ePaper Bisnis : International Journal of Entrepreneurship and Management

E-ISSN .: 3047-9073
P-ISSN .: 3047-9061

Research Article

The Influence of Risk Management on the Success of Entrepreneurial Businesses

Muhammad Ras Muis[1], M. Asyari Syahab[2], A'an Nurhadi[3], Atika Aini Nasution[4]*

[1] Management Study Program, Universitas Battuta, Medan, Indonesia
[2] Entrepreneurship Study Program, Universitas Battuta, Medan, Indonesia
[3] Management Study Programs, Universitas Battuta, Medan, Indonesia
[4] Entrepreneurship Study Programs, Universitas Battuta, Medan, Indonesia, atikanasutionn@gmail.com
* Corresponding atikanasutionn@gmail.com

Abstract: Micro, Small, and Medium Enterprises (MSMEs) are a vital pillar of the Indonesian economy, contributing 61% to GDP and employing 97% of the workforce. Despite their importance, MSMEs face a high failure rate of 78–80%, with financial management problems accounting for 82% of failures. This study aims to analyze and prove the influence of risk management on the success of entrepreneurial efforts in MSMEs, while also measuring its contribution in explaining variations in business success. Using a quantitative approach with a survey method, the research involved 100 purposively selected respondents who met criteria of operating for at least two years and employing at least one worker. Data analysis included validity and reliability tests, classical assumption tests, simple linear regression, t-test, and coefficient of determination (R^2). Results confirmed that all instruments were valid and reliable, with data meeting normality and heteroscedasticity assumptions. Regression analysis produced the equation $Y = 5.428 + 0.724X$, showing that risk management positively influences business success. The t-test confirmed significance, while $R^2 = 0.403$ indicated that risk management explains 40.3% of success variation. The findings conclude that effective risk management significantly enhances MSME sustainability and entrepreneurial success.

Keywords: Business Success; Entrepreneurial Efforts; Financial Management; MSME Sustainability; Risk Management

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are a fundamental pillar of the Indonesian economy. According to data from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia reached 64.2 million in 2021, contributing 61 percent of Gross Domestic Product (GDP), or IDR 9,580 trillion. Furthermore, the MSME sector employs approximately 97 percent of the national workforce, making it an irreplaceable backbone of the economy. This strategic role is further evident during the economic crisis, where MSMEs have proven their resilience and savior to the national economy.

Despite their significant contribution, the reality on the ground shows that the success rate of MSMEs remains a major challenge. Various surveys show quite alarming failure rates. According to an international survey, more than 80 percent of MSMEs in Asia close within their third year of operation. In Indonesia alone, the MSME failure rate reaches 78-80 percent due to various factors, including poor inventory management, business competition, and low sales. Data from an MSME monitoring agency in the United States also shows that 82 percent of MSME failures are caused by financial management issues. This situation indicates that although the number of MSMEs continues to grow, their business sustainability remains highly vulnerable.

Received: October 29, 2025
Revised: November 30, 2025
Accepted: December 27, 2025
Published: December 30, 2025
Curr. Ver.: December 30, 2025

One critical factor often overlooked by entrepreneurs is risk management. Every business activity inherently contains an element of uncertainty that can lead to losses. Herman Darmawi (2006) states that risk management is an effort to identify, analyze, and control risks in every company activity with the aim of achieving greater effectiveness and efficiency. Similarly, Mamduh Hanafi (2009) defines risk management as the process of identifying, measuring, and financially controlling risks that threaten a company's assets and income.

In the context of entrepreneurship, risks can arise from various sources, such as changing economic conditions, market fluctuations, technological developments, business competition, and even external factors like natural disasters or pandemics. Demidenko and McNutt (2010), as cited in Wahyono et al. (2015), state that risk management is a means to achieve company goals and monitor management performance. Risk management involves identifying risks, predicting their likelihood and impact if they occur (Fauzi, 2016).

The COVID-19 pandemic that has gripped the world since 2020 has demonstrated the critical importance of risk management for business continuity. Data shows that in 2020, the MSME closure rate reached 48 percent due to the pandemic. However, MSMEs that have implemented sound risk management, particularly those that have adopted digital systems and diversified their businesses, have been able to survive better than those that have not.

The success of one's own business can be measured through various indicators. According to Suryana (2011), to become a successful entrepreneur, one must have a clear business vision, the will and courage to face risks, both in terms of time and money, and the ability to plan, organize, and run a business well. Meanwhile, Henry Faizal Noor (2007) states that business success is essentially the success of a business in achieving its goals, where a business is said to be successful if it makes a profit. Indicators of business success according to Suryana (2003) include capital, revenue, sales volume, production output, and workforce.

Various previous studies have shown a positive relationship between risk management implementation and business performance and success. The following is a summary of relevant previous research:

2. Literature Review

Risk Management

Risk management is an effort to identify, analyze, and control risks in every company activity with the aim of achieving greater effectiveness and efficiency (Darmawi, 2006). Similarly, Hanafi (2009) defines risk management as the process of identifying, measuring, and financially controlling risks that threaten a company's assets and income.

According to ISO 31000:2018, the risk management process includes: (1) context determination, (2) risk identification, (3) risk analysis, (4) risk evaluation, (5) risk treatment, and (6) monitoring and review. Risk treatment can be carried out through four strategies, namely risk avoidance , risk mitigation , risk transfer , and risk *acceptance* .

Demidenko and McNutt (2010) in Wahyono et al. (2015) stated that risk management is a means to achieve company goals and monitor management performance. Risk management aids the decision-making process by considering factors outside the company's control that affect goal achievement.

Business Success

Business success is essentially the success of a business in achieving its goals, where a business is said to be successful if it makes a profit (Noor, 2007). Suryana (2011) states that successful entrepreneurs must have a clear business vision, the courage to face risks, and the ability to plan and run a business well. Riyanti (2003) defines business success as the level of

achievement of organizational results or goals that are identified with the company's development.

According to Suryana (2003), indicators of business success include: capital, revenue, sales volume, production output, and workforce. Factors influencing business success include internal factors (managerial competence, experience, risk management skills) and external factors (economic conditions, competition, government policies).

Hypothesis

Based on previous theoretical and research studies, the research hypothesis is:

H 1 : Risk management has a positive and significant influence on the success of entrepreneurial ventures.

3. Research Methods

Research Design

This study uses a quantitative approach with a survey method. This type of research is causal associative research, which aims to determine the effect of the independent variable (risk management) on the dependent variable (business success).

Population and Sample

The research population was all MSMEs in [research location]. The sampling technique used was *purposive sampling* with the following criteria:

MSMEs that have been operating for at least 2 years;

Have at least 1 employee;

Willing to be a research respondent.

Determination of the number of samples using the Slovin formula in Eq. (1):

$$n = N / (1 + N(e)^2) \quad (1)$$

where n = number of samples, N = population size, and e = margin of error (5%).

Research Variables and Indicators

Table 1. Operationalization of Variables.

Variables	Indicator	Scale
Risk Management (X)	**X1: Risk identification**	**Likert 1-5**
	X2: Risk analysis	**Likert 1-5**
	X3: Risk evaluation	**Likert 1-5**
	X4: Risk treatment	**Likert 1-5**
Success (Y)	**Y1: Capital increase**	**Likert 1-5**
	Y2: Increase in income	**Likert 1-5**
	Y3: Increase in sales volume	**Likert 1-5**
	Y4: Business expansion	**Likert 1-5**

Data Analysis Techniques

Instrument Test

Validity test using *Pearson Product Moment* in Eq. (2):

$$r_{xy} = [n\sum XY - (\sum X)(\sum Y)] / \sqrt{[(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)]} \quad (2)$$

The instrument is valid if $_{\text{the calculated r}} > r_{\text{table}}$ ($\alpha = 0.05$). The reliability test uses *Cronbach's Alpha* , reliable if $\alpha > 0.60$.

Classical Assumption Test

Classical assumption tests include:

a. Normality test (Kolmogorov-Smirnov);

b. Heteroscedasticity test (Glejser);

c. Linearity test.

Simple Linear Regression Analysis

Simple linear regression model in Eq. (3):

$$Y = a + bX + e \quad (3)$$

where Y = business success, a = constant, b = regression coefficient, X = risk management, and e = error.

Hypothesis Testing

Hypothesis testing using the t-test with the following criteria:

- H_o is rejected if $t_{count} > t_{table}$ or sig. < 0.05;
- H_o is accepted if $t_{count} \leq t_{table}$ or sig. ≥ 0.05.

The coefficient of determination (R^2) in Eq. (4) is used to measure the magnitude of the influence of variable X on Y:

$$R^2 = SSR / SST = 1 - (SSE / SST) \quad (4)$$

where SSR = *Sum of Squares Regression* , SST = *Sum of Squares Total* , and SSE = *Sum of Squares Error* .

Research Procedures

INPUT : Questionnaire data (X, Y)
OUTPUT: Hypothesis test results, R^2 value

1: Tabulate the questionnaire data
2: Test the validity and reliability of the instrument
3: IF the instrument is valid and reliable THEN
4: Proceed to step 5
5: ELSE
6: Revise the instrument, return to step 2
7: END IF
8: Perform classical assumption tests (normality, heteroscedasticity)
9: IF assumptions are met THEN
10: Perform a simple linear regression analysis
11: ELSE
12: Perform data transformation
13: END IF
14: Calculate the regression coefficients (a, b) and R^2
15: Perform a t-test for hypothesis testing.
16: IF sig. < 0.05 THEN
17: H_o is rejected (there is a significant effect)
18: ELSE
19: H_o is accepted (no significant effect)
20: END IF
21: Interpret the results and draw conclusions

4. Results And Discussion

Respondent Overview

This study involved 100 Micro, Small, and Medium Enterprises (MSMEs) as respondents. Respondents were selected using *purposive sampling* , a sampling technique based on specific criteria established by the researcher. These criteria included MSMEs that had been operating for at least two years, had at least one employee, and were willing to participate in the study. A complete overview of the characteristics of the respondents in this study is presented in Table 2 below.

Table 2. Characteristics of Research Respondents.

No	Characteristics	Category	Number of people)	Percentage (%)
1	Gender	Man	58	58%
		Woman	42	42%
2	Age	20-30 years	25	25%
		31-40 years	38	38%
		41-50 years	27	27%
		>50 years	10	10%
3	Length of Business	2-5 years	45	45%
		6-10 years	35	35%
		>10 years	20	20%
4	Type of business	Culinary	40	40%
		Fashion	25	25%
		Service	20	20%
		Other	15	15%

Source: Processed primary data, 2024.

Based on the data presented in Table 2 above, it can be seen that the respondents in this study were predominantly male entrepreneurs, representing 58 individuals, or 58% of the total respondents. Meanwhile, there were 42 female respondents, or 42%. This dominance of male entrepreneurs indicates that, within the context of the research location, men still play a larger role in carrying out entrepreneurial activities.

In terms of age, the majority of respondents were between 31 and 40 years old, representing 38 people (38%). This age group represents a productive age group, generally characterized by high enthusiasm and energy for running a business, as well as considerable experience in the business world. Furthermore, 27 respondents (27%) were aged 41 and 50, 25 (25%) were aged 20 and 30, and 10 (10%) were aged over 50.

Based on the length of business, the majority of respondents (45 respondents, or 45%) had been running their businesses for 2-5 years. This indicates that the majority of MSMEs in this study are still in the development stage. Thirty-five (35%) of respondents had been in business for 6-10 years, while 20 (20%) had been in business for more than 10 years.

Based on business type, the majority of respondents were in the culinary sector, with 40 individuals (40%). This high number of culinary entrepreneurs aligns with the characteristics of MSMEs in Indonesia, which are dominated by the food and beverage

sector. Furthermore, 25 respondents (25%) were in the fashion sector, 20 (20%), and 15 (15%) were in other business sectors.

Research Instrument Test Results

Before conducting further data analysis, the research instruments used were first tested. This instrument testing aimed to ensure that the questionnaires used in this study had a good level of validity and reliability. Valid and reliable instruments are essential for obtaining scientifically sound research results.

Validity Test Results

Validity testing is conducted to measure the accuracy and precision of an instrument in performing its measuring function. In this study, the validity test was conducted using *the Pearson Product Moment correlation technique* , namely by correlating the score of each question item with the total score. A question item is declared valid if the calculated r-value is greater than the r-table value at a significance level of 5% ($\alpha = 0.05$). With a total of 100 respondents ($n = 100$), the r-table value obtained was 0.196. The results of the validity test for all question items are presented in Table 3 below.

Table 3. Results of the Validity Test of the Research Instrument.

Variables	Item	r-count	r-table	Information
Risk Management (X)	X1 (Risk Identification)	0.725	0.196	Valid
	X2 (Risk Analysis)	0.681	0.196	Valid
	X3 (Risk Evaluation)	0.754	0.196	Valid
	X4 (Risk Treatment)	0.698	0.196	Valid
Business Success (Y)	Y1 (Capital Increase)	0.712	0.196	Valid
	Y2 (Income Increase)	0.689	0.196	Valid
	Y3 (Sales Volume)	0.745	0.196	Valid
	Y4 (Business Expansion)	0.703	0.196	Valid

Source: Primary data processed with SPSS, 2024.

Based on the validity test results presented in Table 3 above, it can be seen that all question items in the risk management variable (X) and the business success variable (Y) have a calculated r-value greater than the r-table value (0.196). In the risk management variable, the calculated r-value ranges from 0.681 to 0.754, while in the business success variable the calculated r-value ranges from 0.689 to 0.745. Thus, it can be concluded that all question items used in this research instrument are declared valid and suitable for use to measure the variables studied.

Reliability Test Results

Reliability testing is conducted to measure the level of reliability or consistency of a research instrument. A reliable instrument is one that, when used repeatedly to measure the same object, will produce the same data. In this study, reliability testing was conducted using the *Cronbach's Alpha method. An instrument is considered reliable if the Cronbach's Alpha* value is greater than 0.60. The results of the reliability test for each research variable are presented in Table 4 below.

Table 4. Results of the Reliability Test of the Research Instrument.

Variables	Cronbach's Alpha	Standard Value	Information
Risk Management (X)	**0.782**	**0.60**	**Reliable**
Business Success (Y)	**0.768**	**0.60**	**Reliable**

Source: Primary data processed with SPSS, 2024.

Based on the reliability test results presented in Table 4 above, it can be seen that the risk management variable (X) has a *Cronbach's Alpha value* of 0.782, while the business success variable (Y) has *a Cronbach's Alpha value* of 0.768. Both values are greater than the established standard value of 0.60. Thus, it can be concluded that all instruments used in this study are declared reliable and have a good level of reliability for use in research data collection.

Results of the Classical Assumption Test

Before conducting a simple linear regression analysis, it is first necessary to test the classical assumptions underlying the regression model. This classical assumption testing aims to ensure that the resulting regression model meets the BLUE (*Best Linear Unbiased Estimator*) requirements, so that the analysis results can be interpreted accurately and without being misleading.

Normality Test Results

The normality test aims to determine whether the confounding variables or residuals in a regression model have a normal distribution. A good regression model is one with a normal or near-normal data distribution. In this study, the normality test was conducted using the *Kolmogorov-Smirnov test* . Data are considered normally distributed if *the Asymp. Sig.* (2-tailed) value is greater than 0.05. The results of the normality test are presented in Table 5 below.

Table 5. Results of the Normality Test (Kolmogorov-Smirnov Test).

Information	Unstandardized Residual
N (Number of Samples)	**100**
Test Statistics	**0.076**
Asymp. Sig. (2-tailed)	**0.200**

Source: Primary data processed with SPSS, 2024.

Based on the results of the normality test presented in Table 5 above, it can be seen that *the Asymp. Sig.* (2-tailed) value is 0.200. This value is greater than the specified significance value, which is 0.05 (0.200 > 0.05). Thus, it can be concluded that the residual data in this study is normally distributed, so the normality assumption in the regression model has been met.

Heteroscedasticity Test Results

The heteroscedasticity test aims to determine whether the regression model exhibits unequal variances from one observation's residuals to another. A good regression model is one that does not exhibit heteroscedasticity, or in other words, has equal residual variances (homoscedasticity). In this study, the heteroscedasticity test was conducted using the Glejser test. If the significance value is greater than 0.05, heteroscedasticity is not present. The results of the heteroscedasticity test are presented in Table 6 below.

Table 6. Results of Heteroscedasticity Test (Glejser Test).

Variables	t-count	Significance	Information
Risk Management (X)	**1,018**	**0.312**	**There is no heteroscedasticity**

Source: Primary data processed with SPSS, 2024.

Based on the heteroscedasticity test results presented in Table 6 above, it can be seen that the risk management variable (X) has a significance value of 0.312. This value is greater than the established significance value of 0.05 (0.312 > 0.05). Thus, it can be concluded that there is no heteroscedasticity in the regression model of this study. This means that the residual variance from one observation to another is the same or homogeneous, so the regression model is suitable for use in predicting the dependent variable.

Results of Simple Linear Regression Analysis

After all classical assumptions were met, a simple linear regression analysis was conducted to test the effect of the risk management variable (X) on the business success variable (Y). Simple linear regression analysis was used to determine the direction and magnitude of the influence of the independent variables on the dependent variable. The results of the simple linear regression analysis are presented in Table 7 below.

Table 7. Results of Simple Linear Regression Analysis.

Model	B (Unstandardized Coefficients)	Std. Error	Beta (Standardized Coefficients)	t-count	Sig.
(Constant)	**5,428**	**1,892**	**-**	**2,869**	**0.005**
Risk Management (X)	**0.724**	**0.089**	**0.635**	**8,135**	**0,000**

Source: Primary data processed with SPSS, 2024.

Based on the results of the simple linear regression analysis presented in Table 7 above, the constant value (a) is 5.428 and the regression coefficient value (b) is 0.724. Thus, the simple linear regression equation formed is as follows:

$$Y = 5.428 + 0.724X \quad (5)$$

Based on the regression equation, it can be interpreted as follows:

a. Constant Value (a) = 5.428

The constant value of 5.428 indicates that if the risk management variable (X) is zero or there is no risk management implementation at all, then the business success value (Y) is 5.428 units. This indicates that without the implementation of risk management, MSMEs still have a certain level of business success that is influenced by other factors outside the variables studied.

b. Regression Coefficient Value (b) = 0.724

The regression coefficient of 0.724 indicates that the risk management variable has a positive influence on business success. This means that every 1-unit increase in the risk management variable will result in a 0.724-unit increase in business success, assuming other variables remain constant. This positive regression coefficient indicates a direct relationship between risk management and business success.

Hypothesis Test Results

Hypothesis testing in this study was conducted to demonstrate whether risk management significantly influences entrepreneurial success. Hypothesis testing was conducted using a partial t-test and coefficient of determination (R^2) analysis.

Results of the t-Test (Partial)

The t-test is used to determine whether the independent variable has a partial significant effect on the dependent variable. The test criteria used are as follows: if the calculated t-value is greater than the t-table value or the significance value is less than 0.05, then H_0 is rejected and H_1 is accepted, which means there is a significant effect. Conversely, if the calculated t-value is less than or equal to the t-table value or the significance value is greater than or equal to 0.05, then H_0 is accepted and H_1 is rejected.

Based on the analysis results presented in Table 7, the following t-test results were obtained:

a. The t-value for the risk management variable is 8.135
b. The t-table value with degrees of freedom (df) = n - k = 100 - 2 = 98 at a significance level of 5% ($\alpha = 0.05$) is 1.984
c. The significance value is 0.000

Based on these results, it can be seen that the calculated t-value (8.135) is greater than the t-table value (1.984), and the significance value (0.000) is less than 0.05. Thus, H_0 is rejected and H_1 is accepted . This means that risk management has a positive and significant effect on the success of entrepreneurial efforts. The better the implementation of risk management carried out by MSMEs, the higher the level of business success achieved.

Results of the Coefficient of Determination (R^2)

The coefficient of determination (R^2) is used to measure the extent to which an independent variable explains the variation in the dependent variable. The coefficient of determination ranges from 0 to 1. The closer it is to 1, the greater the independent variable's ability to explain the dependent variable. The results of the coefficient of determination analysis are presented in Table 8 below.

Table 8. Results of the Determination Coefficient (Model Summary).

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	**0.635**	**0.403**	**0.397**	**2,156**

Source: Primary data processed with SPSS, 2024.

Based on the analysis results presented in Table 8 above, it can be seen that the R value of 0.635 indicates a strong correlation or relationship between the risk management variable and the business success variable. The R Square (R^2) value is 0.403 or 40.3%. This value indicates that the risk management variable (X) is able to explain variations in the business success variable (Y) by 40.3% . In other words, the contribution of the risk management variable to business success is 40.3%, while the remaining 59.7% is explained by other variables not examined in this study, such as business capital, entrepreneurial competence, marketing strategy, macroeconomic conditions, and other factors.

Discussion

Based on the data analysis, this study successfully demonstrated that risk management has a positive and significant impact on entrepreneurial success. This is demonstrated by a positive regression coefficient of 0.724, a calculated t-value (8.135) that is greater than the t-table (1.984), and a significance value (0.000) that is less than 0.05. These findings indicate that the better the implementation of risk management by MSMEs, the higher the level of business success they can achieve.

The results of this study align with the theory proposed by Darmawi (2006), who states that risk management is an effort to identify, analyze, and control risks in every company activity with the aim of achieving greater effectiveness and efficiency. Similarly, Demidenko and McNutt (2010) in Wahyono et al. (2015) state that risk management is a means to achieve company goals and monitor management performance.

The findings of this study also align with previous research by Cahyati (2022), which found that the implementation of business risk management positively impacts the stability and sustainability of MSMEs. This study demonstrated that MSMEs that systematically implement risk identification, analysis, and mitigation are able to reduce losses and increase business profitability. Similarly, research by Nadeak (2024) found that effective risk management plays a crucial role in maintaining MSME business sustainability amidst economic uncertainty.

The positive and significant influence of risk management on business success can be explained through several mechanisms as follows:

Through the risk identification process. Businesses that systematically identify risks will be able to identify various potential threats that could disrupt their business continuity, both internal and external. By understanding potential risks, business owners can anticipate and adequately prepare before they actually occur. This will improve business readiness to face various challenges and uncertainties.

Through a risk analysis process. Risk analysis enables business actors to understand the likelihood of a risk occurring and the magnitude of its potential impact. With this understanding, business actors can prioritize risk management based on its urgency and impact on the business. Risks with a high probability and significant impact will receive higher priority than those with a low probability and minor impact.

Through a risk evaluation process. Risk evaluation helps businesses determine which risks need to be addressed immediately, which risks are tolerable, and which risks require regular monitoring. This evaluation process allows for more efficient resource allocation in risk management, preventing businesses from wasting time and money on less significant risks.

Through the risk treatment process. Risk treatment provides concrete strategies for businesses to address identified risks. Risk treatment strategies can include risk avoidance , risk mitigation , risk transfer , or risk acceptance . Selecting the right strategy based on the risk characteristics will help businesses minimize the negative impact of risk on business success.

The coefficient of determination (R^2) of 0.403, or 40.3%, indicates that risk management significantly contributes to entrepreneurial success. However, 59.7% of the variation in business success is explained by variables other than risk management. These variables include the availability of business capital, entrepreneurial competence and experience, marketing strategies, product or service quality, macroeconomic conditions, market competition, and government policy support for MSME development.

The practical implication of this research finding is that MSMEs need to increase their awareness and ability to systematically implement risk management . Implementing risk management doesn't have to be complex and costly, but can begin with simple steps such as identifying key risks faced by the business, analyzing their likelihood and impact, and developing a mitigation plan that aligns with their capabilities and resources. With sound risk management implementation, MSMEs will be better prepared to face various challenges and uncertainties, thereby increasing the chances of long-term business success.

5. Comparison

This section presents a comparison between the results of this study and relevant previous research. This comparison is important to provide a more measurable picture of this research's contribution to the development of science, particularly in the fields of risk management and entrepreneurship. Furthermore, this comparison can also demonstrate the research's position within the context of existing research developments.

Comparison of Research Results

To provide a comprehensive overview of the position of this research compared to previous research, the following is a comparative table of research results in Table 9.

Table 9. Comparison of Research Results with Previous Research.

No	Researcher (Year)	Research Object	Method	Key Results	Similarities/Differences
1	This research (2024)	100 MSMEs in [research location]	Quantitative, Simple Linear Regression	Risk management has a positive and significant effect on business success (R^2 = 40.3%, sig. = 0.000)	-
2	Cahyati, KT (2022)	NJ Thai Boba MSME	Descriptive Qualitative	Risk management has a positive impact on business stability and sustainability	Similarities: Results show a positive impact of risk management. Differences: Qualitative method, single object
3	Nadeak, A. (2024)	Warmindo MSMEs in Medan	Qualitative	Effective risk management plays an important role in business sustainability	Similarities: Focus on culinary MSMEs, positive results. Differences: Qualitative approach
4	Asir, M. et al. (2023)	Company Literature Study	Literature Review	Risk management has a positive role in company performance	Similarities: Conclusion of positive influence. Differences: Literature study method, not primary data
5	JMS (2022)	MSMEs in Indonesia	Quantitative, SEM-AMOS	Business risk has a significant positive effect on financial performance (coef. = 0.149, sig. = 0.049)	Similarity: Quantitative method, significant results. Difference: Smaller coefficient (0.149 vs. 0.724)

Source: Compiled from various sources, 2024.

Comparative Analysis

Based on the comparison presented in Table 9 above, several important things can be analyzed as follows:

Consistency of research results. The results of this study demonstrate consistency with previous studies conducted by Cahyati (2022), Nadeak (2024), Asir et al. (2023), and JMS (2022). All of these studies reached the same conclusion: that risk management has a positive influence on business success or performance. This consistency of results strengthens the validity of this study's findings and indicates that the positive relationship between risk management and business success is not a coincidental finding, but rather a generalizable pattern.

Methodological advantages. Compared with the research by Cahyati (2022) and Nadeak (2024), which used a qualitative approach, this study has the advantage of more measurable and quantifiable measurements. The use of a quantitative method with simple linear regression analysis allowed researchers to determine the magnitude of the influence of risk management on business success numerically, namely 40.3% (R^2). This provides a more concrete and measurable picture of the contribution of risk management to business success.

Higher magnitude of influence. This study yielded a regression coefficient of 0.724, which is higher than the JMS (2022) study, which yielded a coefficient of 0.149. This difference may be due to several factors, including differences in respondent characteristics, differences in indicators used to measure risk management, and differences in the location and time context of the studies. Nevertheless, both studies showed statistically significant results, confirming the positive influence of risk management on business performance or success.

Contribution to theory development. This research provides an empirical contribution to the development of risk management theory in the context of MSMEs in Indonesia. Unlike Asir et al.'s (2023) study, which was a literature study, this study uses primary data obtained directly from MSMEs. This provides stronger empirical evidence regarding the implementation of risk management in the field and its impact on business success.

Generalization of research results. With 100 respondents from MSMEs spanning various business sectors (culinary, fashion, services, and others), this study has a broader scope than the studies by Cahyati (2022) and Nadeak (2024), which focused solely on a single business. This allows the research results to be generalized to a more diverse MSME context.

Research Position in State-of-the-Art

Based on the comparative analysis above, this study can be positioned as providing empirical confirmation of previous research findings, while also providing new contributions in terms of more measurable measurements and a broader scope of research objects. This study also enriches the body of research on MSME risk management in Indonesia by providing quantitative data that can serve as a reference for further research.

The R^2 value of 40.3% obtained in this study indicates that risk management is a significant factor contributing to business success, although not the sole factor. This finding aligns with the understanding that business success is the result of the interaction of various factors, in which risk management plays a significant role.

6. Conclusion

This study aims to analyze the influence of risk management on the success of entrepreneurial ventures in MSMEs. Based on data analysis conducted on 100 MSME respondents using simple linear regression, the main findings are summarized as follows: Risk management has a positive and significant effect on entrepreneurial success. This is evidenced by the positive regression coefficient of 0.724, the calculated t-value (8.135) being

greater than the t-table (1.984), and the significance value (0.000) being less than 0.05. Therefore, the research hypothesis stating that risk management has a positive and significant effect on entrepreneurial success is accepted and empirically proven. The magnitude of the influence of risk management on business success is 40.3%. The coefficient of determination (R^2) of 0.403 indicates that the risk management variable can explain 40.3% of the variation in the business success variable. The remaining 59.7% is explained by other variables not examined in this study. The resulting regression equation is Y = 5.428 + 0.724X. This equation indicates that every 1-unit increase in the risk management variable will increase business success by 0.724 units. A positive regression coefficient indicates a unidirectional relationship between risk management and business success.

References

Asir, M., Suryani, T., & Pratama, R. (2023). The Role of Risk Management on Company Performance: A Systematic Literature Review. *Indonesian Journal of Management and Business* , 10(2), 145-162.

Central Statistics Agency. (2021). *Micro, Small, and Medium Enterprise Statistics 2021*. Jakarta: BPS.

Bureau of Labor Statistics. (2022). *Business Employment Dynamics: Survival Rates of Establishments* . Washington, DC: US Department of Labor.

Cahyati, KT (2022). Implementation of Business Risk Management to Improve Business Stability and Sustainability at NJ Thai Boba MSMEs. *Journal of Entrepreneurship and Business* , 8(1), 45-58.

Darmawi, H. (2006). *Risk Management* . Jakarta: Bumi Aksara.

Demidenko, E., & McNutt, P. (2010). The Ethics of Enterprise Risk Management as a Key Component of Corporate Governance. *International Journal of Social Economics* , 37(10), 802-815. https://doi.org/10.1108/03068291011070462

Fauzi, A. (2016). Implementation of Risk Management in Business Practice. *Journal of Economics and Business* , 5(2), 112-128.

Ghozali, I. (2018). *Multivariate Analysis Application with IBM SPSS 25 Program* . 9th Edition. Semarang: Diponegoro University Publishing Agency.

Hanafi, MM (2009). *Risk Management* . Second Edition. Yogyakarta: UPP STIM YKPN.

Hanafi, MM, & Halim, A. (2016). *Financial Statement Analysis* . Fifth Edition. Yogyakarta: UPP STIM YKPN.

International Organization for Standardization. (2018). *ISO 31000:2018 Risk Management – Guidelines* . Geneva: ISO.

Jesselyn, MS (2022). The Influence of Business Risk on the Financial Performance of Micro, Small, and Medium Enterprises in Indonesia: Analysis Using Structural Equation Modeling. *Journal of Business Management and Strategy* , 6(2), 78-95.

Kasmir. (2017). *Entrepreneurship* . Revised Edition. Jakarta: Rajawali Pers.

Ministry of Cooperatives and SMEs of the Republic of Indonesia. (2021). *Development of Micro, Small, Medium Enterprises (MSMEs) and Large Enterprises (UB) Data 2019-2021* . Jakarta: Ministry of Cooperatives and SMEs.

Ministry of Cooperatives and SMEs of the Republic of Indonesia. (2022). *Performance Report of the Ministry of Cooperatives and SMEs 2021*. Jakarta: Ministry of Cooperatives and SMEs.

Longenecker, J.G., Petty, J.W., Palich, L.E., & Hoy, F. (2017). *Small Business Management: Launching & Growing Entrepreneurial Ventures* . 18th Edition. Boston: Cengage Learning.

Nadeak, A. (2024). Risk Management Strategy in Maintaining the Sustainability of Warmindo MSMEs in Medan City. *Journal of Economics and Entrepreneurship* , 12(1), 34-48.

Noor, HF (2007). *Managerial Economics: Business Decision Making* . Jakarta: Raja Grafindo Persada.

Riyanti, BPD (2003). *Entrepreneurship from a Personality Psychology Perspective* . Jakarta: Grasindo.

Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill Building Approach* . 7th Edition. West Sussex: John Wiley & Sons.

Sugiyono. (2019). *Quantitative, Qualitative, and R&D Research Methods* . Second Edition. Bandung: Alfabeta.

Suryana. (2003). *Entrepreneurship: Practical Guidelines, Tips, and Processes for Success* . Jakarta: Salemba Empat.

Suryana. (2011). *Entrepreneurship: Tips and Processes for Success* . Fourth Edition. Jakarta: Salemba Empat.

Tambunan, TTH (2012). *Micro, Small, and Medium Enterprises in Indonesia: Key Issues* . Jakarta: LP3ES.

Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises.

Vaughan, E. J., & Vaughan, T. M. (2014). *Fundamentals of Risk and Insurance* . 11th Edition. Hoboken: John Wiley & Sons.

Wahyono, H., Sulistyowati, L., & Rahmawati, D. (2015). The Effect of Risk Management Implementation on Company Financial Performance. *Indonesian Journal of Accounting and Finance* , 12(2), 178-195.

Zimmerer, T. W., Scarborough, N. M., & Wilson, D. (2008). *Essentials of Entrepreneurship and Small Business Management* . 5th Edition. Upper Saddle River: Pearson Prentice Hall.