

The Influence of Self-Efficacy, Social Media, and Financial Literacy on The MSMEs Performance in Cirebon City

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Abstract. MSMEs sector become the most dominant sector in Indonesian economic structure due to its contribution to Gross Domestic Product (GDP). Currently, MSMEs often experience difficulties in adapting to technology, inability to manage finances, and low self-confidence in managing a business. This research aims to determine the extent of self-efficacy, social media, and financial literacy can influence the MSMEs performance. The population in this study is micro, small, and medium enterprises (MSMEs) are located in Cirebon City. Purposive sampling is a technique used to calculate the minimum sample that can be processed using the Slovin's formula. This is a quantitative research study using primary data of 100 samples. The data is analyzed through multiple linear regression, along with f-test, t-test, and the coefficient of determination (R^2). The result of the research show that social media and financial literacy have a significant effect on the MSMEs performance, while self-efficacy does not affect the MSMEs performance. The findings is expected to contribute to MSME actors to focus more on enhancing their digital and financial capacities to encourage business growth.

Keywords: Performance of MSMEs, self-efficacy, social media, financial literacy

1 Introduction

The Micro, Small, and Medium Enterprises (MSMEs) sector has become the most dominant sector in the economic structure of Indonesia due to its annual increase in quantity. According to a press release from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, in 2023, the number of MSME actors reached around 66 million, contributing 61% to Indonesia's Gross Domestic Product (GDP), which is equivalent to Rp9,580 trillion [1]. However, behind the significant contributions and the increase in quantity, there are still various challenges and obstacles faced by MSME actors. The constraints are related to certification, product standards, marketing, financing, and limited market access. This encourages stakeholders to create various breakthroughs by encouraging digitalization, coaching, mentoring, and financing, as well as an environmentally friendly ecosystem to support the growth of MSMEs [2].

The success of a business in the MSME sector can be influenced by several aspects, namely: human resource (HR) aspects, financial aspects, and marketing aspects. The performance of MSMEs themselves is the capacity of business actors in terms of improving business performance over time. The phenomenon that is currently occurring is that MSME actors often have limitations in knowledge product innovation, market research, and technology adaptation. In addition, the lack of adequate knowledge in financial recording also causes difficulties in separating personal finances from business finances, and ultimately this will hinder business development [3].

Currently, there are online shop entrepreneurs who are not confident in their abilities or have low level of self-confidence. The entrepreneurs' hesitance to describe their products to consumers, their uncertainty in developing their business, and their lack of confidence to engage in other activities than their current business all indicate that their level of self-confidence is still low. Basically, many entrepreneurs start their business only with the desire and motivation from peers who are running a similar business due to their significant profits. However, they do not have to make effective decisions for their businesses. As a result, entrepreneurs easily to feel frustrated when facing challenges in their business and tend to easily give up, because a lack of self-motivation causes them to easily disregard the results that are actually expected [4].

In this era of digitalization, the most important strategy for business development is the utilization of digitalization, both for digital marketing, business communication, and branding strategies. This is due to the fact that application-based of digital marketing greatly affects the competitiveness of small and medium-sized enterprises [5]. The presence of digital marketing can strengthen the business development of MSMEs in Indonesia, because the current shopping trend utilizes social media that allows for interactive communication and broad opportunities for entrepreneurs to reach consumers [6]. Social media platforms like Facebook, Instagram,

X, and TikTok offer opportunities for brands to connect directly with consumers [7], enhancing the level of engagement and intimacy that was previously difficult to achieve [8]. However, the reality is there are many business actors who have not utilized social media as a medium to develop their business. The common problem is inadequate human resource capabilities in terms of technology mastery, product marketing, and limited knowledge regarding the effective use of social media for business advancement [9].

Financial literacy is often a challenge faced in the scope of micro, small, and medium enterprises. Most SMEs in Indonesia often combine business funds with personal funds, which results in the business not developing well. The lack of knowledge about access to capital and credit facilities, as well as low understanding of financial records, are still issues that need to be considered [10]. According to a survey conducted by the Financial Services Authority (OJK) in 2022, the results indicate that the financial literacy level of the Indonesian population reached 49.68 percent, which is an increase compared to the 2019 survey recorded at 38.03 percent [11]. The meaning of financial literacy is the knowledge of how to manage and design finances well in order to assist in business decision-making [12]. To achieve success in a business, financial literacy indicators are needed. Financial literacy includes knowledge of basic financial principles, the ability to prepare budgets, manage debt, invest, and knowledge related to financial risks. Education and access to information can affect the extent to which a person understands financial literacy [13].

The main issue in this research is the low performance of some MSMEs caused by limitations in self-efficacy, the ability to utilize social media for marketing, and inadequate financial literacy. These three aspects are important internal factors that are believed to influence business success, which if not addressed will continue to hamper the growth potential of MSMEs, especially in the context of competition in the digital era. Therefore, the aim of this research is to examine the influence of self-efficacy, the utilization of social media, and financial literacy on the performance of MSMEs in Cirebon City, both simultaneously and partially.

2 Literatur Review

2.1 Resource Based View Theory

The RBV theory stands as a concept that describes an organization as a collection of assets, where the organization possesses various valuable and rare assets that can be utilized to achieve competitive advantage and improve organizational performance in a short period [14]. The resources owned by an organization can be grouped into two asset categories: tangible and intangible. Tangible assets include financial resources or capital, and materials such as factories, equipment, or product inventory, while intangible assets encompass elements that are not physically visible, such as reputation, knowledge, technology, business relationships, and more [15], [16].

According to Resource Based View (RBV) theory, it is stated that a company can achieve its performance and competitive advantage if it acquires valuable resources [17]. In this case, the RBV theory is used as the basis for explaining that self-efficacy, social media, and financial literacy are related to the MSMEs performance [18]. Self-efficacy plays a role in increasing self-motivation, the ability to create new innovations, and the resilience of entrepreneurs in conducting their business activities [18]. Social media can be utilized as a means to build the reputation of the business, and the ability to implement effective digital strategies can help business actors achieve performance excellence and competitive advantage. One of the intellectual capitals that entrepreneurs need to manage their business is financial literacy. Good financial knowledge is an intangible asset that can be used as a tool to make the right decisions for their business [19].

2.2 Kinerja UMKM

Performance is the result of work that is closely related to customer satisfaction, the strategic goals of the organization, and contributions to the economy, can be measured through increased revenue, profit growth, and an increase in the number of customers over time [20]. The performance of MSMEs reflects how well the achievements obtained are based on the business's vision and mission, and how effectively marketing activities are implemented within the organization [21]. The increasingly high performance level of a business will be directly related to its sustainability. The quality of performance of MSMEs influenced by the level of self-confidence of the business actors, which in this context is referred to as self-efficacy, the utilization of social media, and the financial literacy skills possessed by these business actors.

2.3 Self-Efficacy

Self-efficacy is an individual's belief in their ability to organize and execute the actions required to achieve specific results [22]. Self-efficacy is one aspect of self-knowledge that has a significant impact on a person's daily life [23]. The level of self-efficacy can influence choices of activities, effort, perseverance, and emotional responses to challenges or failures. In determining a person's readiness for entrepreneurship, self-efficacy plays a

crucial role as it can affect an individual's confidence in running their business. In line with the research by [24] which states that self-efficacy has a positive influence on the performance of SMEs. Thus, it can be said that self-efficacy or high individual confidence enhances the readiness of MSME actors to face various challenges and problems that arise within their business scope. However, the research conducted by [18] shows that self-efficacy does not have a significant impact on the performance of SMEs. This means that self-efficacy is not strong enough to enhance business performance. Therefore, based on the explanation above, the hypothesis is:

H1: Self-efficacy has a positive effect on MSMEs performance

2.4 Social Media

Social media is defined as platforms, services, and digital applications centered on content publication, public communication, and interpersonal connections [25]. Social media is a instrument that may be utilized for communication, transactions, building business connections, and leveraging networks of customers and potential customers to create mutual value [26]. Social media not only enhances the visibility and market reach of SMEs but also allows for deeper interactions with consumers and strengthens brand awareness and company reputation. Previous research conducted by [27] indicates that social media has a positive and significant impact on business performance. This means that when SMEs focus on using social media to stay connected with customers and as a marketing medium, the business performance of these SMEs will improve. This is in contrast to the results of another study [28] that states there is no significant influence between social media and MSME performance. Based on this explanation, the hypothesis is:

H2: Social media has a positive effect on MSMEs performance

2.5 Financial Literacy

Financial literacy relates to the skills and knowledge required to allocate financial resources effectively and make well-informed decision-making [29]. Financial literacy for SMEs refers to the skills of business actors in recording financial statements, managing debt, and preparing budgets [20]. Financial literacy includes knowledge of finance, financial planning, and financial management that can be utilized by business actors to drive business growth [30]. Recording financial statements relates to the skills of business actors in documenting business activities, recording income and expenses, noting profits, and other aspects related to business performance. The lack of capability among business actors in managing financial statements is one of the barriers to obtaining approval when applying for capital loans. Funding sources for MSMEs are usually divided into two, the first coming from savings or personal funds, and the second from loans or debt. If a business chooses to incur debt from other parties, the business actor must possess skills in debt management to maintain financial balance in the business [20]. Budget preparation is utilized as a form of planning and budget control by allocating finances according to business needs.

The research conducted by [31] shows that there is a positive influence between financial literacy and the performance of micro, small, and medium enterprises (MSMEs). This is also in line with the results of the studies conducted by [32], [33] which state that financial literacy significantly affects the performance of MSMEs. Based on this explanation, the hypothesis is:

H3: Financial literacy has a positive effect on MSMEs performance

This research is based on the Resource-Based View (RBV) theoretical framework which emphasizes that the competitive advantage of MSMEs can be achieved through the utilization of valuable, rare, and difficult-to-imitate internal resources. Self-efficacy (the entrepreneur's confidence) is viewed as an intangible human resource that supports resilience and perseverance in facing business challenges. Social media is represented as a form of strategic digital capability, while financial literacy is an intellectual asset that supports financial decision-making. These three constructs are believed to reinforce each other in influencing MSME performance, as self-efficacy can encourage technology adoption and courage in managing financial risks, while financial literacy enhances effectiveness in using social media for business. To clarify the relationships between the variables, this study creates a conceptual model that illustrates the direct impact of self-efficacy, social media, and financial literacy on MSMEs performance.

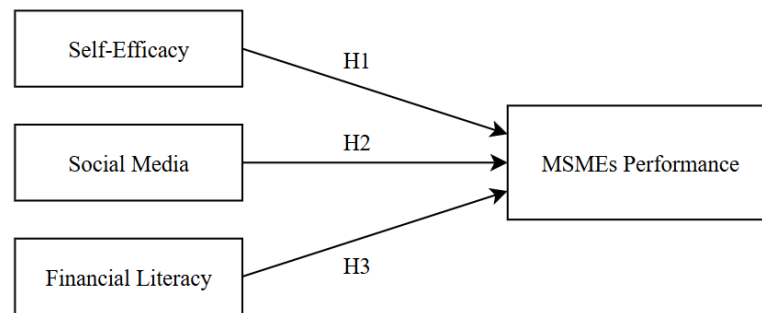


Figure 1. Conceptual Framework

3 Method

This study is a systematic quantitative research that utilizes primary data for its testing. Quantitative research is a method that is based on positivist thinking, to analyze a specific population or specific sample, and to collect data through research instruments, aimed at testing hypotheses with quantitative or statistical data analysis [34]. This study uses instruments that have undergone validity and reliability testing to ensure the accuracy of measurements for each research variable. The focus of this research is to analyze the impact of self-efficacy, social media, and financial literacy on the MSMEs performance.

3.1 Population and Sample

The population is micro, small, and medium enterprises managed by business actors who run their businesses in Cirebon City. Purposive sampling is used as a sampling technique, with the following criteria: (1) MSMEs located in Cirebon City, (2) MSMEs that have social media accounts, (3) business actors who have been actively operating their businesses for more than one year, and (4) MSME actors who have knowledge related to financial literacy. The sampling method applied is the Slovin calculation method with a total sampling of 100 samples.

$$n = \frac{N}{1 + N e^2}$$

(N) is the population size, (n) represents the sample size, and (e) is the margin of error, which indicates that testing errors can be tolerated up to 10%.

$$\begin{aligned}
 n &= \frac{2687}{1 + 2687 (0.10)^2} \\
 n &= \frac{2687}{1 + 26.87} \\
 n &= \frac{2687}{27.87} \\
 n &= 96.4 \quad \text{rounded up to 100 respondents.}
 \end{aligned}$$

3.2 Method of Collecting Data

The data were collected through a questionnaire survey using a Likert scale. The collected data is primary data from 100 selected respondents. Data collection was conducted through interviews and online surveys based on Google Forms using a list of questions (questionnaire) directed at MSME actors as respondents.

3.3 Data Analysis Techniques

The data was analyzed with Multiple Linear Regression through SPSS version 30, to analyze the correlations among independent variables with the dependent variable. Before conducting the regression analysis, the initial steps taken included validity and reliability testing, followed by classical assumption tests encompassing normality, multicollinearity, and heteroscedasticity tests. Furthermore, a regression analysis was carried out consisting of the F test, T test, and analysis of the coefficient of determination (R^2).

4 Result and Discussion

4.1 Instrument Test

Validity Test

The validity or legitimacy of a questionnaire is tested using a validity test. This test is conducted by observing the comparison between the value of calculated-r and the critical-r value. The test is performed using 100 samples ($df = 100 - 2$, so the 98th df has a value of 0.374).

Table 1. Validity Test Results

Variable	Item	R-Calculated	R- Critical	Description
Self-Efficacy	SE.1	0.865	0.374	Acceptable
	SE.2	0.699	0.374	Acceptable
	SE.3	0.848	0.374	Acceptable
	SE.4	0.778	0.374	Acceptable
	SE.5	0.727	0.374	Acceptable
Social Media	SM.1	0.793	0.374	Acceptable
	SM.2	0.806	0.374	Acceptable
	SM.3	0.682	0.374	Acceptable
	SM.4	0.613	0.374	Acceptable
	SM.5	0.731	0.374	Acceptable
Financial Literacy	FL.1	0.765	0.374	Acceptable
	FL.2	0.742	0.374	Acceptable
	FL.3	0.728	0.374	Acceptable
	FL.4	0.858	0.374	Acceptable
	FL.5	0.748	0.374	Acceptable
Performance of MSMEs	PM.1	0.830	0.374	Acceptable
	PM.2	0.813	0.374	Acceptable
	PM.3	0.896	0.374	Acceptable
	PM.4	0.890	0.374	Acceptable
	PM.5	0.843	0.374	Acceptable

Source: SPSS, 2025

Based on the validity result, it shows that all questionnaire items for each variable obtained a higher r-calculated value compared to the r-critical value. Thus, the distributed questionnaire instrument is valid.

Reliability Test

The stability testing of research instruments is called reliability testing. This testing aims to assess the extent to which the research instrument can produce consistent and stable data, so that the information obtained can be trusted and used in the next analysis process. Testing is carried out using Cronbach's Alpha, the reliability test has a Cronbach Alpha coefficient value provision > 0.70 , which means variable is reliable if the test results show an alpha value > 0.70 .

Table 2. Reliability Test Result

Variable	Cronbach's Alpha	Parameter	Description
SE	0.912	0.7	Reliable
SM	0.883	0.7	Reliable
FL	0.899	0.7	Reliable
PM	0.946	0.7	Reliable

Source: SPSS 2025

According to the result above, variables used in this study obtained a Cronbach's Alpha value > 0.70 , so this shows that this questionnaire instrument is reliable and stable in measuring the research variables.

4.2 Classical Assumption Test

Normality Test

The normality test aims to assess whether the data for each variable in this study, including both independent and dependent variables, follow a normal distribution. The Kolmogorov-Smirnov test is the methods used to test the normality of research data. If the results obtained show an asymp sig value > 0.05 , then the conclusion is that the data is normally distributed.

Table 3. Normality Test Result

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.34563323
Most Extreme Differences	Absolute	.074
	Positive	.031
	Negative	-.074
Test Statistic		.074
Asymp. Sig. (2-tailed) ^c		.195

Source: SPSS, 2025

Based on table 4, the results of Kolmogorov-Smirnov test obtained an Asymp. Sig. (p-value) of 0.195, which is higher than the significance value of 0.05, or $0.195 > 0.05$. Thus, all variable data are exhibit normal distribution.

Multicollinearity Test

Multicollinearity testing aims to identify the presence of high intercorrelations between independent variables within a regression model. Excessive correlation among independent variables can cause regression coefficient values to become unstable, making them difficult to interpret. This test uses two indicators: the Variance Inflation Factor (VIF) and the tolerance value. The applicable condition is if the tolerance value < 0.10 or $VIF > 10$, it indicates multicollinearity occurs. Conversely, if the tolerance value > 0.10 and $VIF < 10$, it concluded that multicollinearity is not present.

Table 4. Multicollinearity Test Result

<i>Variabel</i>	<i>Tolerance</i>	<i>VIF</i>	<i>Description</i>
<i>Self-Efficacy</i>	0.994	1.006	No multicollinearity
<i>Social Media</i>	0.995	1.005	No multicollinearity
<i>Financial Literacy</i>	0.999	1.001	No multicollinearity

Source: SPSS, 2025

The multicollinearity test result show that the tolerance values of the independent variables (self-efficacy, social media, and financial literacy) > 0.10 , and VIF values below 10, that means no indication of multicollinearity.

Heteroscedasticity Test

Heteroscedasticity test is conducted to detect the inconsistency of residual variance in the regression model used. A common method for detecting this is the Glejser test, which involves re-running a regression of the absolute values of the residuals (ABS_RES) on the independent variables. If the significance (Sig.) value for each

independent variable is exceed 0.05, it concluded that there is no heteroskedasticity in the regression model.

Table 5. Heteroscedasticity Test Result

Model	t	Sig.	Description
<i>Self-Efficacy</i>	-0.884	0.379	No heteroscedasticity
Social Media	-0.257	0.798	No heteroscedasticity
Financial Literacy	0.273	0.785	No heteroscedasticity

Source: SPSS, 2025

Since all significance values (Sig.) > 0.05, it means that the regression model used show no indication of heteroskedasticity. Therefore, the regression model used meets the requirements and is suitable for further analysis.

4.3 Multiple Linear Regression Analysis

The table below is the results of the multiple linear regression analysis obtained in this study.

Table 6. Multiple Linear Regression Analysis Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.229	1.833		-1.216	.227
	<i>Self-Efficacy</i>	-.076	.072	-.065	-1.061	.291
	Social Media	.650	.069	.577	9.473	.000
	Financial Literacy	.620	.068	.554	9.106	.000

Source: SPSS, 2025

The regression equation based on the unstandardized coefficients is as follows:

$$Y = -2,229 - 0,076X_1 + 0,650X_2 + 0,620X_3$$

The constant coefficient (Intercept) of -2.229 states that if the values of all independent variables are equal to zero, the performance of MSMEs tends to be at a negative level. Self-Efficacy has a negative coefficient value of -0.076, it means that it does not have a significant impact on the MSMEs performance assuming that other variables are constant. Social Media has a positive coefficient value of 0.650, it means that a one-unit increase in the social media variable leads to a 0.650-unit will affect an increase in MSMEs performance, assuming that other variables are constant. Financial Literacy also has a significant impact of 0.620, which means the capability of MSME actors to handle their business finances has a direct impact on improving their business performance, assuming that other variables are constant.

Partial Test (T Test)

The t-test is conducted to measure the influences of the independent variables partially on the dependent variable. The decision-making is based on the criterion that the influences of an independent variables are confirmed if its significance value (Sig.) < 0.05 and a t-statistic > t-table. In this study, the t-table reference value used is 1.985.

Table 7. T Test Result

Variable	Sig Value	Parameter	T-Stat.	T-Table	Description
Self-Efficacy	0.291	0.05	-1.061	1.984	Not significant
Social Media	< 0.001	0.05	9.473	1.984	Significant

Financial Literacy	< 0.001	0.05	9.106	1.984	Significant
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Source: SPSS, 2025

Based on the t-test results in Table 8, it is concluded:

- The self-efficacy variable (X1) produces a p-value of $0.291 > 0.05$, and the t-statistic of $-1.061 < 1.985$ value of t-table. That means there is no significant effect of the self-efficacy variable on the MSMEs performance.
- The social media variable (X2) has a significance value below 0.05, at < 0.001 and a t-statistic of $9.473 > t$ -table value (1.985). Thus, social media has a positive effect on the MSMEs performance.
- The t-test result of financial literacy variable (X3) shows a significance value < 0.001 and a t-statistic of 9.106, both of which meet the significance criteria, therefore, the results indicate that financial literacy positively influences MSME performance.

Simultaneous Test (F Test)

The F-test aims to assesses the impact of all independent variables, whether simultaneously affects MSME performance, is treated as a variable dependent. The decision-making is based on the criterion that the independent variables are regarded to have a significant effect if the p-value (Sig.) < 0.05 and the F-statistic $> F$ -table. In this study, the F-table value used as a reference is 2.699.

Table 8. Results of Test F

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	991.262	3	330.421	58.235	<.001 ^b
Residual	544.698	96	5.674		
Total	1535.960	99			

Source: Primary data, processed by the author using SPSS (2025)

Results obtained through the F-test show an F-statistic of $58.235 > 2.699$ (F-table value), and a p-value (Sig.) < 0.001 which is below 0.05 significance level. Therefore, self-efficacy, social media, and financial literacy have a simultaneously affect on the MSMEs performance.

Coefficient of Determination (R^2)

The influence of independent variables (self-efficacy, social media, and financial literacy) on the dependent variable (MSMEs performance) can be measured through the coefficient of determination test, which presented in form of a percentage.

Table 9. Coefficient of Determination Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.803a	.645	.634	238.200

Source: SPSS, 2025

The result indicates that coefficient of determination (R^2) value of 0.646 or 64.6%, which means that variation in the dependent variable (MSMEs performance) meaning that the independent variables (namely self-efficacy, social media, and financial literacy) by a percentage of 64.6%. Meanwhile, the remaining 35.4% of the model is influenced by other factors, such as experience, family support, or market conditions.

4.4 Discussion

The Influence of Self-Efficacy on the MSMEs Performance

The t-test result indicate that the self-efficacy has a t-statistic of -1.061, which is below the t-table value of 1.985, and a p-value (Sig.) of 0.291, it is higher than 0.05. In other words, self-efficacy does not have a significant

effect on the performance of MSMEs, in accordance with the research findings of the research from [18]. This suggests that although MSME actors have confidence and belief in their abilities, this does not necessarily directly translate into improved business performance.

In Resource-Based View theory, self-efficacy is classified as an intangible human resource. However, the research findings indicate that self-efficacy alone is insufficient to improve the performance of MSMEs without support from skills, information, and other resources. Therefore, the entrepreneur's confidence needs to be accompanied by strategic abilities and technological proficiency to have a positive impact on business performance.

The Influence of Social Media on the MSMEs Performance

The social media variable obtained a t-statistic of 9.473, exceeding the t-table value of 1.985, and the p-value obtained is below 0.001. Therefore, concluded that social media positively and significantly influences the MSMEs performance. These results are consistent with previous studies conducted by [27], [28], meaning that the more intensively MSME actors utilize social media for promotional, communication, and other activities, the more likely their business performance will improve.

In Resource-Based View theory, social media is classified as a technological resource that plays a strategic role in supporting competitive advantages. If utilized innovatively and consistently, social media can become a tool that is difficult to imitate and irreplaceable. For SMEs, social media opens up opportunities to reach a broader market, build a strong brand image, and respond to consumer needs quickly, ultimately leading to an internally driven competitive advantage.

The Influence of Financial Literacy on the MSMEs Performance

The analysis results for financial literacy show a value of t-statistic of 9.106, exceed the t-table value of 1.985, and a p-value less than 0.001. Indicates that in this study, the independent variable (financial literacy) has a positive and significant effect on the MSMEs performances. The findings from [31], [32], [33] also demonstrate similar results, which means that the findings in this study are in line with previous research. The higher the MSME actors' understanding in managing, recording, and planning their finances, the better their business performance tends to be.

According to the RBV perspective, financial literacy is considered an internal intellectual asset that can serve as a key driver of competitive advantage when possessed consistently. Financial understanding not only improves efficiency but also helps MSMEs manage risks and make strategic decisions. Good financial literacy becomes a key factor in long-term competitiveness, as it is difficult to imitate and requires time to develop.

The three variables studied—self-efficacy, social media, and financial literacy—are believed to not only influence MSME performance individually but also have the potential for a mutually reinforcing relationship. Self-efficacy, or the confidence of entrepreneurs, plays a crucial role in fostering the courage to make strategic decisions, including adopting digital technology and managing business finances professionally. Good financial literacy enhances MSMEs ability to allocate budgets efficiently for marketing activities, including on social media. Meanwhile, optimal use of social media requires mental preparedness and financial understanding so entrepreneurs can design effective and measurable digital campaigns. Thus, the interaction of these three variables creates internal collaboration that encourages a more comprehensive improvement in MSME performance.

5 Conclusions

Based on the three variables examined—self-efficacy, social media, and financial literacy—the conclusion of this study indicates that only social media and financial literacy has a proven positive and significant impact on the MSMEs performance in Cirebon City, while self-efficacy does not have a significant effect. This suggests that the self-confidence of business actors alone is not sufficient to improve business performance without the support of relevant skills and other resources. Conversely, optimal use of social media and a good level of financial literacy have proven to strengthen competitiveness and foster business growth. Therefore, to enhance the digital and financial capabilities of MSME actors, it is advised that they participate in various training or mentoring programs. MSME actors also need to develop their business strategies that allow them to fully utilize their internal resources.

This quantitative research approach is used to measure the relationships between variables based on survey data. This approach is capable of demonstrating significant statistical relationships, but it also has limitations in exploring the meanings behind the behaviors of MSME actors. Therefore, it is recommended that future research consider using a qualitative or mixed-methods approach, such as in-depth interviews or case studies, aimed at obtaining a more comprehensive understanding of the psychological, social, and managerial dynamics in the

management of MSMEs. Furthermore, for future research should consider to include additional variables that may potentially influence the performance of MSMEs, such as business experience, digitalization of business processes, product innovation, and the role of government support. This aims to create a more comprehensive analytical model that can better capture the various factors affecting MSME performance. In addition, it is also advised to expand the research area's scope in order to obtain broader comparisons and enhance the generalization of the findings.

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