



# Financial Literacy as a Supporting Factor for Sustainability MSMEs in Samarinda City

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**Abstract.** Superior performance and sustainable business can be realized if strategic efforts are made. Samarinda is the capital city of East Kalimantan province with a large number of MSMEs that have great opportunities in the national economy. The contribution of the MSME sector is 17.09% of Samarinda's total GRDP. This study was conducted using systematic review data by analyzing research results obtained from Google Scholar indexed nationally and internationally, the last five years which aims to answer research questions by summarizing various research results. The ten articles obtained results and discussion that a business will progress if its financial conditions are able to run well, maintain good financial conditions. The provision of education helps MSME actors in terms of sharing knowledge, increasing knowledge, and providing an understanding that is not yet known is the weakness of MSME. With the effort to provide education, it is hoped that it can improve the financial literacy of MSME actors to be even better. The results of this literature review are expected to help MSMEs to maintain a financial attitude in managing their business and be able to create competitive advantage, the right competitive strategy to support business sustainability.

**Keywords:** Financial Literacy · Sustainability · MSME · Competitiveness · Competitive Strategy

## 1 Introduction

Micro, Small and Medium Enterprises (MSMEs) have a strategic contribution to national economic development. Apart from playing a role in economic growth and employment, MSMEs play a role in distributing the results of development. Small and Medium Enterprises (SMEs) are the most important thing in a country's economy, including in Indonesia. The number of Indonesian MSME business actors in 2014 was among the largest among other countries. The development of MSMEs in Indonesia has increased in 2015–2017 the number of MSMEs. in Indonesia will keep on developing Data from the Ministry of Cooperatives and Small and Medium Enterprises in 2014, there were around 57.8 million SMEs in Indonesia. In 2017 and in the next few years, it is estimated that the number of MSME actors will continue to grow. The development of MSMEs has recorded more than 65 million MSMEs spread throughout Indonesia. In 2016, there were 61.7 million MSMEs in Indonesia with the number proceeding to increment until 2021, the quantity of MSMEs will arrive at 64.2 million.

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M. I. Ferdiansyah et al. (Eds.): ICAME 2022, AEBMR 239, pp. 487–502, 2023.

[https://doi.org/10.2991/978-94-6463-146-3\\_47](https://doi.org/10.2991/978-94-6463-146-3_47)

Sustained growth in increasing the competitiveness of SMEs will provide investment opportunities and employment (Patrick McNamee, 2012: 110). The impact of globalization on small and medium enterprises has received more attention than any other type of business in the international community because SMEs make a significant contribution to the economies of both developing countries. (Sefer Sener, 2014:22). The ability to play a role in big business is a manifestation of the competitive advantage of an SME. Competitive advantage is the ability to overcome existing challenges and take advantage of emerging business opportunities, including opportunities for greater self-development. SMEs increase their competitive advantage by jointly seeking new sources of knowledge and technology.

MSMEs are the most important pillar in the Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently reaches 64.2 million with a contribution to GDP of 61.07% or IDR 8,573.89 trillion. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total workforce and can collect up to 60.4% of the total investment. However, the high number of MSMEs in Indonesia cannot be separated from the existing challenges. To answer these challenges, the Government has implemented a number of MSME support programs including incentive assistance and financing through the PEN program, People's Business Credit, the Indonesian National Development Movement (Gernas BBI), Digitalization of MSME marketing, Strengthening entrepreneurship for alumni of the Pre-Employment Program through KUR financing, and includes a long-term strategy to elevate the MSME class through the Job Creation Law. (Coordinating Minister for the Economy Airlangga Hartarto in a press release, Jakarta 5 May 2021).

MSMEs in Samarinda have a significant role and contribution to the economy and employment opportunities because of their relatively fast growth. The large number of SMEs in Samarinda reflects that Samarinda's economy has experienced a significant increase. The continuity of the Samarinda MSME business has an impact on available employment in the wholesale and retail trade sector which ranks second after the construction sector. As one of the components in the regional industry, the important role of MSMEs in Samarinda includes opening employment opportunities, equitable development outcomes and being able to overcome poverty. Statistical data shows that MSMEs contribute 17.09% of the total PDRB of Samarinda City. This reinforces the statement that the role of MSMEs is quite high for equity in Samarinda City [1].

The existence of MSMEs whose achievements are increasingly developing, has problems and obstacles that must be considered again, including from MSME actors regarding how to manage financial reports [2].

*Financial behavior* or financial management behavior is important in financial science, if you can't do it well it will eventually close the business you started, therefore financial management behavior is very important for MSME actors. Resource utilization, allocation, acquisition and determination are financial management behaviors. Mien and Thao describe monetary navigation, harmonization of individual intentions and corporate objectives as monetary administration conduct [3]. However, there is also a reason why MSME actors ignore the importance of financial behavior because of the lack of financial literacy for MSME actors and the educational background of MSME actors

can influence knowledge about the importance of financial management behavior for individuals.

*Financial literacy* is a basic factor in making financial decisions. Financial literacy is a decision-making technique in terms of financial management behavior such as making a budget, choosing to invest, choosing an insurance plan, and using credit. To have financial knowledge, it is necessary to develop financial skills and mastery of financial tools [4] survey conducted by [2] many MSMEs feel that their business is running well, but in reality the MSMEs that are managed are not experiencing development. MSME actors cannot show profits in the form of numbers, but only mention tangible assets such as houses, land or vehicles.

To be able to synergize with financial and business literacy that is managed and survive in the market, MSME actors can apply strategic management knowledge to compete with other competitors in the market. Corporate strategy formulation can achieve when their competitive advantage seeks to improve or maintain performance through independent action within a particular market or industry. An effective competitive strategy, an organization can find industry opportunities and learn to understand customer desires (Pearie John, 2008:47). To be able to survive in the era of globalization, companies are required to be able to compete with competitors, and require management to be able to compile or make a strategic plan in dealing with changes that will occur.

Michael E. Porter (competitive advantage) said that to achieve competitive advantage, the right competitive strategy is required. Cutthroat technique is a work to track down a beneficial serious situation in an industry. Competitive strategy aims to build a profitable and strong position against the forces that determine competition in the industry. The goal of competitor analysis is to develop a profile of the nature and success of the possible strategic changes each competitor can make. Porter's description of the "Five Forces" or "Five Forces" shapes the structure of all industries and largely sets the rules of competition and serves to increase corporate profits. The five forces are threats posed by competitive rivalry,

Five main competitive forces according to Porter on the state of competition in an industry. Porter's five forces framework is a powerful tool to use when in the hands of a skilled manager or analyst. The model presented here has been developed according to the needs and developments of the times. So far, the use of Porter's theory provides better strategic understanding and insight (Porter, 2000: 85).

The company's strengths and weaknesses in business competition need to be identified by the company itself. This will greatly assist the company in recognizing itself, and being able to take advantage of every opportunity or threat that exists, to avoid or minimize threats. Developing a competitive strategy can be realized when the company can find a balance between the company's internal strengths and external strengths. The development of a competitive strategy can be realized when a company can see internal and external conditions objectively, so that anticipating environmental changes is very important to gain competitive advantage and have products that are in line with consumer desires, with optimal support from the resources they have.

Porter's five forces model as a basis, to create competitive advantage for companies by understanding the necessary actions such as implementation, other processes, and techniques that can contribute to the organization. By using this process, an organization

has guidelines in taking the necessary strategic steps to achieve a comprehensive strategy in order to create a competitive advantage, and can synergize with an understanding of good financial literacy for MSME actors.

## 2 Theory and Hypothesis Development

### 2.1 Resource Based View Theory (RBV)

The main idea in RBV theory states that a company can achieve sustainable performance advantage and competitive advantage if it obtains valuable resources, has valuable capabilities that have no substance and cannot be imitated, and companies must have the ability to absorb and apply them [6]. Good resources, can be tangible or intangible in the Asset Based View Hypothesis proposes that an organization or association can support an organization or association to foster systems to accomplish upper hand (Sari, 2020).

### 2.2 Theory of Planned Behavior (TPB)

The hypothesis of arranged conduct (TPB) in its application has been generally used to comprehend how people act and how to connect. TPB is a sub-section of social psychological hypothesis that predicts human way of behaving and gives the fundamental motivations to the social dynamic cycle which is the consequence of a thinking interaction that is impacted by perspectives, standards and conduct control [7]. Sommer (2011) suggests that human way of behaving can be brought about by different reasons/potential outcomes, this implies that one's convictions about the results of mentalities/conduct, and convictions about others' assumptions are factors that can restrain individual way of behaving. This theory explains that individual background such as gender, age, experience are factors that can inhibit financial behavior.

This theory is related to financial behavior which is widely discussed today. Many people who tend to be petty and identical quickly act according to their impulses so that often individuals with sufficient income still experience financial problems due to a lack of understanding of financial behavior. Individuals who are good, have good financial behavior, and have the ability to manage (plan, manage, control, and save) finances in everyday life.

### 2.3 Financial Literacy

*Financial literacy* as several definitions. Financial literacy is a must for individuals to avoid financial problems because individuals are often faced with a trade off, namely a situation where a person has to sacrifice one interest for the benefit of another. The trade off problem occurs because a person is limited by his financial ability (income) to obtain all the goods he wants. Monetary education has viewpoints connected with arranging and burning through cash, for example, pay, utilization of visas, reserve funds, ventures, monetary administration and the most common way of settling on monetary choices, which are essential for monetary way of behaving.

Financial literacy is knowledge possessed by individuals related to the viewpoint of financial instruments, including individual knowledge about savings, insurance, investments and other financial instruments [7]. Monetary education can be deciphered as monetary information, which aims to achieve individual welfare in financial behavior so that individuals can become more responsible in financial management in order to minimize financial problems. Referring to the various definitions above, it very well may be reasoned that monetary education is a singular capacity connected with general monetary information moved by people. This monetary information incorporates reserve funds, speculations, obligation, protection and other monetary instruments.

Indicators for measuring financial literacy [8] include: income management, financial management, investments, loans or credit, and savings management.

## 2.4 UMKM Sustainability

The success of a business in carrying out an innovation, realizing the welfare of employees and customers, and generating a return on business equity is the business continuity of an MSME. This will show how companies have opportunities to develop and be able to innovate in a sustainable manner (Mel Hudson, Andi Smart, 2001). The indicators used to measure the success of MSMEs include: monetary development, key development, primary development, and hierarchical development (Wickham, 2006).

Two different meanings related to competitive advantage even though the two are related to one another [9]. The first understanding of competitive advantage is based on resources. The resources owned by employees are often associated with expertise and abilities in terms of production processes, idea development, and marketing which are used as a strategy to make the company superior to other companies. The second competitive advantage is that the company achieves better performance than other competing companies. From these two definitions it can be concluded that in order to maintain business continuity, companies really need a competitive advantage in terms of employee skills and capabilities. An understanding of financial literacy knowledge is very much needed and important, especially for an MSME. A good understanding makes an entrepreneur understand the meaning of value for money which will provide benefits for now and will have a big impact on the future and progress of the company. Therefore, it is necessary to have a financial literacy strategy for MSMEs so that they can be sustainable. For this reason, MSMEs must continue to explore their potential and expand their knowledge, understanding and financial insights in the hope that MSMEs are able to manage their finances like large companies whose financial reports can be accounted for [10]. There is a need for a financial literacy strategy for MSMEs to be sustainable. For this reason, MSMEs must continue to explore their potential and expand their knowledge, understanding and financial insights in the hope that MSMEs are able to manage their finances like large companies whose financial reports can be accounted for [10].

Financial literacy is an individual skill capable of managing finances (Al Kholilah & Iramani, 2013). Careful financial management and decision-making can result if one has financial literacy so that good performance and business continuity can be achieved. Monetary proficiency affects the manageability of a business [11].

The progress of MSMEs is affected by a few variables including: individual background, business characteristics, and contextual variables [13]. Success or sustainability of small industrial businesses is influenced by various factors. Factors that influence business continuity include: 1. Developing existing business opportunities for business success and progress 2. Clear division of tasks and responsibilities to employees 3. Workers carry out their duties and responsibilities properly 4. Business actors routinely carry out financial records 5. Business actors have a business plan 6. Carry out promotions to increase sales 7. Have an official business license 8. Record the issuance of raw materials and expenses related to business needs.

### 3 Methodology

Data collection uses a systematic review by analyzing research manuscripts obtained from Google Scholar which are indexed nationally and internationally in the last five years which aim to answer research questions by summarizing various research results (Siswanto, 2012). The steps in a systematic review are as follows: formulate research questions, conduct a literature search, select articles, analyze quantitative findings. Some analysis of the title of the article:

1. Financial Literacy Strategy as a Supporting Factor for the Sustainability of Micro, Small and Medium Enterprises [14].
2. Financial Literacy, Financial Attitude and Financial Behavior and MSME Performance [15].
3. Micro Business Development Strategy in Samarinda City (Fajar Febrian Putranto, Zhikry Fitriani, Bramantyo Adi Nugroho, Eka Nor Santi, Noor Wahyuningsih, Puput Wahyu Budiman, Adi Hendro Purnom; 2019).
4. The Effect of Financial Literacy on Business Sustainability in MSMEs in Jatisari Village [16].
5. The Meaning of Financial Literacy in the Sustainability of Balinese Women's Home Industry Business [17].
6. Financial Literacy Study for Small and Medium Enterprise Managers in the Gerbangkertasusila Area (Cynthia Nur Fitriana Ichwan; 2018)
7. Financial Literacy and Growth of Micro, Small and Medium Enterprises in West Java, Indonesia [18].
8. The Role of Government, Financial Literacy, and Inclusion on the Financial Performance of MSMEs in Malang City [19].
9. The Effect of Financial Literacy and Education Level on the Profitability of Micro and Small Enterprises in Indonesia (Hanifil Fiqri, Ramel Yanuarta RE; 2022)
10. Financial Literacy in Relation to MSME Sustainability and Community Welfare in Gianyar Regency [20].

## 4 Result and Discussion

### 4.1 Results of the First Literature Discussion [14]

Financial literacy which is a strategy to support MSMEs is financial behavior (financial behavior), financial socialization, and bookkeeping systems. Financial behavior as a

form of responsibility and policy in matters related to business financial management [4]. Being able to manage finances well, regulate the use of business assets, manage the budget is a form of financial behavior responsibility [21] and is more effective in using money in terms of making money and controlling money spending, managing investments, and paying off payments. costs that occur on time [22].

Financial literacy which is a strategy to support business continuity, the second is financial socialization. Financial socialization leads to a process in which individuals not only gain theoretical knowledge about financial issues but from socialization they also learn to behave and behave which will later affect their financial literacy (Rashid and Khan, 2020). Financial socialization is the main contributor to the provision and means of financial information to understand financial literacy [23]. The more often financial socialization is held by competent parties and the socialization activities are attended by MSME actors, the motivation for MSME actors will grow to increase knowledge in managing business finances.

The third monetary proficiency methodology to help business congruity is the accounting framework. Business progress and development can be seen and known from the bookkeeping system. In addition, a proper, clear and accurate bookkeeping system can provide 201m that culinary SMEs can make strategic decisions to be superior and faster in terms of business development and progress so that SMEs can continue their business.

## 4.2 Second literature [15]

The MSME Monetary Proficiency Level is at a moderate level or affects business execution. The results of this study are relevant to research conducted by Eke et al. (2013). According to Eke et al. (2013), that his research is not relevant to the research of Kotzè and Smit (2008) because the research conducted by Eke et al. (2013) did not distinguish between SMEs who are owners. Even if the owner understands finance (financial literacy), SMEs can hire financially literate people to help manage their business. Therefore, the conclusion is that MSME owners should not be harmed even if they are financially blind, as long as other people who are monetarily educated can assist with pursuing business choices in the monetary area as per Kotze and Smit (2008), Individuals with financial management knowledge can reduce the effects and consequences of financial mismanagement. The results of this study provide information that knowledge about the time value of money is still relatively low, which means that MSMEs do not understand knowledge about the time value of money so that the money they earn is not invested so that the existing capital in MSMEs does not develop.

Understanding of calculating loan interest per year is still relatively low. This means that understanding the calculation of interest on loans borrowed by MSMEs is not given enough attention. This can result in MSMEs getting bad credit, if MSMEs do not correctly understand the calculation of loan interest. This research is supported by research conducted by Djuwita et al. (2018). Djuwita et al. (2018) in his exploration shows that monetary education meaningfully affects business advancement. According to Djuwita et al. (2018), one of the things that drives the progress and development of MSMEs is the ability to access credit from banks, so that problems with capital difficulties can be resolved, and turnover can increase.

Monetary demeanor decidedly affects the exhibition of MSME entertainers in Palembang, meaning that the better the financial attitude, the better business performance. Financial attitudes measured in this study include statements that having a budget is an important strategy in finance, it is important to think about or plan finances, maintain important financial records for finances, it is important to make long-term investments, predict financial difficulties, carry out financial planning is the best way to improve business in the future. The results of this study are in line with research conducted by Esiebugie et al. (2018) shows the results that financial attitudes affect the performance of SMEs. The results of this study conclude that most SME owners are future-oriented, namely by setting good financial targets in the future. This finding also shows that future orientation can drive decision making and affect business performance. In addition, research conducted by [24] also showed the same results to support the results of this study. Hafifah's literature (2019), states that in reality if you have a good financial attitude, it will be easier for individuals to run their business.

### 4.3 Third Literature Discussion

(Fajar Febrian Putranto, Zhikry Fitriani, Bramantyo Adi Nugroho, Eka Nor Santi, Noor Wahyuningsih, Puput Wahyu Budiman, Adi Hendro Purnomo; 2019). The aftereffects of the 2016 financial evaluation show that Samarinda has the biggest number of specialty units in the territory of East Kalimantan, in particular 83,713 specialty units, 96% of which are miniature and private ventures. The advancement of little and medium ventures in different districts including Samarinda is indivisible from different issues like impediments regarding capital, restricted creation capacities, hardships in advertising the board and restricted HR.

This examination was directed to foster an elective procedure for strategy producers in fostering the miniature business area in Samarinda to help the Samarinda regional taxpayer supported initiative through local area financial strengthening. System detailing is completed utilizing Qualities, Shortcomings, Open doors and Dangers (SWOT) investigation, trailed by the readiness of a Quantitative Procedures Arranging Grid (QSPM) to decide the most need grouping of techniques to be carried out.

The examination results show that the system that possesses the main goal in creating miniature undertakings in Samarinda is advancing miniature venture items in an arranged and supportable way. Second, promoting miniature business items through nearby and public online business. Third, lay out an innovation based business hatchery. Fourth, urge the confidential area to assume a functioning part in enabling miniature ventures. The fifth key need is reinforcing provincial guidelines for the utilization of nearby miniature business items and spatial making arrangements for miniature business communities.

### 4.4 Results of the Fourth Literature Discussion

[16] financial literacy has an effect on business sustainability, research results support previous research [25] which states that financial literacy will support complex financial decision-making processes, and to maintain business continuity through an understanding of good financial literacy. The results of this study also support research conducted by [10].



Monetary education claimed by business entertainers is a significant perspective in overseeing funds, as per [26] making sense of that monetary proficiency is significant, from a few things people who have fundamental monetary information, people will actually want to get past the troublesome funds. Monetary troubles can emerge on the off chance that a mistake happens in monetary administration, for example, credit misuse, absence of monetary preparation, the significance of monetary information will help people in overseeing individual monetary preparation, which thus can boost the time worth of cash in speculation and can give benefits. what's more, work on their way of life.

The findings in this study indicate that the role of financial knowledge has not been maximized, especially supported by the education level of Jatisari MSME business actors, who are on average junior high and high school, so that financial knowledge is only owned by MSME actors, which is still small or still limited. The difficulties experienced by MSME actors, especially in managing finances, are due to a lack of understanding of financial knowledge and this has an impact on income and welfare that is less than optimal, the conditions faced by MSMEs Jatisari are in accordance with the research of Krishna, et al., (2010).

The characteristics of MSMEs in Jatisari are unique because they prioritize cooperation between business actors (cooperatives) rather than competition, so that this effort is truly maintained in maintaining business continuity, this is also in line with research by Kumar et al. (2012), there is knowledge sharing, and intra-SMEs cooperation is used as an effort to increase capacity and is still attached to the desire to complement each other and help the difficulties faced by business actors.

#### **4.5 Fifth Literature Discussion**

[17] The results of the study reveal that financial literacy is information and knowledge that forms the basis for financial management in an effort to increase business activities so that they can survive and develop in various market segments. The hypothetical ramifications is that monetary proficiency plays a significant part in monetary administration, expanding the utilization of monetary items and administrations for money dispersion in the economy. For all intents and purposes, this examination can be utilized as material for thought for entrepreneurs to enhance their insight and monetary data as a reason for further developing business progression so they have intensity with the goal that they can add to financial turn of events.

Financial knowledge will also have a lasting impact in the form of the use of financial products and services, which can then increase profits and encourage the development of innovation and creation in starting a business. This finding is in line with Soetiono and Setiawan (2018) regarding the definition of financial institution services. This can make a person more capable and wiser in utilizing the assets used so that they can provide more benefits in supporting their finances better now and in the future. Knowledge of finance in the industry will be properly planned and managed. Household business actors will also know the results or profits obtained and can plan future finances for their business.

This is in line with (Financial Services Authority (2017) that financial literacy has become a necessity for every individual to be able to plan and manage finances well to achieve prosperity. Having a good understanding of financial literacy can avoid things

that are detrimental to business, so that business actors can achieve its business goals. Knowledge possessed about good financial literacy by business owners will be able to survive with changes in business activities.

#### **4.6 Results of the Sixth Literature Discussion**

(Cynthia Nur Fitriana Ichwan; 2018) The outcomes showed that the degree of monetary proficiency in view of orientation significantly affected the degree of monetary education. These results indicate that both men and women have the same level of financial ability and knowledge. This can be caused by increasingly competitive competition, so that both men and women, a business person must be able to maintain his business. Another reason is that technological advances are quite rapid, providing very complete information related to economics and finance, especially financial management, so that everyone can get the same knowledge.

Financial literacy level based on length of business, UKM managers in the Gerbangkertasusila area. This proves that the length of business has no effect on the level of financial literacy. The outcomes got in this study demonstrate that the age of a business affects the degree of monetary education. Because of the shortfall of contrasts in the degree of monetary proficiency between long periods of business, there are numerous respondents who have a business time of over 10 years. At this age managers think they can survive long enough without adding to or changing their management systems. This mindset will make an SME manager maintain the system without wanting to add knowledge related to financial management, while those who are younger apply the system more carefully.

The level of financial literacy is based on the age of UKM managers in the Gerbangkertasusila area. This proves that age does not affect the level of financial literacy.

These results indicate that young and old people have the same ability and financial knowledge. Individuals who are older are not necessarily able to manage finances well, and vice versa. Factors from within the individual itself can encourage someone to want to learn more about something. A person's curiosity cannot be judged through age but in an effort to acquire the various knowledge needed.

#### **4.7 Seventh Article Findings**

[18] found that the average financial literacy of MSME owners or managers in West Java was above the average with a score of 5. This shows that from a behavioral aspect, MSME owners or managers in analyzing their financial performance on a regular basis, can make payments to creditors, and purchase insurance products. From an attitudinal perspective, individuals are aware of lending operations in relation to individual financial needs and the costs and benefits of accessing credit. From a skill point of view, individuals are able to calculate loan interest rates and know the company's financial trends, whereas from a knowledge point of view, individuals have basic accounting knowledge, prepare financial budgets and understand that individuals can minimize losses by minimizing bad debts.

Admittance to MSME Money shows that for every sign of the government assistance perspective, bank monetary administrations empower organizations to meet their monetary necessities and can work on the organization's monetary condition. Seen from the part of value, the reserve funds and credit items given by the bank are as per the requirements of the organization. According to a use point of view, the agreements for credits given by banks can give advantages to the organization, in light of the consequences of the availability perspective, the expense of opening an underlying financial balance is reasonable.

The results of the MSME growth analysis show that the owner or manager has a relatively positive assessment of the company's growth. From the aspect of sales growth, the owner or manager assesses that the company's sales have increased from year to year, and the addition of the number of employees is being considered. The proprietor or supervisor likewise evaluates that there is an expansion in the organization's resources from one year to another, and extra resources are being viewed as founded on the viewpoint of resource development perspectives.

#### **4.8 Findings of the Eighth Article**

[19] The consequences of the examination show that the most noteworthy typical respondent solutions to the poll are giving neighborhood charge help and giving capital through low-interest credits. Respondents are more disposed to offer rotating capital that can expand the development limit of MSMEs. That's what the following respondent's response is assuming MSME business people get preparing and help from the Cooperatives and MSME Office of the Regional Administration of Malang, it will have more effect on their capacity to work on their monetary execution.

Fundamental information on monetary administration with pointers utilizing a straightforward day to day cash book, keeping diaries and records, as well as finance records (paying wages or installments to others) is the answer of respondents with the highest average. Which is followed by answers about credit management. Furthermore, the respondents' answers related to the administration of reserve funds and ventures. Respondents addressed that MSME business people understanding monetary education would help the MSME monetary administration framework. Utilizing an everyday money book can assist MSMEs with having legitimate records connected with operational expense and straightforward notes to record finance and wages. Recording deals joined by selling costs will help MSME business visionaries to comprehend the pay got from their deals.

This concentrate likewise demonstrates that monetary incorporation is a semi directing variable that can fortify the impact of the public authority's job and monetary education on the monetary execution of MSMEs. The aftereffects of the semi variable examination show that monetary consideration assumes a significant part in keeping up with and propelling the MSME business. The consequences of this study give a hypothetical commitment which alludes to job hypothesis and RBV hypothesis (asset based view). Viable advantages are extremely valuable for MSME business visionaries to further develop MSME monetary execution. This arrangement helps the Regional Administration of Malang and closely involved individuals to create and handle MSME help,

particularly the Service of Cooperatives and MSME in arranging MSME advancement and help programs in Indonesia.

#### 4.9 Ninth Article Findings

(Hanifil Fiqri., Ramel Yanuarta RE; 2022) shows that business owner savings account ownership has a positive effect on MSE profits in Indonesia at all business scales, higher than business owners who do not have a savings account. Furthermore, to find out which official financial institutions provide loans, the impact felt will be smaller as the business scale grows. In other words, knowledge of the official lender's financial institution which has a positive effect on the profits of MSEs in Indonesia at all business scales is higher than business owners who do not know the official lender's financial institution. As for the level of education (educating), the owner of the UMK has a significant effect on the logarithm value of the UMK profits (lnrev) only in the upper middle quantile, the impact felt is greater the larger the scale of business. This shows that the education level of the business owner has a positive effect on the profits of MSEs in Indonesia only for middle and upper class businesses, with the impact being felt from a larger scale of business being felt.

The theory of savings account ownership is in line with the theory of financial literacy because savings account ownership is a component of financial literacy. This theory supports the results of research with financial literacy being able to make the right financial decisions so that it is expected to improve company performance. The results of [27] state that financial literacy has a positive effect on the ability to make financial decisions and welfare, as well as company performance. The theory of knowledge of formal financial institutions in providing loans is in line with the theory of financial literacy, because knowledge of formal financial institutions that can provide loans is a component of financial literacy.

The hypothesis of human resources is worried about how the points of view of individuals in an association add as far as anyone is concerned, abilities and capacities to improve authoritative capacities (Taylor and Armstrong, 2014). One of its capacities is the way MSE entertainers are at the instructive level for the headway of their business. The discoveries of this study are pertinent to investigate directed by McPherson (1996); Simanjuntak (2001); and Saraswati (2008) which expresses that the degree of instruction emphatically affects the benefits of MSE business visionaries, and that implies that the higher the training level of MSE proprietors, the higher the exhibition will be gotten.

#### 4.10 The Findings of the Tenth Article

[20] If a business actor has an adequate level of financial literacy, he tends to be more careful in running his business and tries to maximize his business performance better, especially regarding matters matters related to finance. Business management tends to be easier for business actors who have good financial literacy skills.

If business actors in the MSME area have a satisfactory degree of monetary proficiency, then, at that point, monetary administration and business choices will generally foster in a superior course [10].

The higher the level of financial literacy owned by business actors, the better their ability to manage the business with the right business decisions so as to realize business continuity. Business managers with adequate financial knowledge can enable their companies to survive in crisis situations and tend to be long-term sustainable. [10] found the same thing in his research that there is an influence between financial literacy on business continuity. The ability to improve business continuity can also increase if financial literacy is also adequate.

Financial literacy can play a role in helping families achieve their financial goals. Based on their financial literacy, families can improve their welfare at the same time. Prosperous family life can be realized with a high level of financial literacy as the main support (Akmal and Saputra, 2016). Cognitive development and knowledge possessed by a person is closely related to the welfare and enjoyment obtained in human life (Balters, 1987). This statement is in accordance with the theory of life span development. Cognitive or knowledge has an important role in shaping welfare. Someone tends to have better welfare if it is supported by a better literacy level. Conversely, someone with a poor level of financial literacy,

Every individual can make financial literacy a life skill so that they can plan, organize and manage their finances well for the sake of prosperity. Because of the importance of financial literacy, it is hoped that every MSME actor will participate in increasing their capacity and insight related to financial literacy. Financial literacy skills will be useful in financial management activities carried out by MSME actors so as to help realize business continuity and community welfare.

Often MSME actors cannot separate personal finance and business finance. There are relatively many MSMEs who have not been able to manage business finances properly and in a structured manner. If this continues to be done by MSME actors, then financial management may encounter obstacles that impact on the sustainability of their business. Separation of business finance and personal finance is an important thing that must be done by MSME actors so that business improvements from a financial perspective can be seen clearly and with certainty.

The financial literacy of MSME actors can be increased through the edu finance program which includes training covering planning, implementation and follow-up. Fundamental problems that must be addressed immediately are problems regarding financial planning, financial management, and financial recording and reporting systems. Based on this, it would be wiser to make adjustments in advance to the needs of MSME actors in designing a financial literacy training model.

## 5 Conclusion

The aftereffects of the examination and conversation of the ten articles utilized as writing surveys, it very well may be reasoned that monetary way of behaving, monetary socialization, and day to day accounting frameworks are monetary proficiency techniques as supporting variables for SME supportability.

Finance is an important point of view in starting a business, including MSMEs. A business will progress if the financial conditions are able to run well. Maintaining good financial conditions, every party in MSMEs must understand financial literacy, especially in managing business finances, as well as knowledge about savings and loans.

Based on the education they have about finance, both financial services and financial strategies, an MSME will be able to make decisions about company finances, find good financial management strategies so that the business's financial condition gets better.

Giving training can likewise assist MSMEs with expanding information and understanding that isn't commonly known, and is a shortcoming of MSMEs. With this work to give instruction, it is trusted that it can work on the monetary education of MSME entertainers to be far superior. The consequences of this writing survey are likewise expected to assist MSMEs with keeping a monetary mentality in dealing with their business and to have the option to make upper hand, the right cutthroat system for business maintainability.

Financial literacy is a life skill that every individual can plan, organize and manage finances well for the sake of prosperity. Because of the importance of financial literacy, it is hoped that every MSME actor will participate in increasing their capacity and insight regarding financial literacy. Financial literacy skills will be useful in financial management activities carried out by MSME actors so as to help realize business continuity and community welfare.

Advice that can be conveyed to MSME actors is to increase their understanding of financial literacy more broadly and thoroughly as material for choosing various forms of financial products offered by various parties so that later in providing the right choice of financial products and providing financial benefits for business continuity so that it continues to grow and have higher competitiveness. Apart from that, the job of the public authority is desperately required through the Workplace of Cooperatives and Industry, namely to provide intensive training, mentoring processes for SMEs who are new to entrepreneurship.

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