



The effect of financial literacy financial inclusion and financial management on financial performance in MSMEs in the city of Semarang

Rokhmad Budiyo¹ Arini Novandalina² Ukie Tukinah³

^{1,2,3} STIE Semarang, Jawa Tengah, Indonesia

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ABSTRACT

Indonesia is a member United States of America of the ASEAN enterprise (Association of South East Asia Nations). The implementation of the MEA (ASEAN Economic Community) on the end of 2015 is a mission for Indonesia. The purpose of this take a look at was to decide the effect of economic literacy, financial inclusion and financial control on the economic performance of MSMEs in Semarang City. The population on this examine is 11,910 MSME gadgets in the metropolis of Semarang. The sampling method uses non-probability sampling inside the shape of accidental sampling so that the entire pattern is 388 gadgets. Financial literacy, monetary inclusion and financial control are impartial variables even as monetary performance is the dependent variable. The analytical technique used is the classical assumption test, more than one linear regression check and hypothesis checking out. The outcomes confirmed that the financial literacy t-check consequences had been $1.733 < t \text{ table } 1.966$ and the sig. Of $0.084 > \text{zero}.05$ so that H1 which states monetary literacy on economic overall performance is rejected. Financial inclusion t-check outcomes of $0.082 < t \text{ table } 1.966$ and sig. Of $0.935 > 0.05$ so that H2 which states financial inclusion on economic performance is rejected. The outcomes of the t-take a look at for economic management are $5.940 > t \text{ table } 1.966$ and the sig. Of $\text{zero}.000 < 0.05$ so that H3 which states financial inclusion on financial overall performance is prevalent.

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Corresponding Author:

Arini Novandalina

Program Studi S1 Manajemen,

STIE Semarang,

Jl. Menoreh Utara Raya No.11, Sampangan, Kec. Gajahmungkur, Kota Semarang, Jawa Tengah 50232.

Email: arini.novandalina@gmail.com

INTRODUCTION

Indonesia is a member United States of the ASEAN organisation (Association of South East Asia Nations). The implementation of the MEA (ASEAN Economic Community) at the quit of 2015 is a challenge for Indonesia. The transformation of the ASEAN area right into a single market has transformed ASEAN right into a greater aggressive, comparative and bendy marketplace. The development and progress of science and era has made commerce in Indonesia more and more

competitive. Micro, Small and Medium Enterprises (MSMEs) are a shape of commerce in Indonesia to help the economy amidst exchange competition a number of the decrease center class.

MSMEs which in keeping with the Law of the Republic of Indonesia No. 20 of 2008 concerning Micro, Small and Medium Enterprises are productive companies owned through people and/or character enterprise entities that meet the standards of the Act. MSMEs have benefits in comparison to different types of corporations, particularly having excessive resilience and an vital element of Indonesian commerce. According to the 2020 (2021) Data on the Role of MSMEs from the Ministry of Cooperatives and SMEs, concrete proof that has took place in Indonesia is that MSMEs contribute sixty one.Ninety seven% or a price of 8,573.89 trillion rupiahs. In addition, Indonesia has gone through a struggle to quit the economic crisis in July 1997 which persevered into an monetary disaster. According to Data on the Development of UMKM from the Indonesian National Statistics Agency for 1997-2013 (2016), the development of UMKM in 1997-1998 did experience a lower of 2,951,532 gadgets, but in 1999-2001 the growth accelerated by means of 3,150,502 devices. Until 2013, the Indonesian Central Bureau of Statistics recorded fifty seven,895,721 MSMEs.

MSMEs are a type of commercial enterprise that is of interest to the Indonesian humans because of less costly capital with enterprise fields which can be as varied as massive corporations as a way of assembly network desires (Hidayatulloh, 2018). Not handiest that, MSMEs have an essential position in assuaging unemployment in Indonesia. According to bpkm.Go.Identity (2021), 97% of the absorption ability of the commercial enterprise international in 2020 will come from MSMEs. The growing number of MSMEs is at once proportional to the growth in employment in Indonesia in order that MSMEs have an important role in soaking up exertions.

Even so, it can't be denied that a enterprise faces barriers, which includes MSMEs. Marketing that is still conventional, minimum capital, constrained business partners, low first-class HR (Human Resources) makes the gadget in an MSME not run optimally. As a result, those groups can result in bankruptcy due to many things that should be corrected (Harahap, 2014). With these limitations, SMEs need to boom their financial expertise as a foundation in addition to support their enterprise. One of the ranges that can be executed through commercial enterprise actors with monetary literacy (Septiani & Wuryani, 2020).

Financial literacy is a fixed of information and capabilities that allow an individual to make decisions correctly the usage of their economic assets (Manurung, 2009). Armed with qualified monetary literacy, MSMEs can utilize and manage price range optimally primarily based on their monetary education because of enforcing this understanding. With this economic functionality, actors and MSMEs are superior in neighborhood and worldwide market opposition (Aribawa, 2016).

The 2019 National Financial Literacy and Inclusion Survey (SNLIK) provided an index of economic literacy for the Indonesian humans of 38.03% and a financial inclusion index of 76.19% which has improved for the reason that effects of the 2016 OJK survey with a economic literacy index of 29.7% and the monetary inclusion index of sixty seven.Eight%. This is a trademark that the Indonesian humans, which includes the general public as clients, vendors, and business actors in general, do now not apprehend and observe financial literacy (Financial Services Authority, 2020). The Organization for Economic Cooperation and Development (OECD) (2020) states that based totally on its 2020 survey, Indonesia has a percentage of 34.2%, in which the common monetary information of other international locations is fifty two.Five%. Meanwhile, Thailand is some distance away at 47.5%.

MSMEs have a huge proportion inside the Indonesian economy, consisting of the regional economy in Semarang City. By optimizing the empowerment of MSMEs and balanced with powerful and fast forms, it's far hoped that this could grow to be a bridge for the easy legalization and operation of MSMEs within the City of Semarang. With the Thematic Village program in 177 villages and in collaboration with Corporate Social Responsibility (CSR) diverse personal groups in the town of Semarang, MSMEs are assisted and more and more superior in various enterprise fields (Martuti et al, 2019). However, Haekal (2017) me discovered that MSMEs nevertheless should pay attention

to economic management based totally on monetary literacy with the intention to improve or grow the commercial enterprise's economic overall performance.

According to info.Populix.Co (2022), economic management is a method that describes how a person manages his finances, beginning from planning, budgeting, strategies of saving price range, controlling expenses, to danger safety. According to Sutrisno (2003) in Ritraningsih's research (2017), economic management is management related to allocating investment price range and efforts to gather finances for green financing.

Financial overall performance may be interpreted as a particular indicator which could degree a company's achievement in accomplishing profits and may be interpreted as a device for measuring economic role by using analyzing economic ratios in positive durations (Hilman et al, 2014). To deal with changing environmental situations, it's miles very vital to recognise which assets are used optimally (Fahmi, 2020). According to Yanti (2019); Lubis et al (2022); Tumba et al (2022); and Hidayatulloh (2020) state that financial literacy has a massive impact on economic performance. According to Dermawan (2019) with a have a look at entitled "The Influence of Literacy, Inclusion and Financial Management on the Performance and Sustainability of MSMEs (Study on Micro Business Actors at Brawijaya University)" suggests that economic management has a tremendous and widespread effect on the overall performance and sustainability of MSMEs. However, Hilmawati and Kusumaningtias (2021) country that monetary inclusion has no effect on the overall performance and sustainability of the MSME area within the town of Surabaya. Wulansari and Anwar (2022) additionally country that business monetary management has no impact at the economic overall performance of MSMEs footwear and sandals within the former Dolly Localization.

Based on the phenomena and descriptions that have been provided from these exceptional academics, this research is intended to become aware of, analyze and implement studies with the name "The Influence of Financial Literacy, Financial Inclusion, and Financial Management on Financial Performance in MSMEs in Semarang City".

RESEARCH METHOD

Population and Sample

Population

The populace is a generalization place along with objects or subjects that have certain characteristics and quantities that have been determined through researchers to be studied and after that a conclusion may be drawn (Sugiyono, 2013). According to the Office of Cooperatives, Small and Medium Enterprises of Central Java Province (n.D.), MSME Data per Regency/City in Central Java explained that there were 11,910 MSME gadgets in Semarang City. Based on those findings, the populace in this observe became eleven, 910 UMKM units in Semarang City.

Sample

The sample is a part of the population elements so as to be selected using a sure process and is predicted to symbolize the population. According to (Sugiyono, 2013) if the population is massive and the researcher is not able to study the whole thing in the population, the researcher can use samples taken from that population.

The sampling approach used on this study is non-opportunity sampling in the shape of accidental sampling, specifically a sampling method primarily based on twist of fate, specifically all of us who by accident meets the researcher and can be used as a pattern if it's far deemed that the person met through threat is appropriate as a information supply (Sugiyono, 2013) . The sample length used on this look at become determined using the Slovin method as follows.

$$N= N/(1+N(e^2))$$

Information :

n = pattern size

N = population size

e = margin of mistakes (set at 5% or zero.05)

Calculation :

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

$n = 11,910 / (1 + 11,910(0.05)^2)$

$n = 11,910 / 30,775 = 387,002$

n = 388 devices

Based at the calculation above, the sample used in this examine changed into 388 MSME units in the city of Semarang.

Research Variables and Operational Variables

Research variable

The studies variables used on this take a look at consisted of variables, particularly the dependent variable and the independent variable.

Independent (impartial) variables are variables that affect or cause the dimensions of different variables. The unbiased variables on this examine are Financial Literacy (X1), Financial Inclusion (X2), and Financial Management (X3).

The dependent variable (tied) is a variable whose variation is influenced by using the version of the impartial variable. The established variable on this have a look at is Financial Performance (Y).

Method of amassing statistics

The facts collection technique used in this research is discipline research. Field studies is a statistics series method that is executed through direct commentary of the item underneath have a look at to obtain primary data.

Primary statistics series became accomplished using the subsequent techniques.

Interview

Interviews are used as a data collection approach if the researcher wants to behavior a initial observe to find troubles that must be studied, and additionally if the researcher desires to know things from respondents which can be more in-intensity and the range of respondents is small/small (Sugiyono, 2013).

Questionnaire (Questionnaire)

According to Sugiyono (2013), a questionnaire is a information collection technique that is pursued through giving a hard and fast of questions to respondents to reply.

Data Research Instrument Test

Validity take a look at

Validity take a look at is used to ensure the validity of a questionnaire (Ghozali, 2018). Validity test is likewise used to check the validity of the items in a list of questions and statements in defining a variable (Nasution, 2011).

In this take a look at, a questionnaire become used as a studies instrument and validity calculations have been analyzed using the SPSS 26 software. It become declared valid if the results of the calculation of r rely were extra than p desk at a tremendous stage of 5%. Conversely, if r count number is smaller than r table, it's miles declared invalid. Similarly, a questionnaire is stated to be valid if the statements at the questionnaire are in a position to expose some thing so one can be measured within the questionnaire.

Reliability Test

According to Ghozali (2018), reliability is a tool for measuring a questionnaire that's an indicator of a variable or assemble in which a questionnaire can be stated to be reliable or dependable if individual solutions to statements are regular or solid over time.

The reliability take a look at suggests that size results may be trusted and tool reliability is needed to obtain records in accordance with the dimension objectives (Agus, 2009). To obtain this, reliability turned into performed the usage of the Cronbach's Alpha approach, which changed into measured based at the Cronbach's Alpha scale of 0 to at least 1.

Data analysis method

Data evaluation technique is a method used to process present variables with a purpose to produce a research result with the intention to obtain a conclusion. Data evaluation strategies in quantitative research are the effects of information management from the answers given through respondents to questions from each questionnaire item (Sanusi, 2012).

Classic assumption check

Before sporting out the a couple of regression check, it is necessary to check the classical assumptions first. The classic assumption check on this have a look at uses normality, heteroscedasticity, and multicollinearity assessments which can be defined in element as follows:

Normality take a look at

The normality check goals to check whether or not within the regression model, the confounding or residual variables have a regular distribution. As it is recognised that the t and F checks anticipate that the residual values comply with a regular distribution (Ghozali, 2018). If this assumption is violated in practice, the statistical take a look at will be invalid for a small sample size. There are approaches to find out whether or not the residuals are typically allotted or not, namely with the aid of graphical evaluation and statistical tests. The basis for the decision is as follows. If the information spreads across the regular line and follows the direction of the graph's diagonal line, then that is shown to be a everyday distribution in order that the regression equation model meets the assumption of normality. If the data spreads away from the diagonal line and does no longer comply with the path of the graph's diagonal line, then this does not display a ordinary distribution sample so that the regression equation does now not meet the belief of normality.

Normality trying out can also be finished with the Kolmogrov-Smirnov statistical take a look at with the aid of searching at the extent of importance. This test is performed before the statistics is processed. Detection of records normality whether commonly disbursed or no longer by using the use of the Kolmogrov-Smirnov take a look at. With the subsequent decision-making tips. Sig value or significance or opportunity cost ≤ 0.05 , the distribution isn't always normal. Sig cost or significance or chance value > 0.05 , the distribution is everyday.

Heteroscedasticity Test

The heteroscedasticity test ambitions to check whether in the regression version there may be an inequality of variance from one residual observation to some other (Ghozali, 2018). If the variance of the residual from one statement to some other remains the same, then it's miles known as homoscedasticity and if it's miles extraordinary it is called heteroscedasticity. A good regression model ought to show homoscedasticity, no longer heteroscedasticity. The manner to stumble on the presence or absence of heteroscedasticity may be visible inside the graph plot between the expected cost of the based variable, particularly ZPRED with the residual SRESID, the Y axis being the expected axis and the X axis being the residual (Y prediction-Y virtually) that has been studentized. The basis for choice making from scatterplot graphic analysis is as follows:

If there may be a positive sample, inclusive of the dots forming a certain regular sample (wavy, widens after which narrows), then it shows that heteroscedasticity has passed off. If there is no clear sample, and the factors spread above and under the wide variety zero on the Y axis, then there is no heteroscedasticity.

Multicollinearity Test

The multicollinearity take a look at is whether there's a relationship (relatedness) between the independent variables. A right version is that there's no dating among the independent variables

(Ghozali, 2016). Whether multicollinearity exists or no longer may be visible from Tolerance and VIF (Ghozali, 2016). Criteria does not occur multicollinearity if Tolerance > 0.1 and VIF < 10.

Multiple Linear Regression Test

In this study the technique used is multiple linear regression analysis technique. Multiple analysis technique is a test that used to determine the independent variable effect on the dependent variable.

The multiple linear regression equation can be stated as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information :

Y = Financial Performance

X1 = Financial Literacy

X2 = Financial Inclusion

X3 = Financial Management

a = Constant

b₁b₂b₃ = Regression coefficient of variable x

e = Error Term

Hypothesis Test (t)

Hypothesis testing is used to test each existing hypothesis using appropriate statistical tests. The proper test for this research is the t statistical test. According to Ghozali (2018), the t test can be used to see how far the influence of an independent variable (X) used in this study explains the dependent variable (Y) separately. The test results will determine whether the proposed hypothesis can be accepted or rejected. Testing the hypothesis using the t statistical test aims to prove whether the independent variable has a significant or insignificant effect on the dependent variable.

Test steps in conducting the t test:

If the value of t count > t table, then there's an influence of the impartial variable (X) on the based variable (Y) or the speculation is normal. If the price of t rely < t table, then there is no effect of the independent variable (X) on the dependent variable (Y) or the hypothesis is rejected. The confidence level used is 95% or a significant level of 5% ($\alpha = 0.05$) with the following decision-making criteria. If the significance level of the observation is ≤ 0.05 then H_0 is rejected and H_a is accepted, meaning that the independent variables individually have a significant effect on the dependent variable. If the significance level is > 0.05 then H_0 is established and H_a is rejected, that means that the unbiased variables personally haven't any vast effect at the based variable.

F check

The F take a look at is used to determine whether or not or now not the model used is ideal or whether there's a power of the impartial variable at the based variable concurrently or collectively with the circumstance zero.05 (Ghozali, 2018). The model is said top if the sig. < 0.05 alias the influence of the independent variables on the dependent variable simultaneously. The model is declared unfavorable if the sig. > 0.05 alias no impartial variable impact on the dependent variable concurrently.

Determination Coefficient Test (R²)

The coefficient of determination (R²) measures how a long way the version's potential to explain the variant inside the established variable. The small value of R² manner that the potential of the unbiased variables to provide an explanation for the variant within the established variable could be very confined. A price close to one way that the independent variables offer nearly all the statistics needed to expect variations in the structured variable (Ghozali, 2018). The essential weak point of using the coefficient of willpower is that it could affect the quantity of unbiased variables protected inside the version. For every extra one unbiased variable, R² should boom regardless of

whether or not the variable has a great impact at the based variable. Therefore, many researchers endorse using the Adjusted R2 value when comparing the exceptional regression version.

RESULTS AND DISCUSSIONS

Research result

Description of Research Object

The descriptions of the respondents will show the profiles of MSME actors in the city of Semarang who're respondents to the studies at the impact of economic literacy, monetary inclusion, and economic control on the economic overall performance of MSMEs within the city of Semarang. Respondents' descriptions protected gender, marital popularity, important task, sort of business, duration of enterprise, and quantity of preliminary capital based totally at the outcomes of filling in their identification within the questionnaire.

Description with the aid of Gender

The respondents might be seen primarily based on variations in male and female gender. Based on gender, it shows that the majority of MSMEs in Semarang City are male. This may be seen from the proportion of male respondents at fifty nine.02%, while the share of woman respondents become less, particularly 30.Ninety eight%.

Description of Respondents with the aid of Marital Status

Respondents might be grouped into several marital statuses. Based at the marital reputе of the respondents, it was proven that the majority of MSMEs in Semarang City had been unmarried, as seen from the share of respondents, which become sixty two.63%.

Description of Respondents with the aid of Main Occupation

The major activity description agencies respondents based totally on differences within the fundamental paintings finished apart from as MSME actors. Based on training, it shows that most of the main occupations of the respondents are self-employed, which is indicated by using the percentage of the number of respondents of 36.34%.

Description of Respondents via Type of Business

The form of business will show the sphere of commercial enterprise occupied by using MSME respondents inside the city of Semarang. Based at the type of enterprise, it suggests that MSME actors choose to run a business inside the Culinary and Cooking Seasonings zone, which may be seen from the proportion of the quantity of respondents, that is 38.66%.

Description of Respondents based on Length of Business

The period of commercial enterprise will show the period of the enterprise that has been undertaken by means of MSME respondents in the town of Semarang. Based at the duration of commercial enterprise, it shows that almost all of MSME actors have run MSMEs for greater than three years, which can be visible from the percentage of respondents of 35.Eight%.

Description of Respondents based on Initial Capital

The preliminary capital of the business will show the amount of capital at the beginning of the direction of the MSMEs of MSME actors in Semarang City. Based on the initial capital of the business, it indicates that most of the MSME actors within the City of Semarang started their commercial enterprise with an initial capital of much less than 10 million Rupiah, which may be visible from the percentage of the number of respondents of 65.21%.

Description of Research Variables

Variable description analysis Abel is used to see the perceptions given by way of respondents to the variables of monetary literacy, financial inclusion, monetary control, and economic overall performance. Descriptive analysis became done primarily based on the

consequences of the respondent's announcement which then sought the common value and became assessed with the subsequent scale range. Based at the price of the scale variety, the subsequent will see the consequences of the analysis of the description of every research variable.

Respondents' Responses to Financial Literacy Variables

Analysis of the description of the economic literacy variable turned into achieved based at the common value of respondents' statements at the paintings way of life variable assertion items. Based on the results of calculating the common fee of respondents' responses, a value of three.Sixty eight turned into included and included in the variety 3.Forty one – four.20 so that it became covered within the class "excessive" on monetary literacy. In the assertion that MSME actors apprehend simple economic know-how, they get the very best rating with a value of 3.Ninety nine. This suggests that MSME actors in Semarang City have accurate fundamental financial knowledge. The 2nd assessment with a big assertion of property and capital helps the selection of MSME gamers to get a price of three.96. The third evaluation concerning spending behavior for business desires when big income get a value of 3.54. The lowest score concerning enterprise expertise become obtained from the mother and father of MSME actors at 3.25.

Respondents' Responses to Work Environment Variables

Analysis of the outline of financial inclusion variables turned into completed based totally at the average price of respondents' statements on the economic inclusion variable assertion gadgets. Based at the outcomes of the calculation of the average cost of respondents' responses, a fee of 4.03 changed into covered and protected within the variety three.Forty one - four.20 in order that it became included within the "excessive" category of financial inclusion. In the assertion that there is a great impact using monetary products or services, it gets the highest score with a value of this indicates that the usage of monetary services or products can guide the development of a business. The 2d evaluation concerns the advantages felt through MSMEs whilst using monetary products or services with a rating of four.09. The lowest score concerning the affordability of financial products or services round MSMEs with a value of 3.88.

Respondents' Responses Description of Financial Management Variables

Analysis of the outline of monetary management variables become finished based at the common value of respondents' statements at the query gadgets of economic control variables. Based on the results of the calculation of the average price of respondents' responses, a cost of 3.35 become blanketed and protected in the variety 2.61 - three.40, so that it changed into protected in the "ok" category for financial control. In the declaration of recording and calculating income in conjunction with daily sales profit, the highest score is received with a value of 4.01. The 2d assessment regarding being able to complete month-to-month income tax payments acquired a value of 3.41. The 0.33 assessment regarding reporting annual business taxes obtains a cost of 3.25. The lowest rating is the announcement of the usage of enterprise investment assets from credit to start a enterprise to buy commercial enterprise gadget and resources with a fee of 2.74.

Respondents' Responses Description of Financial Performance Variables

Analysis of the outline of financial performance variables changed into achieved primarily based at the average price of respondents' statements at the query items of economic performance variables. Based on the consequences of the calculation of the common price of respondents' responses, a cost of three.Seventy seven turned into included and included in the variety 3.41 - four.20, together with the "excessive" category of economic overall performance. In the assertion setting apart money from operations to pay enterprise debts in a well timed manner, the best rating is obtained with a value of 4.19. The 2nd assessment regarding deciding on the amount of installments according to enterprise ability received a cost of four.09. The third evaluation regarding feeling a change in commercial enterprise performance in a wonderful course within the beyond yr acquired a price of three.Ninety three. The fourth evaluation with a assertion of now not the use of

credit score to support groups received a score of 3.37. The lowest rating with the declaration that they're willing to feature personnel to growth income turnover obtains a fee of 3.28.

Data evaluation

Data evaluation on this examine covered statistics instrument exams (validity and reliability), classical assumption tests, and more than one regression.

Classical Assumption Test

In studies in which the analysis technique uses multiple regression analysis, it is important to test the classical assumptions to discover that the research statistics meets the necessities for checking out the regression model.

Normality check

In multiple regression analysis, the multiple linear equation version need to be usually dispensed. The normality test turned into finished the usage of the Kolmogorov-Smirnov test on data from each studies variable, that is, if the sig. Greater than zero.05, the regression version is generally allotted. It is thought that the Unstandardized residual has a Sig value. (2-tailed) of zero.Two hundred > zero.05. Therefore, it can be said that the facts contributed usually.

Heteroscedasticity

The heteroscedasticity check is supposed to peer whether or not there may be an inequality of variance from the residual one remark to any other remark, wherein in regression the variance from the residual one observation to some other commentary must be regular or heteroscedasticity does not arise. Heteroscedasticity signs and symptoms occur if the scatterplot factors due to the Heteroscedasticity check dots form or have an ordinary pattern, whether slim, widened, or wavy and do now not spread around the foundation (zero) on the Y axis. Conversely, heteroscedasticity does no longer occur if there's no Scatterplot ticks from the effects of statistics processing between ZPRED and SRESID unfold above or beneath the beginning point (0 variety) on the Y axis and do not have a normal sample. Based on the results of the research at the heteroscedasticity test of the scatterplot pattern, it suggests that the SPSS output effects in the scatterplot image show that the dots unfold underneath and above the starting place point (zero) at the Y axis and do now not have a everyday sample, so it may be concluded that the image above suggests that there's no heteroscedasticity in the regression model. .

Multicollinearity Test

In the a couple of regression analysis it calls for that among the impartial variables there must no longer be multicollinearity or a strong correlation between the impartial variables. The requirement for multicollinearity not to arise is that the Tolerance fee is above 0.1 and the VIF is under 10. The Tolerance price of every impartial variable is according with the necessities, which is above zero.1 as well as the VIF cost also meets the specified requirements, that is under 10. The results This shows that there may be no multicollinearity between the variables of monetary literacy, monetary inclusion, and financial control.

Multiple Regression Analysis

Multiple regression evaluation is used to see the effect of financial literacy, financial inclusion, and economic management on the economic performance of MSMEs in Semarang City. Based at the regression results, a linear equation of financial literacy, monetary inclusion, and financial control on economic overall performance is made as follows.

$$Y = 13.220 + 0.107 X_1 + 0.007 X_2 + 0.297 X_3$$

The regression equation can be interpreted as follows, the nice constant (α) is thirteen.220. These consequences offer an expertise that if the linearity of economic literacy, monetary inclusion, and economic management remains the identical, then economic overall performance is still advantageous. The regression coefficient of economic literacy (b_1) is positive at 0.107. This result may

be interpreted that growing monetary literacy will in addition improve monetary performance. The regression coefficient of financial inclusion (b_2) is advantageous at 0.007. This end result can be interpreted that increasing economic inclusion will similarly improve financial overall performance. And, the regression coefficient of monetary control (b_2) is high-quality at 0.297. This result may be interpreted as increasing monetary control will similarly enhance economic overall performance.

Test - t (Hypothesis Testing)

Based on the regression effects, it's also feasible to test the hypotheses proposed on this look at. Tests had been completed from the outcomes of the t-check which were used to look the impact of economic literacy, monetary inclusion, and monetary management on monetary overall performance partially on attractiveness of the sig hypothesis. ≤ 0.05 . Based at the effects of the t-take a look at, it is able to be proved by checking out the speculation as follows, financial literacy t-check outcomes of 1.733 $<$ t table 1.966 and sig. Of 0.084 $>$ zero.05 in order that H1 which states financial literacy on financial performance is rejected. Financial inclusion t-test consequences of 0.082 $<$ t table 1.966 and sig. Of 0.935 $>$ 0.05 in order that H2 which states monetary inclusion on financial overall performance is rejected. And, the results of the t-check for economic management are 5.940 $>$ t table 1.966 and the sig. Of 0.000 $<$ 0.05 so that H3 which states financial inclusion on financial performance is accepted.

Test - F

The F-test is used to test the regression model of the influence of financial literacy, financial inclusion, and financial management on financial performance at the sig level. ≤ 0.05 . The results of the F-test with a calculated F value of 15.720 $>$ F table 2.628 with sig. Zero.000 $<$ zero.05 as a consequence indicating the have an effect on of economic literacy, economic inclusion, and monetary management on economic overall performance concurrently.

Coefficient of Determination (R²)

The coefficient of willpower is used to measure the capability of the independent variables to provide an explanation for the based variable. The coefficient of willpower may be visible in the Adjusted R Square of 0.102. These consequences may be interpreted that the variables financial literacy, monetary inclusion, and financial control give an explanation for worker overall performance by way of 10.2% (0.102 x 100%). Meanwhile, 89.8% (100% - 10.2%) of financial performance is defined with the aid of variables other than economic literacy, economic inclusion and financial management.

Discussion

The results of research concerning the effect of financial literacy, economic inclusion, and monetary control on the financial overall performance of MSMEs in Semarang City might be in addition analyzed via the following dialogue.

The Effect of Financial Literacy on Financial Performance

The speculation test proven proves that economic literacy has no effect on economic performance with a superb t-take a look at end result of 1.733 which is less than the t-table of 1.966 and the sig. Of 0.084 that is extra than the significance of zero.05. Based at the results of research conducted that financial literacy has no impact at the financial overall performance of MSMEs in Semarang City. This indicates that financial literacy is much less attractive to MSMEs in Semarang City. Understanding of simple financial understanding to manage and use monetary offerings/products well and effectively is owned via maximum MSMEs. Ownership of huge belongings and capital is felt to assist make decisions in enterprise. Big earnings additionally make MSME actors always spend on device and tools for their commercial enterprise and personal wishes. Not only that, the current knowledge of commercial enterprise that is being carried out by means of MSME gamers is knowledge passed down from their parents. According to researchers, economic literacy is much less appealing on this observe because economic literacy is considered difficult to

research and troublesome so that its application isn't always most efficient and in accordance with existing expertise. The outcomes of this examine are not in accordance with the consequences of research via Iramani et al (2018), Wahyono et al (2019), Dermawan (2019), Hidayatulloh (2020), Hendrawaty et al (2020), Octavina et al (2021), Romain et al (2021), and Lubis et al (2022) which states that monetary literacy impacts economic performance.

The Effect of Financial Inclusion on Financial Performance

The speculation take a look at proves that economic inclusion has no effect on economic overall performance with a t-check end result of zero.082 that's less than the t-table quantity of one.966 and the sig. Of zero.935 that's more than the significance of 0.05. Based at the results of research performed that economic inclusion has no effect on the economic overall performance of MSMEs in Semarang City. This suggests that monetary inclusion is much less appealing to MSMEs in Semarang City. MSME actors who use monetary services or products both on-line and offline/conventional have felt the advantages of their business. Then the best effect is likewise felt by users of economic services or products on operating earnings. The affordability of monetary services or products and their assisting infrastructure has been felt by way of MSME actors. The consequences of this have a look at are not in accordance with the results of Dermawan's studies (2019) and Hidayatulloh (2020) which state that financial inclusion has an impact on financial performance.

Effect of Financial Management on Financial Performance

The speculation test proves that monetary inclusion has no impact on monetary performance with a t-check result of five.940 which is more than the t-table range of 1.966 and a sig. Of 0.000 that is less than the importance of zero.05. The results acquired imply that the increasing monetary management may be in a straight line with the growing monetary performance. Financial management is described as control abilities associated with the efficient allocation of funding funds or property. In this case, economic control can be interpreted because the manner of managing monetary sources and starting from the planning technique to the cease that is processed efficaciously and effectively a good way to attain a goal (Romain et al, 2021). Based at the outcomes of research carried out that financial control has an influence on the monetary performance of MSMEs in Semarang City. MSME actors use resources of commercial enterprise funds from credit score to begin organizations so as to shop for commercial enterprise system and materials. Recording and calculating income at the side of daily income profits have additionally been achieved with the aid of MSME actors. Not simplest that, MSMEs can complete month-to-month sales tax bills and annual tax reports. The effects of this have a look at are in accordance with the consequences of Dermawan's research (2019) and Romain et al (2021) which state that monetary control has an effect on financial overall performance.

CONCLUSION

Based on the consequences of the studies that has been finished, some conclusions that can be drawn are as follows, the speculation take a look at proven proves that financial literacy has no effect on monetary overall performance with a high quality t-check result of one.733 which is much less than the t-desk of 1.966 and the sig. Of zero.084 which is more than the significance of zero.05. Based at the results of research carried out that monetary literacy has no effect on the monetary overall performance of MSMEs in Semarang City. The hypothesis test proves that monetary inclusion has no impact on financial overall performance with a t-test result of 0.082 which is much less than the t-desk wide variety of one.966 and the sig. Of zero.935 that's more than the significance of zero.05. Based on the results of research conducted that financial inclusion has no effect on the financial overall performance of MSMEs in Semarang City. And, the speculation check proves that financial inclusion has no effect on monetary performance with a t-take a look at end result of five.940 which is greater than the t-desk number of 1.966 and a sig. Of 0.000 that is much less than the significance

of zero.05. The results acquired indicate that the growing monetary control can be in a directly line with the growing monetary performance. This research was conducted to test influence of financial inclusion and literacy financial performance and sustainability of micro and small businesses middle school in Semarang City. This research concludes that financial inclusion has no effect on the performance and sustainability of MSMEs in the City Semarang. While financial literacy has an influence on performance and sustainability of SMEs in the city of Surabaya. This research still has limitations in each process. Suggestion as well as input that can be given to The next research is expanding object of research both from the size scale as well as the research area so that the total the sample will be larger and possible reduced number of indicator removals in testing.

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