

Entrepreneurial Knowledge, Motivation, and Discipline as Determinants of MSME Business Success: Evidence from Coffee Shops in Pemalang, Indonesia

Reyza Putra Arifyansyah¹⁾; Aldina Shiratina²⁾

¹⁾reyzaputraarifyansyah@gmail.com, Mercu Buana University, Jakarta, Indonesia

²⁾aldina.shiratina@mercubuana.ac.id, Mercu Buana University, Jakarta, Indonesia^{*}

^{*}) Corresponding Author

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ABSTRACT

Objective: This study examines the influence of entrepreneurial knowledge, entrepreneurial motivation, and entrepreneurial discipline on the business success of coffee shop MSMEs in Pemalang, Brebes, and Pekalongan, highlighting the role of behavioral and cognitive factors in sustaining competitive advantage.

Methodology: A quantitative survey design was employed involving 212 coffee shop owners as respondents. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS to assess both individual and joint effects of the independent variables on business success.

Findings: The results indicate that entrepreneurial knowledge, motivation, and discipline each have positive and significant effects on the success of coffee shop MSMEs. Entrepreneurial knowledge enhances decision-making, marketing, and resource management. Motivation drives persistence, enthusiasm, and resilience in facing challenges. Discipline emerges as the most dominant factor, ensuring consistency, adherence to operational standards, and service quality.

Conclusion: Entrepreneurial knowledge, motivation, and discipline collectively serve as complementary drivers of MSME success. Theoretically, this study contributes to entrepreneurship and organizational behavior literature by positioning discipline as a critical determinant of business success. Practically, the findings suggest that MSME practitioners and policymakers should emphasize strengthening knowledge, motivation, and especially discipline to enhance performance, resilience, and long-term sustainability.

Keyword : Business Success; Entrepreneurial Knowledge; Entrepreneurial Motivation, and Entrepreneurial Discipline.

Introduction

Micro, small, and medium enterprises (MSMEs) represent a vital sector within Indonesia's economic structure, contributing significantly to job creation and Gross Domestic Product (GDP) growth. One subsector that has experienced rapid development over the past decade is coffee shop businesses, particularly in urban and semi-urban areas, driven by the lifestyle trends of younger consumers. However, the sustainability of businesses in this sector remains low, as indicated by high failure rates within the first three years of operation. This highlights the need for a deeper examination of entrepreneurs' internal factors that influence business success.

Entrepreneurial knowledge has been extensively studied as a critical determinant of business success, as it reflects the ability of MSME actors to identify opportunities, manage

risks, innovate, and make strategic decisions (Sanjaya & Handoyo, 2024; and Heriyanto & le, 2024). These studies consistently show that entrepreneurial knowledge exerts a positive influence on business success, although in certain contexts its effect may be limited. For instance, Lai & Widjaja (2023) found that in coffee shop businesses, variables such as creativity and innovation exert a greater influence on success compared to entrepreneurial knowledge. In addition, entrepreneurial motivation is widely recognized as a key driver of persistence and resilience in facing business pressures. Findings by Ardani et al., (2022), Ndruru (2023), and Kurniawan et al., (2022) demonstrate that high motivation strengthens the positive impact of entrepreneurial knowledge on business success.

On the other hand, entrepreneurial work discipline remains an underexplored variable in the context of MSME success, particularly in creative sectors such as coffee shops. Most studies addressing discipline emphasize employees or organizational teams. For example, Siregar et al., (2022) found that work discipline significantly affects employee performance, while Setyawati et al., (2023) showed that motivation and leadership influence team discipline in restaurant MSMEs. Similarly, Yuliantika & Faddila (2023) identified that weak discipline, often due to the absence of sanctions, directly leads to low employee performance. Among the limited studies focusing on entrepreneurial discipline Prabowo & Yulianti (2022), reported that discipline and motivation positively influence the performance of female entrepreneurs in the trade sector. The scarcity of empirical studies positioning discipline as a central variable in determining entrepreneurial success underscores a literature gap that requires further investigation. In practice, the discipline of MSME actors—in managing time, ensuring service quality, and adhering to internal systems—plays an essential role in maintaining consistency and business sustainability.

Building on this background, the present study aims to analyze the simultaneous effects of entrepreneurial knowledge, motivation, and discipline on the success of MSME coffee shops. This study not only contributes to expanding entrepreneurial literature by positioning discipline as a key variable but also offers practical implications for MSME practitioners in enhancing competitiveness and ensuring long-term business continuity.

Literature Review

Human Resource Management and Business Success

Human resource management (HRM) is a strategic approach to managing the workforce effectively and efficiently in order to support the achievement of organizational goals. Priansa (2018) highlights that HRM encompasses the management of skills, motivation, and employee development, while Arhin (2019) emphasizes the importance of harmonious and productive working relationships. Konopaske et al., (2023) underline the HR function in shaping organizational culture and empowering employees, whereas Stone (2017) regards HRM as a source of competitive advantage through improved performance and employee engagement.

In the context of MSMEs, HR practices are often unstructured; nevertheless, studies have shown that HR elements such as motivation and discipline exert a significant influence on business success. Siregar et al., (2022) found that motivation and discipline strongly affect work performance. Similarly, Setyawati et al., (2023) dan Kurniawan et al., (2022) confirmed that team management and work discipline directly drive MSME performance. Hence, the application of basic HRM principles, even in simple forms, proves essential in creating efficiency, improving productivity, and strengthening the long-term competitiveness of small enterprises.

Entrepreneurial Knowledge

Entrepreneurial knowledge encompasses not only theoretical aspects but also the practical capabilities of business actors in managing enterprises efficiently and adaptively. [Hariyanto et al., \(2024\)](#) position entrepreneurial knowledge as a form of practical insight that includes product development, marketing strategies, and the use of digital media in day-to-day operations. Such knowledge enables MSME actors to adapt to technological advances and shifting consumer behaviors, thereby supporting business performance improvement.

According to [Kuswanto et al., \(2022\)](#), entrepreneurial knowledge can be integrated into the dimensions of entrepreneurial competence, which include: (1) opportunity recognition, or sensitivity to market trends and consumer needs; (2) managerial ability, including the management of finance, resources, and operations; (3) creative and problem-solving skills, related to product and service innovation; (4) communication and networking skills, crucial for building relationships with customers and business partners; and (5) technical skills, or practical capabilities in carrying out daily operations ([Windyarsita & Anggraeni, 2022](#); and [Ndruru, 2023](#)).

Conceptually, entrepreneurial knowledge—grounded in competencies and skills—serves as the foundation for strategic decision-making, risk management, and value creation in business. Strong entrepreneurial knowledge enables entrepreneurs to act more effectively, innovatively, and competitively amidst market uncertainty.

Entrepreneurial Motivation

Entrepreneurial motivation refers to the internal and external drives that encourage individuals to start, manage, and sustain a business with enthusiasm, perseverance, and the courage to face risks. According to [Hastuti & Wulandari \(2022\)](#), entrepreneurial motivation reflects the aspiration to achieve personal satisfaction, economic independence, and the desire to create value through business activities. Entrepreneurial motivation consists of four main dimensions: (1) intrinsic motivation, such as personal satisfaction, independence, and self-actualization; (2) extrinsic motivation, including financial gain, social recognition, and status; (3) resilience and persistence, or the capacity to endure and continue striving despite challenges; and (4) goal orientation, which reflects the clarity of vision, mission, and business targets ([Ardani et al., 2022](#)).

Empirical evidence supports these dimensions: [Srimulyani et al., \(2023\)](#) found that motivation plays a critical role in driving MSME success, both directly and as a mediator between self-efficacy and business performance. This is reinforced by [Ardani et al., \(2022\)](#); and [Cyndy & Kurniaan \(2022\)](#), who assert that strong motivation enhances resilience, determination, and consistency in sustaining business continuity. Thus, strong motivation enables entrepreneurs to act adaptively, innovatively, and with a results-oriented mindset.

Discipline

Discipline is the attitude of compliance and consistency in carrying out tasks, adhering to rules, and using time efficiently as part of professional responsibility ([Sutrisno, 2017](#)). In the entrepreneurial context, discipline reflects entrepreneurs' commitment to order, efficiency, and behavioral consistency in daily business operations. From the perspective of organizational behavior management, discipline is a form of self-control and adherence to work standards, aimed at creating stability, productivity, and alignment with work values

(Konopaske et al., 2023). Robbins & Judge (2018) outline four key dimensions of work discipline: (1) time discipline, or the ability to manage time effectively and punctually; (2) rule compliance, or adherence to policies, procedures, and work ethics; (3) work responsibility, or diligence in completing tasks according to predetermined quality and targets; and (4) behavioral consistency, or stability in carrying out business activities continuously.

Previous studies indicate that discipline significantly influences business success. Siregar et al., (2022) confirmed that discipline and work motivation contribute substantially to employee performance. . Setyawati et al., (2023) highlighted that team discipline in MSMEs can be improved through leadership and motivation, while Prabowo & Yulianti (2022) concluded that discipline is one of the key factors in improving the performance of female MSME entrepreneurs. Thus, discipline is not only a matter of compliance but also a behavioral strategy to ensure sustainability and operational excellence in business.

Research Framework and Hypotheses

Entrepreneurial Knowledge and Business Success

Entrepreneurial knowledge is a fundamental element that shapes entrepreneurs' capacity to plan, operate, and develop businesses sustainably. This knowledge encompasses various aspects such as financial management, marketing strategies, operational management, and the ability to identify and respond to market opportunities and risks.

Research by Sanjaya & Handoyo (2024) demonstrates that entrepreneurial knowledge has a significant positive effect on the success of culinary MSMEs in Jakarta, alongside self-efficacy and entrepreneurial motivation. Heriyanto & Ie, (2024) reinforce this finding, highlighting that knowledge and motivation are critical determinants of MSME success in the same sector. Similarly, Ardani et al., (2022) emphasize the role of entrepreneurial knowledge, coupled with personal independence and motivation, in improving the performance of local culinary businesses. However, not all studies report consistent positive effects. For instance, Lai & Widjaja (2023) found that in coffee shop MSMEs, entrepreneurial knowledge does not significantly influence business success, while creativity and innovation exert stronger impacts. This suggests that the effectiveness of entrepreneurial knowledge may vary across business sectors and depends on its integration with other competencies such as creativity.

Nevertheless, conceptually, entrepreneurial knowledge remains critical in improving resource efficiency, expanding market networks, and supporting data-driven decision-making. When combined with high motivation and consistent work discipline, entrepreneurial knowledge strengthens the resilience and long-term growth of MSMEs. Thus, the development of entrepreneurial knowledge represents a strategic investment in enhancing business success.

H₁: Entrepreneurial knowledge has a positive effect on business success.

Entrepreneurial Motivation and Business Success

Entrepreneurial motivation is the internal drive that influences individuals' choices to initiate, sustain, and expand a business. . Shi et al., (2023), drawing on McClelland's (1961) framework, argue that individuals with a high need for achievement are more inclined to work independently, set challenging goals, and take calculated risks. In practice, this motivation generates resilience, consistency, and perseverance among entrepreneurs in navigating market pressures and dynamics. Contemporary studies confirm the pivotal role

of entrepreneurial motivation in MSME success. [Sanjaya & Handoyo \(2024\)](#) and [Heriyanto & Ie \(2024\)](#) report that entrepreneurial motivation exerts a positive and significant influence on MSME performance in the culinary sector. Similarly, [Srimulyani et al., \(2023\)](#) show that entrepreneurial motivation not only drives business success directly but also mediates the relationship between self-efficacy and business performance. In other contexts, [Prabowo & Yulianti \(2022\)](#) identify that motivation, alongside work discipline, contributes positively to the performance of female entrepreneurs in the trade sector. Further, [Pesta Pesta Gultom & Agustine \(2021\)](#) and [Wahyuningsih \(2024\)](#) highlight that motivation enhances innovation capacity and decision-making, ultimately supporting long-term business success. A broader review by [Ana & Nanang \(2024\)](#) asserts that motivation serves as a key catalyst across all stages of MSME development, from preparation to expansion.

Motivation also acts as a critical differentiator among entrepreneurs with relatively equal access to resources. Those with high motivation tend to be more persistent, innovative, and responsive to change. In this regard, motivation not only functions as a direct determinant of business success but also serves as a mediating variable that bridges individual characteristics, such as knowledge and creativity, with business performance.

H₂: Entrepreneurial motivation has a positive effect on business success.

Discipline and Business Success

Work discipline reflects adherence to rules, time management, and work procedures, as well as consistency in fulfilling responsibilities professionally. For MSME entrepreneurs, discipline becomes an essential behavioral dimension, as they often manage multiple aspects of their businesses independently—from operations and finance to customer service. Discipline not only impacts daily efficiency but also determines business stability and reputation in the long run.

Empirical evidence confirms the importance of discipline in business success. [Siregar et al., \(2022\)](#) found that motivation and discipline significantly influence work performance, underscoring the role of discipline in improving output. [Setyawati et al., \(2023\)](#) show that team discipline in MSMEs can be enhanced through leadership and motivation, while [Kurniawan et al., \(2019\)](#) report that discipline and motivation positively affect the performance of female entrepreneurs in the trade sector. Conversely, [Yuliantika & Faddila \(2023\)](#) argue that the absence of sanction mechanisms in MSMEs can result in low discipline, which negatively impacts employee performance. These findings suggest that discipline is not merely rooted in personal traits but also requires reinforcement through control systems and a strong organizational culture.

Although most studies address discipline within employee or team contexts, research specifically examining entrepreneurial discipline remains limited—particularly in independent MSMEs such as coffee shops, where success heavily depends on owners' commitment and work habits. From a managerial standpoint, discipline can be regarded as a behavioral investment that fosters order, reduces inefficiencies, and enhances accountability in business processes. Entrepreneurs who are disciplined in managing time, recording transactions, maintaining service quality, and adhering to operational schedules are more likely to retain customers and achieve sustainable growth.

H₃: Discipline has a positive effect on business success.

The conceptual framework illustrating the relationships among the variables is presented in the diagram below

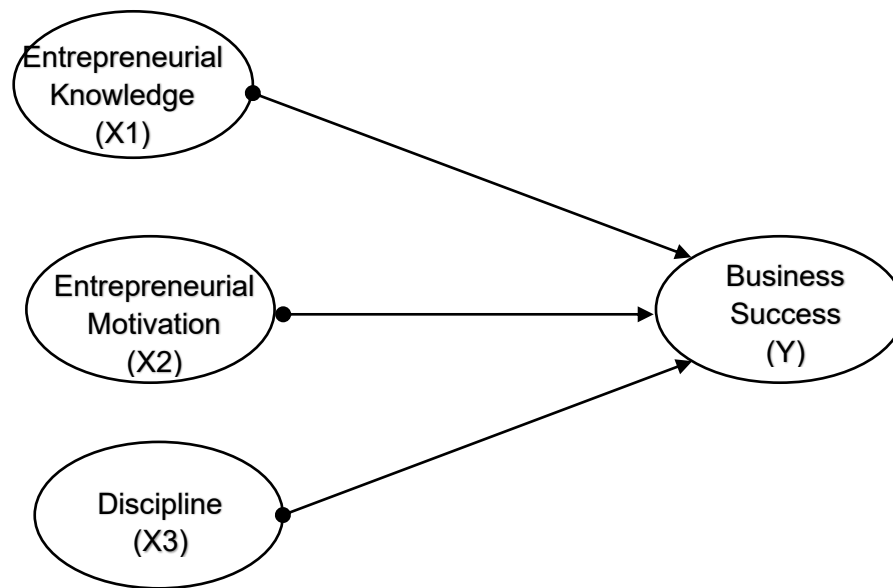


Figure 1. Model of the Study

RESEARCH METHODOLOGY

Measurement Development

Entrepreneurial Knowledge (X_1): Entrepreneurial knowledge refers to the understanding and skills of business actors in managing enterprises effectively, covering aspects such as management, marketing, finance, and strategic decision-making. This knowledge serves as the primary foundation for running sustainable businesses that adapt to market changes. According to [Abdullah & Septiany, 2019](#), the indicators of entrepreneurial knowledge include: understanding business planning, the ability to identify market opportunities, business financial management, knowledge of business law, and the application of innovation in product or service development.

Entrepreneurial Motivation (X_2): Entrepreneurial motivation is the drive to initiate a business, measured through the self-determination theory approach. This motivation is compiled into a continuous motivational index, reflecting the extent to which entrepreneurs are driven by internal and external factors to engage in entrepreneurial activities ([Caliendo & Kritikos, 2023](#)). [Abiola et al., \(2023\)](#) argue that McClelland's Acquired Needs Theory remains relevant in modern organizations, as it explains work motivation through the needs for achievement, affiliation, and power. They further note that this theory is practical for managers seeking to enhance productivity, especially when combined with Skinner's reinforcement theory to balance internal and external motivation. In this study, entrepreneurial motivation indicators are adapted from [Caliendo & Kritikos \(2023\)](#), which include: aspiration for achievement, confidence in risk-taking, commitment to the business, perseverance in facing challenges, and orientation toward business goals.

Entrepreneurial Discipline (X_3): Entrepreneurial discipline refers to the consistent attitude of adhering to rules, schedules, and targets set within business activities. Discipline serves as a key pillar in maintaining operational efficiency and effectiveness in MSMEs. According to [Srimulyani et al., \(2023\)](#), the indicators of work discipline include: punctuality in opening and closing the business, consistency in customer service, regularity in financial record-keeping, compliance with operational procedures, and discipline in managing working time.

Business Success (Y): Business success refers to the achievement of business goals reflected through both financial and non-financial performance indicators. Within the framework of the Balanced Scorecard (Kaplan & Norton), performance is measured comprehensively—not only in terms of profitability but also from customer, internal process, and learning-and-growth perspectives (Wijaya et al., 2019). In the context of coffee shop MSMEs, the indicators used include: growth in monthly revenue, expansion of loyal customers, product and service quality, operational sustainability of at least two years, and owner satisfaction with business performance.

Data Analysis Method

This study employed a quantitative explanatory approach to examine causal relationships among entrepreneurial knowledge, entrepreneurial motivation, discipline, and business success of coffee shop MSMEs. The data analysis technique used was Partial Least Squares Structural Equation Modeling (PLS-SEM), processed with SmartPLS version 4.1.1.4. This method was chosen due to its ability to handle complex structural models, tolerance for non-normal data distribution, and suitability for small to medium sample sizes.

The study population consisted of all coffee shop owners classified as MSMEs and operating in Pematang, Brebes, and Pekalongan regencies. The sampling technique applied was purposive sampling, selecting respondents based on specific criteria, namely coffee shop owners who had actively operated their businesses for at least one year and agreed to participate in the study. Based on these criteria, a total of 212 coffee shop owners met the requirements and participated as the research sample.

Sample size determination followed the guidelines of Hair et al., (2019), which recommend a minimum of ten times the largest number of reflective indicators and ten times the maximum number of structural paths leading to an endogenous construct. Accordingly, the sample of 212 respondents satisfied the statistical criteria, ensuring sufficient analytical power while accounting for potential missing data that could affect model validity.

All constructs in this study were tested using a reflective measurement model. The measurement model evaluation was carried out in three stages: (1) convergent validity, with criteria of loading factor ≥ 0.708 and AVE ≥ 0.50 ; (2) internal reliability, using Cronbach's Alpha and Composite Reliability with minimum values of ≥ 0.70 ; and (3) discriminant validity, evaluated through the Heterotrait-Monotrait Ratio (HTMT) < 0.90 . The structural model was subsequently assessed through multicollinearity (VIF < 3), coefficient of determination ($R^2 \geq 0.25$), effect size (f^2), and predictive relevance ($Q^2 > 0$).

Hypothesis testing was conducted using bootstrapping with 5,000 resamples, where hypotheses were accepted if the t-statistic ≥ 1.96 at a 5% significance level. Mediation analysis was performed by evaluating indirect effects among variables, while predictive accuracy of the model was assessed using the PLSpredict feature by comparing the Root Mean Square Error (RMSE) and Mean Absolute Error (MAE) against linear regression benchmarks.

RESULTS AND DISCUSSION

Partial Least Squares (PLS) Analysis

The analytical method employed in this study is Partial Least Squares Structural Equation Modeling (PLS-SEM), assisted by SmartPLS version 3.0 software. PLS-SEM is a variance-based structural modeling approach considered more flexible compared to covariance-based SEM. According to Ghazali & Latan (2020), this method is particularly

suitable when data are not normally distributed, the sample size is relatively small, and the research aims to both confirm theory and predict relationships among latent variables.

Evaluation of the Measurement Model (Outer Model)

Convergent Validity Test

Convergent validity indicates the extent to which indicators within a construct are positively correlated. As noted by Ghozali & Latan (2020), an indicator is deemed valid if its outer loading value exceeds 0.70. The results of the convergent validity test are presented in Table 1 below:

Table 1. Results of Convergent Validity Test

Variable	Indicator	Outer Loading	Remark
Entrepreneurial Knowledge	X1.1–X1.5	0.836–0.897	Valid
Entrepreneurial Motivation	X2.1–X2.5	0.819–0.865	Valid
Discipline	X3.1–X3.5	0.796–0.854	Valid
Business Success	Y1.1–Y1.5	0.782–0.849	Valid

Source: Data processed by authors with SmartPLS, 2025.

All indicators have loading factor values above 0.70, indicating that all constructs meet the criteria for convergent validity.

Discriminant Validity Test

Discriminant validity was assessed using two approaches: cross-loading and the Fornell–Larcker criterion. The cross-loading results show that each indicator has the highest loading on its respective construct compared to other constructs. In addition, the Average Variance Extracted (AVE) values were also used to evaluate discriminant validity.

Table 2. AVE Values for Discriminant Validity

Variable	AVE
Entrepreneurial Knowledge	0.752
Entrepreneurial Motivation	0.714
Discipline	0.677

Source: Data processed by authors with SmartPLS, 2025.

Based on the table 2 , the Average Variance Extracted (AVE) values for all constructs in this study exceed the threshold of 0.50, namely: entrepreneurial knowledge (0.752), entrepreneurial motivation (0.714), and discipline (0.677). These results indicate that each construct demonstrates good discriminant validity.

Conceptually, an AVE greater than 0.50 suggests that more than 50% of the variance of the indicators can be explained by their respective constructs. Thus, the indicators used in this study consistently represent their underlying constructs. This finding strengthens the validity of the measurement model (outer model), confirming that it meets the criteria for both convergent and discriminant validity, and is therefore appropriate for subsequent structural model testing.

Reliability Test (Composite Reliability and Cronbach's Alpha)

Instrument reliability was assessed through two measures, namely Cronbach's Alpha and Composite Reliability. According to Ghazali & Latan (2020), a construct is considered reliable if both values are ≥ 0.70 .

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability	Remark
Entrepreneurial Knowledge	0.918	0.938	Reliable
Entrepreneurial Motivation	0.900	0.926	Reliable
Discipline	0.881	0.913	Reliable
Business Success	0.879	0.912	Reliable

Source: Data processed by authors with SmartPLS, 2024.

The results indicate that all constructs demonstrate a high level of reliability, confirming that the questionnaire instrument is suitable for use in this study.

Evaluation of the Structural Model (Inner Model)

Coefficient of Determination (R^2)

The explanatory power of the structural model was evaluated using the R-square (R^2) values of the endogenous variable. An R^2 value of 0.723 indicates that the model has strong predictive power.

Table 4. R-Square (R^2) Values

Endogen Variable	R-Square	R-Square Adjusted
Business Success	0.723	0.719

Source: Data processed by authors with SmartPLS, 2025.

This means that 72.3% of the variance in business success can be explained by entrepreneurial knowledge, entrepreneurial motivation, and discipline, while the remaining 27.7% is explained by other variables outside the model.

Predictive Relevance (Q^2)

The Q^2 value was used to measure the predictive relevance of the model. According to Ghazali (2017), a Q^2 value greater than 0 indicates that the model has good predictive relevance.

Table 5. Q-Square Values

Variable	Q^2
Business Success	0.48

Source: Data processed by authors with SmartPLS, 2025.

Based on Table 5, the Q^2 value for the endogenous variable *Business Success* is 0.48. This value exceeds the threshold of 0.35 recommended by Hair et al., (2019), indicating that the research model has strong predictive relevance. It suggests that the combination of

entrepreneurial knowledge, entrepreneurial motivation, and discipline provides substantial predictive power in explaining the success of coffee shop MSMEs.

In practical terms, a Q^2 value of 0.48 confirms that the structural model is not only statistically adequate but also meaningful for prediction. This means that the constructs employed in this study effectively capture and explain variations in business success, making the model reliable as both a theoretical contribution and a practical reference for enhancing MSME performance.

Hypothesis Testing

To test the research hypotheses, a bootstrapping analysis with 5,000 resamples was conducted using the PLS-SEM method. This analysis aimed to examine the effects of entrepreneurial knowledge, entrepreneurial motivation, and discipline on the business success of coffee shop MSMEs. A summary of the hypothesis testing results is presented in Table 6 below:

Table 6. Hypothesis Testing Results

Relationship	Original Sample	T-Statistic	P-Value	Remark
Entrepreneurial Knowledge → Business Success	0.315	4.855	0.000	H1: Positive and Significant
Entrepreneurial Motivation → Business Success	0.207	2.975	0.002	H2: Positive and Significant
Discipline → Business Success	0.405	5.049	0.000	H3: Positive and Significant

Source: Data processed by authors with SmartPLS, 2025.

The results presented in Table 6 confirm that all proposed hypotheses (H1, H2, and H3) are supported. First, entrepreneurial knowledge has a positive and significant effect on business success. This implies that MSME coffee shop owners with stronger entrepreneurial knowledge—covering areas such as management, marketing, financial planning, and risk mitigation—are more capable of achieving sustainable business outcomes. This finding highlights the role of cognitive competencies as a foundation for strategic decision-making and competitive advantage.

Second, entrepreneurial motivation also exerts a positive and significant influence on business success. Although the effect size is comparatively smaller than the other variables, motivation remains a critical driver of persistence, resilience, and enthusiasm in maintaining and growing the business. This suggests that psychological drive reinforces entrepreneurial efforts, even under competitive and uncertain market conditions.

Third, discipline emerges as the most dominant factor influencing business success. The strong effect of discipline demonstrates that consistency, adherence to operational standards, time management, and commitment to quality service are decisive in shaping MSME performance. Discipline bridges strategic planning with daily execution, ensuring that business activities are conducted systematically and sustainably.

Overall, the findings underline that business success is not determined by a single factor but rather by the integration of knowledge, motivation, and discipline. Among these, discipline provides the strongest contribution, followed by knowledge and motivation,

suggesting that behavioral consistency combined with cognitive competence and psychological drive forms a solid foundation for MSME resilience and long-term growth.

This relationship is clearly illustrated in Figure 1, where the structural model shows discipline exerting the strongest path coefficient toward business success, supported by the positive effects of entrepreneurial knowledge and motivation.

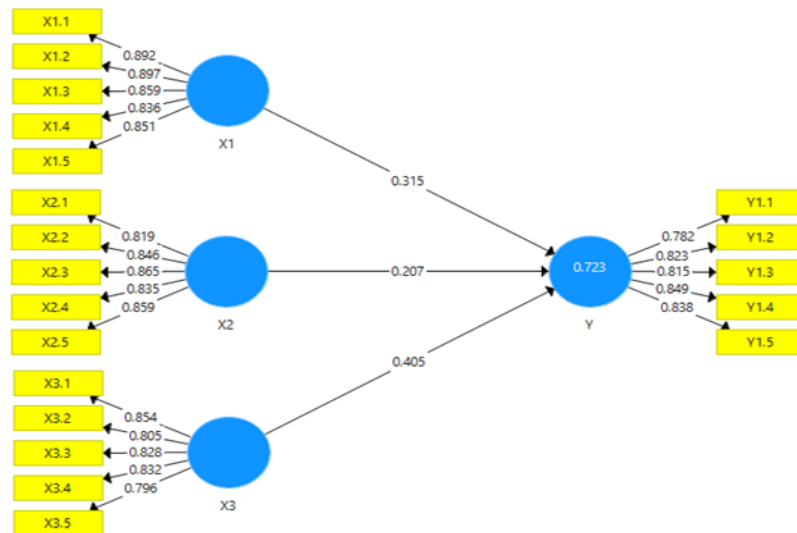


Figure 2. Structural model with path coefficients and factor loadings

Source: Authors' calculation using SmartPLS (2024).

Discussion

The Effect of Entrepreneurial Knowledge on Business Success

The statistical analysis shows that entrepreneurial knowledge has a positive and significant effect on business success, with a coefficient value of 0.315, a t-statistic of 4.855, and a p-value of 0.000. This finding confirms that the higher the level of entrepreneurial knowledge possessed by coffee shop MSME owners, the greater their opportunities to operate their businesses effectively, innovatively, and sustainably. This result is consistent with and reinforces the findings of [Sanjaya & Handoyo \(2024\)](#), who argue that entrepreneurial knowledge directly enhances MSME actors' ability to make strategic decisions and manage resources efficiently, thereby supporting business success. Similarly, [Heriyanto & Ie \(2024\)](#) found that knowledge is a significant factor driving the success of culinary MSMEs in Central Jakarta, which is highly relevant to the coffee shop MSME context of the present study. [ndyarsita & Anggraeni \(2022\)](#) also emphasized that entrepreneurs with higher entrepreneurial knowledge are better able to develop strategies tailored to local market needs, a condition comparable to business owners in Pematang, Brebes, and Pekalongan as examined in this research.

Furthermore, the results strengthen the findings of [Alfiannur & Winarso \(2023\)](#), who showed that students with higher entrepreneurial knowledge are more likely to establish and sustain their own businesses. This implies that entrepreneurial knowledge is not only important in large-scale business practices but also in micro and start-up ventures. In addition, [Alfiannur & Winarso \(2023\)](#) argued that MSME success cannot be separated from the entrepreneurial knowledge of business owners, particularly in managing marketing strategies and business location—challenges also faced by coffee shop MSMEs in this

study. Supporting this perspective, [Heriyanto & Ie \(2024\)](#) demonstrated that entrepreneurial knowledge, together with creativity and the use of social media, enhances MSME performance in Jakarta, underlining the importance of business literacy within the digital and creative ecosystem.

Thus, the findings of this study are not only consistent with previous research but also reaffirm that entrepreneurial knowledge is a universal key element that strengthens business success across contexts—whether in local MSMEs, among students, or in creative sectors. In the context of coffee shop MSMEs in Pemalang, Brebes, and Pekalongan, entrepreneurial knowledge is crucial for responding to market dynamics, optimizing operations, and creating competitive advantage through innovation and strategic adaptation.

The Effect of Entrepreneurial Motivation on Business Success

The analysis shows that entrepreneurial motivation has a positive and significant effect on business success, with a coefficient value of 0.207, a t-statistic of 2.975, and a p-value of 0.002. This finding indicates that MSME entrepreneurs with strong internal drives for achievement tend to be more persistent, adaptive, and capable of sustaining their businesses in competitive environments.

This result is consistent with McClelland's (1961) *Need for Achievement Theory*, which emphasizes that individuals with high achievement needs strive diligently, set challenging goals, and demonstrate perseverance when facing obstacles ([Srimulyani et al., 2023](#); and [Sarman et al., 2025](#)). In line with this [Abiola et al., \(2023\)](#) argue that the achievement need remains relevant in modern organizations, as it fosters innovation, commitment, and performance. In the context of coffee shop MSMEs, such motivation becomes a key factor in sustaining creativity, enhancing service quality, and strengthening customer loyalty.

Supporting this perspective, [Srimulyani et al., \(2023\)](#) found that entrepreneurial motivation not only significantly influences business success but also partially mediates the relationship between self-efficacy and the success of food and beverage MSMEs. This suggests that motivation can amplify the effect of other variables on business success, which is highly relevant for coffee shop MSME owners in Pemalang, Brebes, and Pekalongan, who often rely on personal drive to survive and grow. Similarly, [Sinurat et al., \(2024\)](#) revealed that entrepreneurial motivation, along with self-efficacy and digital marketing, significantly contributes to the success of culinary MSMEs in West Jakarta. This supports the argument that highly motivated entrepreneurs are quicker to adopt digital marketing technologies and respond to modern consumer needs—a condition that also applies to the coffee shop MSMEs in this study.

At a broader level, [Lorincová et al., \(2019\)](#) confirmed that motivation plays a crucial role in sustaining business processes, noting that companies must understand motivational differences based on individual characteristics to improve performance and organizational efficiency. This demonstrates that motivation is not only an internal personal factor but also an aspect that can be developed through managerial approaches and organizational policies.

The findings of this study are also consistent with [Zulfikar & Bawazir \(2022\)](#), who found that business motivation and entrepreneurial capability simultaneously contribute significantly to the success of apparel distribution businesses (*distro*) in Bandung. They highlight the importance of motivation in building sustainable competitive advantage. Likewise, [Situmorang \(2023\)](#) showed that motivation—even in the context of consumers—

remains a significant driver of decision-making, underscoring its universal role in economic behavior.

Taken together, these findings strengthen the theoretical and empirical consensus that entrepreneurial motivation is one of the foundational drivers of small business success. In the case of coffee shop MSMEs, motivation not only supports short-term survival but also acts as an internal force that sustains innovation, business resilience, and long-term growth in dynamic market competition.

The Effect of Discipline on Business Success

The analysis indicates that discipline exerts the strongest influence on business success, with a coefficient value of 0.405, a t-statistic of 5.049, and a p-value of 0.000. This result underscores that entrepreneurs' discipline in running operations consistently, maintaining service quality, and managing administrative tasks systematically serves as a critical foundation for achieving MSME success.

In practice, discipline is reflected in operational punctuality, workplace cleanliness, and product consistency. These aspects are crucial for building consumer trust and sustaining customer loyalty. [Siregar et al., \(2022\)](#) support this finding by showing that work discipline significantly contributes to employee performance, while [Setyawati et al., \(2023\)](#) confirmed that motivation and leadership foster team discipline in MSMEs.

Furthermore, [Yuliantika & Faddila \(2023\)](#) revealed that a lack of discipline leads to declining employee performance, whereas [Prabowo & Yulianti \(2022\)](#) demonstrated that discipline and motivation positively influence the performance of female entrepreneurs. Thus, the present findings reinforce the view that discipline serves as a bridge between strategic planning and operational execution, acting as a crucial pillar in ensuring the sustainability and growth of small businesses.

Conclusion

This study provides empirical evidence that entrepreneurial knowledge, entrepreneurial motivation, and discipline significantly influence the business success of coffee shop MSMEs in Pemalang, Brebes, and Pekalongan. Among these factors, discipline emerges as the most dominant predictor, followed by entrepreneurial knowledge and motivation. The findings underscore that business success is not solely determined by cognitive capabilities or psychological drives, but is strongly shaped by behavioral consistency and adherence to operational standards.

By integrating knowledge, motivation, and discipline, entrepreneurs are better equipped to respond to market dynamics, maintain service quality, and build sustainable competitive advantage. These results not only align with previous studies but also extend the literature by positioning discipline as a key determinant of MSME performance. Overall, the study highlights the need for a holistic approach that combines competence development, motivational reinforcement, and behavioral discipline as the foundation for enhancing resilience and long-term growth of small enterprises.

Recommendations

For MSME practitioners, it is essential to continuously strengthen discipline in business operations, including punctuality, administrative regularity, and service quality. Entrepreneurs are also encouraged to expand their entrepreneurial knowledge through training, community discussions, and relevant non-formal education. Local governments

and supporting institutions should design holistic MSME development programs that not only focus on technical training but also emphasize the cultivation of resilient, disciplined, and highly motivated work attitudes.

For future researchers, it is recommended to extend the research model by incorporating additional variables such as innovation, digitalization, or external support to achieve a more comprehensive understanding of MSME success factors.

This study also provides practical implications for entrepreneurs, policymakers, and MSME development agencies. For business practitioners, the findings can serve as a basis for designing operational strategies grounded in discipline and entrepreneurial competence to enhance efficiency and service quality, which directly contribute to business success. For government and related institutions, these results may inform training and empowerment policies that prioritize individual capacity-building, particularly in terms of motivation and discipline. Furthermore, the study highlights the importance of an integrated approach that combines knowledge development, attitude formation, and the internalization of work values as part of a broader strategy to strengthen the MSME sector at both local and national levels.

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