic disruption, entrepreneurial leadership has been shown to enhance organizational resilience and strategic flexibility, which are essential for sustaining business operations (Eggers, 2020). This suggests that leadership is not only related to short-term performance but also contributes to long-term business sustainability.

Empirical evidence on the relationship between entrepreneurial leadership and business sustainability, however, remains inconclusive. Made Astrama & Made Darsana, (2023) found that leadership style has a positive and significant effect on business sustainability, indicating that effective leadership supports continuity and growth of small businesses. Similarly, Bagheri and Harrison (2020) argue that entrepreneurial leadership fosters opportunity exploitation and innovation, which are critical drivers of sustainable business performance. Conversely, Pauceanu et al. (2021) found that leadership style does not significantly affect business sustainability, suggesting that contextual factors such as business scale, resource availability, and environmental turbulence may weaken the direct impact of leadership.

H2: There is a positive effect of entrepreneurial leadership on the sustainability of micro-enterprise in Bandar Lampung City.

III. RESEARCH METHOD

3.1 Research Design

This research adopts a descriptive approach with a quantitative methodology, utilizing numerical data analyzed through statistical methods to measure both the independent and dependent variables. Quantitative data refer to numerical information that is typically collected using structured questions (Sekaran & Bougie, 2016). The research focuses on micro-enterprises owners in Bandar Lampung City, with the independent variables being Entrepreneurial Competence (X1) and Entrepreneurial Leadership (X2), while the dependent variable is Micro-Enterprises Sustainability (Y).

3.2 Variable and Operational Definitions

3.2.1 Research Variable

A variable is any factor that can assume different values. These values may change over time for the same individual or object or vary simultaneously across different individuals or objects (Sekaran & Bougie, 2016).

1. Dependent Variable

The dependent variable is the main focus of the research. The researcher aims to understand, describe, explain its variations, or predict its behaviour (Sekaran & Bougie, 2016). In this study, the dependent variable is Micro-Enterprise Sustainability (Y).

2. Independent Variable

An independent variable is a factor that affects the dependent variable, either positively or negatively (Sekaran & Bougie, 2016). In this research, the independent variables are Entrepreneurial Competence (X1) and Entrepreneurial Leadership (X2).

3.2.2 Operational Definition

Operationalizing involves examining the behavioural dimensions, attributes, or characteristics represented by a concept. These aspects are then converted into observable and measurable elements to create a framework for assessing the concept (Sekaran & Bougie, 2016). The operational variables in this research are outlined in Table 3.1 below.

Table 3. 4 Operational Variable

No	Variable	Dimension	Items	Scale	Reference
1	Entrepreneurial Competency (X1)	Opportunity Competence	My business is able to find business opportunities.	Likert	Man et al. (2002)
			My business is be able to understand what products or services customers want.		
		Relationship Competence	My business can make good deals with others.		
			My business can communicate well with other people or businesses.		
		Conceptual Competence	My business has the ability to manage resources.		
			My business can make good plans for daily work and future goals.		
		Organizing Competence	My business can manage all employees well.		
			My business can divide tasks fairly and clearly among employees.		
		Strategic Competence	My business has the ability to identify existing problems.		
			My business can avoid serious problems that can cause it to fail.		
Commitment Competence	My business has the ability to commit to long-term business goals.				
	My business is committed to always making good-quality products.				
2	Entrepreneurial Leadership (X2)	Scenario Enactment	I encourage employees to participate in developing company strategy.	Likert	Gupta et al. (2004)
			I often propose innovative ideas for improving and developing business products/services.		
			I am willing to invest in new ideas and take risks if needed.		
		I assign jobs that match each employee's skills.			

No	Variable	Dimension	Items	Scale	Reference
		Cast Enactment	I make sure all employees know their tasks clearly. I can handle problems or disagreements among my team well.		
3	Micro-Enterprise Sustainability (Y)	Economic	In the past 1 years, my business has increased its sales. In the past 1 years, my business has made more profit. In the past 1 years, my business has found ways to save money and cut costs.	Likert	Elkington's (1998)
		Social	In the past 1 years, my business has worked together with other people or companies. In the past 1 years, my business has given training to employees to improve their skills.		
		Environment	In the past 1 years, my business has saved energy (electricity, fuel, etc.). In the past 1 years, my business has reduced waste from production.		

Source: Author (2025)

3.2.3 Variable Measurement Scale

A scale is an instrument used to differentiate individuals based on their variations in the variables relevant to a study. One common method for classifying consumers is the Likert scale, which measures the degree of agreement with a statement on a five-point scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree (Sekaran & Bougie, 2016).

Table 3. 5 Likert Scale Instrument

No	Criteria	Score
1	Strongly Disagree	1
2	Disagree	2
3	Neutral	3
4	Agree	4
5	Strongly Agree	5

Source: Sekaran & Bougie (2016)

3.3 Population and Sample

3.3.1 Population

The population encompasses the complete set of individuals, events, or objects that a researcher aims to study. It represents the broader group from which the researcher seeks to draw conclusions using data gathered from a sample (Sekaran & Bougie, 2016). In this research, the population consists of micro-enterprises owners in Bandar Lampung City, totaling 2.296 micro-enterprises.

3.3.2 Sample

A sample is a smaller group taken from a larger population, selected to represent the entire population in a research study (Sekaran & Bougie, 2016). This study uses a structured approach to determine and select the appropriate sample.

3.3.2.1 Sample Size Determination

According to Hair et al. (2017), an appropriate sample size can be determined by multiplying the number of indicators or latent variables by 5 to 10 respondents per item. In this study, the questionnaire consists of 25 items. Therefore, the estimated sample size is:

- Minimum: $5 \times 25 = 125$ respondents
- Maximum: $10 \times 25 = 250$ respondents

Based on this calculation, the required sample size for this study ranges from 125 to 250 respondents. Data collection may begin once the minimum number of 125 is reached. However, collecting data closer to the upper limit is encouraged to enhance the reliability and robustness of the statistical analysis.

3.3.2.2 Sampling Technique

This study employs a purposive sampling technique, which involves selecting individuals who can provide the most relevant and accurate information. Purposive sampling is suitable because not all micro-entrepreneurs possess the necessary insights into entrepreneurial competence, leadership, and business sustainability (Sekaran & Bougie, 2016).

Respondent Criteria

The criteria for selecting respondents in this study are as follows:

1. Micro business owners operating in Bandar Lampung City.
2. The business has been operating for at least 1 years, as an indicator of business sustainability.
3. The business owner has a direct role in decision-making and leadership within the business.

These criteria ensure that the data collected comes from micro-entrepreneurs who are directly involved in managing their businesses and are therefore capable of providing information relevant to the variables studied.

3.3.2.3 Quota Sampling

To maintain the diversity of business types, this study also applies a quota sampling approach. Quota sampling ensures that specific subgroups (in this case, business sectors) are proportionally represented within the sample (Sekaran & Bougie, 2016). The selection of these five business sectors in this study was based on national-level data released by the Ministry of Cooperatives and SMEs (2024), which shows that these sectors represent the largest proportion of MSME actors in Indonesia.

- The agriculture and fisheries sector (29,341,033 units),
- The wholesale and retail trade as well as motor vehicle repair and maintenance sector (14,433,048 units)
- The accommodation, food, and beverage sector (6,400,667 units),
- The manufacturing sector (4,164,542 units), and
- The service sectors (1,906,799 units).

Given their dominant contribution to the overall MSME structure, these sectors are considered the most representative of the characteristics and challenges experienced by micro-enterprises. Based on equal distribution, the minimum sample of 125 respondents are divided as shown below.

Table 3. 6 Business Sector Distribution

No	Business Sectors	Percentage	Quota
1	Agriculture and Fisheries	20%	25
2	Wholesale and Retail	20%	25
3	Accommodation, Food and Beverage	20%	25
4	Manufacturing	20%	25
5	Service	20%	25
TOTAL		100%	125

Source: the Ministry of Cooperatives and SMEs (2024)

By combining purposive sampling with quota sampling, this research ensures both relevance and diversity in respondent selection, providing a comprehensive representation of the micro-enterprise landscape in Bandar Lampung.

3.4 Data Collection Methods

According to Sekaran & Bougie (2016), data collection methods constitute an essential element of research design. Primary data collection is defined as the process of obtaining information directly from original sources to address the specific aims of a study. The four principal techniques of primary data collection identified by Sekaran and Bougie (2026) include interviews, observation, questionnaires, and experiments. In the context of this research, the questionnaire method is employed, with surveys distributed to micro-enterprise owners in Bandar Lampung City.

3.5 Research Instrument Test

3.5.1 Validity Test

Validity refers to the degree to which an instrument accurately measures the concept it is designed to assess. It ensures that every item, whether in the form of a question or a statement, appropriately represents the research variable and demonstrates internal consistency. In this study, the validity test was carried out using SPSS with the Kaiser-Meyer-Olkin (KMO) measure. An item is deemed valid if the KMO value and factor loading are ≥ 0.5 (Hair, 1995).

3.5.2 Reliability Test

Reliability testing was applied to items that had already been validated to evaluate the consistency of measurement outcomes when the same instrument is used repeatedly. According to (Sekaran & Bougie, 2016), reliability reflects the precision of a measure by reducing bias and measurement error, ensuring that results remain stable across time and items. In this study, the reliability test was performed using Cronbach's Alpha in SPSS. A coefficient value above 0.6 indicates that the instrument is reliable, while a value below 0.6 suggests unreliability.

3.6 Data Analysis Techniques

3.6.1 Multiple Linear Regression Test

To test the research hypotheses, this study employs Multiple Linear Regression (MLR) as the primary analytical technique. James et al. (2023) describe MLR as an extension of simple regression that incorporates more than one independent variable (predictor) to explain variation in a dependent variable (response). The general form of the regression model is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Where:

- **Y** = Micro-Enterprise Sustainability Variable
- **β_0** = Intercept
- **$\beta_1 - \beta_2$** = Regression coefficients of the independent variables
- **X1** = Entrepreneurial Competency Variable
- **X2** = Entrepreneurial Leadership Variable
- **ϵ** = Error term

MLR is appropriate for this study as it allows for the simultaneous analysis of the impact of entrepreneurial competency (X_1) and entrepreneurial leadership (X_2) on micro-enterprise sustainability (Y) in Bandar Lampung City. Coefficient estimation is conducted using the least squares method, which minimizes the residual sum of squares between observed and predicted values (James et al., 2023).

3.6.2 T-Test

Within regression analysis, the t-test is applied to determine whether an individual regression coefficient significantly differs from zero, implying that the predictor has an effect on the dependent variable (James et al., 2023). The hypotheses are as follows:

$H_0 : \beta_j = 0$ (no significant effect)

$H_0 : \beta_j \neq 0$ (significant effect)

The test statistic is calculated as:

$$t = \frac{\hat{\beta}_j - 0}{SE(\hat{\beta}_j)}$$

where $\hat{\beta}_j$ represents the estimated regression coefficient and $SE(\hat{\beta}_j)$ is its standard error.

- If the p-value < 0.05 , the null hypothesis is rejected, meaning the independent variable has a significant effect on the dependent variable.
- If the p-value ≥ 0.05 , the null hypothesis cannot be rejected.

In this study, the t-test is used to evaluate whether Entrepreneurial Competency (X1) and Entrepreneurial Leadership (X2) individually (partially) affect micro-enterprise sustainability (Y).

3.6.3 Coefficient of Determination (R^2)

The coefficient of determination (R^2) shows the proportion of variance in the dependent variable explained by the independent variables (James et al., 2023).

The formula is:

$$R^2 = 1 - \frac{RSS}{TSS}$$

where:

- $RSS = \sum (y_i - \hat{y}_i)^2$ is the Residual Sum of Squares
- $RSS = \sum (y_i - \bar{y}_i)^2$ is the Total Sum of Squares

The value of R^2 ranges from 0 to 1:

1. $R^2 = 0$ indicates that the model does not explain any variability in the response.
2. $R^2 = 1$ indicates that the model explains 100% of the variability in the response.

In practical terms:

- A higher R^2 indicates that entrepreneurial competency and leadership strongly explain micro-enterprise sustainability.
- A lower R^2 suggests that there are other important factors outside the model that influence sustainability.

This statistic is crucial in determining how well the regression model fits the data and supports the interpretation of results.

V. CONCLUSION

5.1 Conclusion

The findings of this study indicate that micro-enterprise sustainability in Bandar Lampung City is primarily driven by the entrepreneurial competencies of business owners rather than by leadership characteristics, as micro-enterprises typically operate with centralized decision-making, limited labor, and simple organizational structures that place greater emphasis on individual capability.

- Entrepreneurial competency supported the micro-enterprise sustainability in Bandar Lampung City across all tested significance levels, highlighting the importance of opportunity recognition, relationship-building, conceptual and strategic thinking, organizational management, and personal commitment in enabling entrepreneurs to adapt to uncertainty, optimize limited resources, and sustain their businesses over the long term.
- Entrepreneurial leadership does not support the micro-enterprise sustainability in Bandar Lampung City that shows a statistically insignificant direct effect at conventional significance levels, indicating that formal leadership practices are less prominent in micro-enterprise contexts.

5.2 Suggestion

Based on the findings and conclusions derived from this study regarding the effect of entrepreneurial competency and entrepreneurial leadership on micro-enterprise sustainability in Bandar Lampung, several recommendations are proposed for future researchers and for micro-enterprise actors. These recommendations are expected to contribute to the development of future research as well as to enhance the sustainability of micro enterprises.

1. For Micro-Enterprise Actors in Bandar Lampung

Micro-enterprise actors are strongly advised to focus on strengthening their entrepreneurial competencies, as this study confirms that such competencies have

a significant and direct impact on business sustainability. Efforts should prioritize enhancing opportunity recognition, strategic thinking, organizational management, relationship-building, and long-term commitment through training programs, mentoring, and practical business development initiatives. Furthermore, although entrepreneurial leadership was found to have no significant direct effect, micro-enterprise owners are encouraged to develop leadership capabilities that support innovation and adaptability, as these may indirectly contribute to sustainability. Strengthening operational efficiency, improving resource management, and fostering continuous learning are essential to ensure long-term business resilience and competitiveness in an increasingly dynamic business environment.

2. For Future Researchers

Future researchers are encouraged to expand the scope of this study by incorporating additional mediating or moderating variables that may strengthen the relationship between entrepreneurial leadership and micro-enterprise sustainability. Variables such as innovation capability, entrepreneurial orientation, business model innovation, digital adoption, or entrepreneurial resilience could provide a deeper understanding of the indirect mechanisms influencing sustainability. Additionally, future studies may apply mixed-methods or longitudinal research designs to capture dynamic changes in entrepreneurial behaviour and sustainability over time. Expanding the research area beyond Bandar Lampung or comparing different regional contexts is also recommended to improve the generalizability of the findings.

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