

## ABSTRACT

*The fashion creative industry is the 2nd largest business unit in Indonesia, especially the fashion business category in clothing including hijab, which experienced a minimal increase in 2019-2021. In business development, it faces the challenge of competition between increasingly fierce business actors. Business competition can have an impact on business bankruptcy. So, it is important to create a long-term business strategy for businesses to minimize obstacles when running a business in order to avoid business bankruptcy.*

*This study aims to determine what are the most dominant or frequent inhibiting factors in the development of micro and small businesses in the hijab fashion industry in Bandung City. This research method utilizes quantitative methods.*

*This type of research is causal research. This study uses descriptive analysis to describe the characteristics of each variable. The data collection technique used a questionnaire given to 105 respondents in Bandung City. Data analysis in this study used Confirmatory Factor Analysis (CFA).*

*The results of this study resulted in five factors inhibiting the development of micro and small businesses in the hijab fashion industry in Bandung City, namely Capital Limitations (11.89%), Internet Mastery (9.63%), Management Quality (14.07%), Human Resource Limitations (32.17%), and Marketing Difficulties (15.50%). Limited human resources are the dominant or frequent inhibiting factor in business development.*

*Based on the results of this study, the Human Resources factor is the dominant factor inhibiting business development. So it is recommended to involve training and continuing education to improve HR skills in the hijab fashion industry, through workshops, partnerships with educational institutions, and joining communities or business associations.*

**Keywords:** *Inhibiting Factors, Factor Analysis, Business Development, Hijab Fashion Industry, MSME*