Literature Study: Financial Literacy Encourages the Sustainability of MSMEs? The Perspective of Knowledge Based View (KBV)

Sarsiti
Accounting, Universitas Surakarta, Indonesia
E-mail: sitiunsa76@gmail.com

Received: August, 2024; Accepted: August, 2024; Published: November, 2024
Permalink/DOI:

Abstract

There is currently discussion about the contribution of knowledge-based resources to the sustainability of small and medium-sized Micro, Small, and Medium Enterprises (MSMEs). It has been determined that financial literacy is crucial as a source of information for making financial decisions. Nonetheless, the impact of MSMEs' financial literacy on their sustainability is not sufficiently addressed. From a knowledge-based standpoint, MSMEs can sustain their performance with the aid of knowledge resources including financial literacy and business experience. Positive findings from the study indicate that financial literacy affects MSMEs' success. The disparities in research findings can be attributed to both cultural differences and the absence of assessment standards for financial literacy. This is confirmed that the financial literacy of MSME owners is a key untapped organizational resource that can improve MSME performance (Growth) through sustainable competitive advantage.

Keywords: *Financial literacy, MSME performance, KBV*

INTRODUCTION

According to Agrei (2018), Arribas, I., and Vila (2007), MSMEs (small and medium-sized enterprises) significantly contribute to economic development through innovation, wealth distribution, job creation, and technological advancements as well as the decrease of poverty. Strong MSMEs are critical to an economy's health [Smallbone, D.; Welter, F.; Voytovich, A.; Egorov, 2010]. MSMEs also play a key role in the development of a stable economy and long-term, sustainable growth. MSMEs have the chance to flourish and become more competitive in emerging nations [Pietrobelli, C.; Rabellotti, R, 2011; Hosseini, S.; Fallon, G.; Weerakkody, V.; Sivarajah, U., 2019].

MSMEs in developing nations must be robust. MSMEs in developing nations are stagnating, despite the fact that these nations have not yet come to understand the advantages of having robust MSMEs. The sustainability of MSMEs is threatened by a number of characteristics of developing economies, including economic instability, unstable exchange rates, immature infrastructure, higher transaction costs, political unrest, wide inequality, and trade policy unilateralism [Oláh, J. et al, 2019; Wu, J.; Si, S., 2018]. Data from the Ministry of Cooperatives, Small and Medium Enterprises (Kementerian KUKM) indicates that by 2022, there will be 9.1 million MSMEs in Indonesia, or 99.99% of all business players in the country (Afina, S., 2023). Micro, Small, and Medium-Sized Enterprises (MSMEs) are crucial to Indonesia's economic development.

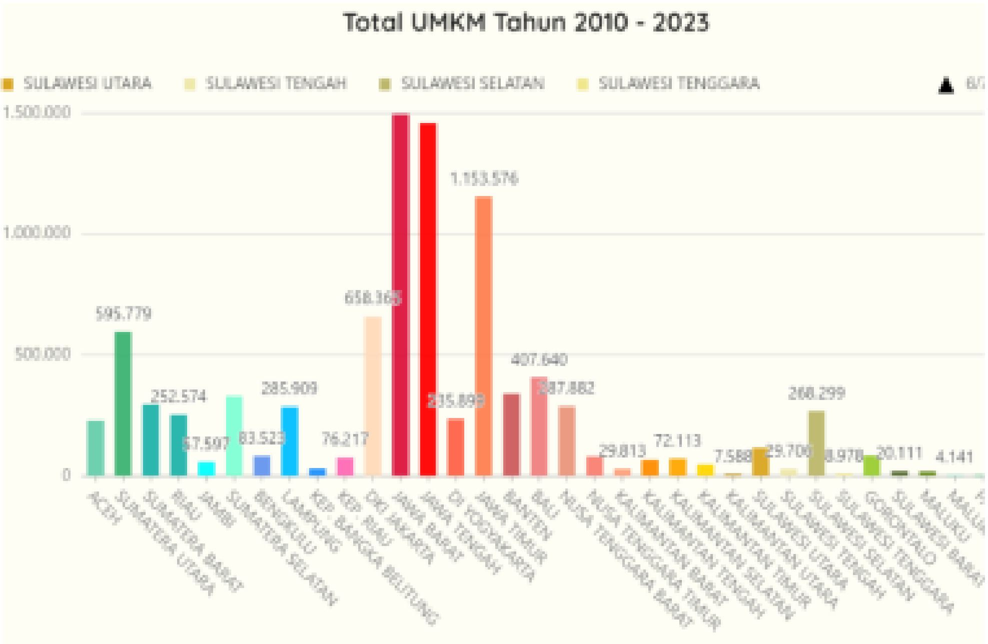

Figure 1
Source: Ministry of KSME, 2023

Micro, Small, and Medium-Sized Enterprises (MSMEs) are crucial to Indonesia's economic development. In addition to providing a different kind of employment, MSME jobs have been crucial in accelerating economic growth following the 1998 crisis (Ye et al., 2019) and the Covid-19 pandemic. MSMEs are leading the way and have a significant impact on the expansion of the Indonesian economy (Afina, S., 2023). Teixeira dan Ferreira (2018) state that MSMEs, or micro, small, and entrepreneurial enterprises, are crucial to the competitiveness of the region.According to Shemin et al. (2020), SMEs currently make up a significant portion of Indonesia's state and regional income. Due to significant government assistance to preserve future economic conditions and build the national economic structure, the quality of MSMEs' development in Indonesia has increased (Nurohman et al., 2021). Businesses, particularly MSMEs, can increase revenue and make profits by utilizing business sustainability. Sufficient capacities are necessary to do this, as MSMEs play a significant role in the local economy and need to be able to design and implement plans to stay in business. Aims to sustain and enhance MSMEs' performance, namely by leveraging their financial expertise to enable them to take management and accountability more seriously and on par with larger corporations (Utami et al., 2019).

MSMEs, namely with the financial knowledge of MSME players, so they can more consideration of management and accountability so that in line with large companies (Utami et al., 2019). MSMEs, or micro, small, and medium-sized enterprises, have a lot of potential to promote more just and equitable economic growth if they use financial services now or in the future (Alzoubi et al., 2020). Many people engage in their economic activities as a result of MSMEs' existence. According to Li et al. (2023), the contribution of MSMEs to Indonesia's GDP from the MSME sector is expected to increase by 5% over the short term. MSMEs may also be the primary drivers of economic development or movement in Indonesia. accelerating According to Nurseni (2020), the expansion of the business world is advantageous given the level of rivalry in the industry MSMEs help to revive the economy during a recession by creating new job possibilities (Department for Business, Innovation and Skills, 2013), Because MSMEs are more labor intensive (Cowling, 2003; Robbins et al., 2000); more flexible and resilient (Bednarzik, 2000; Binks and Jennings, 1986; Smallbone et al., 2012a, 2012b); and more, periods of imbalance create new opportunities for entrepreneurs (Parker et al., 2012; Schumpeter, 1942). The knowledge-based view, or KBV, has garnered more attention recently as a means of enhancing organizational performance. KBV offers tactics that businesses can use to get a competitive edge and boost output [Grant, R.M., 1996].

Collective and implicit knowledge, then, are both important. However, individual information is even more valuable since it comes from within the person, exists in their head, and is constantly being developed through learning. As an illustration The primary resource for enhancing organizational performance is implicit knowledge, which includes abilities like riding a bicycle, communicating, and handling business affairs [Spender, J.C., 1994]. KBV further highlights how crucial it is for a business to be able to combine employee and corporate expertise about its goods and services. Consequently, businesses possessing a wealth of knowledge-based resources are likely to outperform other businesses in terms of earnings. It is difficult to replicate or disseminate knowledge in society, making it a valuable resource [Barney, J., 1991, Nonaka, I.; Von Krogh, G.; Voelpel, S., 2006].

Knowledge-based resources for MSMEs and their role in enhancing the sustainability performance of MSMEs are not well studied, despite the fact that knowledge resources are crucial for MSMEs' sustainability. The majority of prior research has concentrated on elements like internationalization, supply chain management, and competitive advantage. Eniola, A. A.; Ektebang, H. (2014); Degong, M. et al. (2018); Lenny Koh, S.C. (2007)]. Ying et al.'s 2019 study looked at managers' intangible skills and how they affected MSMEs' sustainability. They came to the conclusion that these skills are crucial for managers dealing with unstable market situations. According to Hussain, J., et al.'s (2018) research on the impact of knowledge resources on MSME performance, MSMEs were able to sustain their performance with the support of knowledge resources including financial literacy and business experience.

This study, which offers a thorough examination of financial literacy and investigates financial literacy mechanisms that can enhance the sustainability of MSMEs, fills a gap in the literature by thoroughly analyzing the impact of knowledge resources, such as financial literacy, on the sustainability of MSMEs.
In this research, MSMEs' performance serves as a proxy for sustainability.The findings of a 2011 study by Lusardi, A. and Mitchell, O.S., indicated that financial literacy is critical for the global community and that it should not be taken for granted, even among those who live in nations with highly developed financial markets. According to a survey by OJK in 2022, the financial literacy index for Indonesians is 49.68 percent; this is higher than the percentages for the years 2013, 2016, and 2019, which were only 21.84 percent, 29.70 percent, and 38.03 percent, respectively (OJK, 2024). The Organization for Economic Cooperation and Development (OECD) awarded Indonesia a score of 66.5 on its 2020 Index Literacy Finance. According to Deni (2023), Indonesia ranks sixth globally with this score.

Table 1. Indonesian financial Literacy Data

DESCRIPTION	YEAR	
	2019	2022
Total index	38,03 %	49,68 %
Based on gender		
Male	39,94 %	49,05 %
Female	36,13 %	50,33 %
By Region		
City	41,14 %	50,52 %
Rural	34,53 %	48,43 %

Source: OJK, 2022

As previously mentioned, this study aims to investigate the effect that literacy and finance have in enhancing the performance of micro, small, and medium-sized enterprises (MSMEs) from a theoretical perspective.

METHOD

In order to find information related to the problem under study based on pertinent major theories and come to the conclusions required to address the research problem, this study employs the literature study method, which is the process of using articles, books, or other written sources as research material (Wiradi, 2020). The literature study research method is necessary for research in the business sector, which has grown so quickly and has branches across many scientific disciplines. By using the literature study method correctly and methodically, researchers can lay the groundwork for future, more sophisticated theories and research. powerful (Snyder, 2019).

Various guidelines apply to literature study methods depending on the purpose and type of study, such as narrative, systematic, or meta analysis. However, all types of literature studies aim to determine whether or not existing research is consistent, produce a diverse synthesis, and support future research in the same field (Palmatier et al., 2018).

The research employed the subsequent procedures, such as:
Financial literacy on MSME performance from a knowledge-based perspective is the research topic.

a. To find relevant articles, use keywords related to the topic.
b. To narrow down the results, look for articles that meet certain requirements, such as being published in credible English-language journals and having a connection to the topic

RESULTS AND DISCUSSION

RBV Theory (Resource Based View)

The number of resources (tangible and intangible) that a company has and defines as its competitive advantage, according to the resource-based view (Das & Teng, 2000). Resources, which include both tangible and intangible assets, are defined by Eniola & Entebang (2014) as anything that can be viewed as a company's strength or weakness. Physical and financial capital, such as buildings and machines, are examples of tangible resources. Financial capital includes things like debt, equity, and retained earnings. According to Eniola and Entebang (2014), intangible resources encompass entrepreneurial knowledge, skills, experience, organizational procedures, and reputation.

Eniola and Entebang (2014) assert that physical resources, including factories, capacity, machinery, and manufacturing technologies, favorably impact MSMEs' competitive advantage and ultimately lead to better business performance. Furthermore, the degree of a company's competitive advantage and the performance that results for MSME companies can also be explained by human resources, taking into account the experience, skills, managerial abilities, beliefs, practices, and procedures of top and middle management as well as administrative and production staff. Firm performance and competitive advantage variations can be explained by experience resources including brand name, manufacturing experience, and product reputation (Ainuddin, Beamish, Hulland & Rouse, 2007; Morgan, Kaleka & Katsikeas, 2004).

The company's long-term superiority is determined by its resources. According to Barney (1991, 2001), a company's resources need to possess four characteristics in order to generate a lasting competitive advantage: they need to be valuable, uncommon, somewhat imitable, and unowned by rival businesses. Human capital resources are defined by Barney (1991, 2001, 2002) and Barney and Hesterly (2015) as the education, experience, judgment, intelligence, attitudes, relationships, and insight of individual managers inside a corporation.

KBV Theory (Knowledge Based View)

A company's competitive advantage and performance are largely dependent on its tangible and intangible resources, according to the resource-based view (RBV) [Das, T.K.; Teng, B.S., 2000]. Conner and Prahalad (1996) contends that the knowledge-based view is key to the resource-based perspective. According to Conner and Prahalad (1996), a company needs a diverse range of resources and a wide body of knowledge to sustain its competitive advantage. The degree to which a corporation is able to do so is dependent on the heterogeneity of its knowledge sources. Therefore, businesses can create and maintain economic benefits in the form of profits that spur expansion by utilizing both immovable and transportable resources.

KBV asserts that financial literacy is a source of information that influences MSMEs' capacity to survive. According to Jappelli, T.; Padula, M., 2013; Lusardi, A., et al. (2010), financial literacy is crucial to the value creation process of MSMEs and the subsequent development of sustainable performance. An organization's knowledge base is bolstered by literacy finance, which enables it to capitalize on organizational changes that present opportunities and adjust to changes in the business environment [Grant, R.M., 1996]. In order to improve their knowledge capacities, businesses need to recognize the value of financial literacy.Owners of SMEs will benefit from increased financial literacy in terms of financial planning, the distribution of limited resources, record-keeping, the use of idle cash, financial control and discipline, and funding sustainable expansion initiatives.

Consequently, this study suggests, in light of contagion effects, that the source Financial knowledge has the ability to impact MSME growth-related decisions and actions. According to Barney (1991, 2001, 2002) and Barney and Hesterly (2015), a company's human capital resources comprise its managers' relationships, training, knowledge, experience, judgment, intelligence, and attitudes.

According to Lusardi & Bassa Scheresberg (2013), Lusardi & Michell (2007a, 2007b); Moore (2003), and others, financial knowledge (FK) is the comprehension of fundamental financial ideas regarding how business performance and business conditions are monitored using mental models to assist, enhance, or facilitate decision making.

Because they have a thorough understanding of financial matters, those who are financially literate tend to be more involved in the financial markets. According to Lusardi and Michell (2006), maintaining financial knowledge is essential for developing financial competency measures that will provide a competitive advantage. Financial sophistication increases with MSME owners' and managers' financial literacy, and it is believed that this also increases an individual's potential for competence (Hung, Parker & Yoong, 2009). Having a solid understanding of finance will help the company's overall funding sources grow (Marcolin & Abraham, 2006). A person is considered financially literate if he is competent and able to apply this information, according to Moore (2003) and Huston (2010).

According to Moore (2003), active integration of knowledge and real-world experience are the ways in which literacy or knowledge is acquired.Stated differently, as society becomes more financially literate, so will it become more sophisticated in financial affairs. Huston (2010) also highlighted some significant findings, namely that people or organizations with financial literacy, knowledge, and ability use that knowledge to improve their financial well-being in the face of other influences like prejudiced behavior and cognition, issues with self-control, family, peers, and institutions can all have an impact on financial habits and well-being. According to Moore (2003) and Huston (2010), literacy Although it is impossible to quantify finance directly, financial literacy can be tested indirectly with certain tools.

(Eagly & Chaiken, 1993) proposes that attitudes and knowledge have a moderating relationship. The impact of financial attitudes (risk tolerance) and individual knowledge of retirement planning on retirement savings habits was studied by Jacobs-Lawson and Hershey (2005). This indicates that the direction and/or strength of the relationship between attitudes and business performance are influenced by knowledge (Baron & Kenny, 1986). American research indicates that young people's attitudes and behaviors reflect low levels of financial literacy (Lusardi et al., 2010; Mandell, 2007). The empirical link between knowledge and financial attitudes has not been well demonstrated, despite the widespread belief that having a good financial attitude requires having financial knowledge (Hathaway & Khatiwada, 2008).

According to Joo and Grable (2000), businesspeople frequently make poor, insufficient, and ineffective financial decisions because they lack the time or expertise to manage their own finances, because financial transactions are complicated, or because there are many options available for financial services and products. A deficiency in business management expertise may exacerbate MSMEs' financial challenges. According to Lusardi (2012), financial literacy encompasses not just information and cognitive abilities but also a range of attitudes, behaviors, and outside resources.

Having the information and abilities required to handle money, make use of financial services, and successfully negotiate consumer markets is referred to as financial literacy. This can include handling consumer difficulties, budgeting, paying bills, taking on and paying off debt, and comparative shopping, among other financial activities. It appears that raising people's financial literacy is crucial in light of the present financial crisis and the more complicated financial system (Marco lin & Abraham, 2006). Each person's ability to successfully regulate their behavior varies, according to Higgins (1998), and is influenced by three main types of factors: (1) Resources: these are the things that people bring to the table (knowledge, skills, and abilities); (2) Motivation: this is the amount of work that goes into finishing the task; and (3) Strategy: these are the plans, techniques, and methods that people use to turn their motivation and resources into successfully completing the task.

Financial Literacy

According to Adomako, S., et al. (2016), financial literacy is the set of cognitive skills and knowledge required to manage funds and make wise financial decisions. According to Korutaro, N.S., et al. (2014), financial literacy is the capacity of an individual to make wise decisions about how to utilize and manage their money.Raymond (2010) summarizes financial literacy as follows: (1) understanding of financial concepts; (2) capacity to communicate about financial concepts; (3) aptitude for handling one's own finances; (4) ability to make wise financial decisions; and (5) assurance in effectively planning one's future financial needs.

For this reason, MSMEs and entrepreneurs alike require financial literacy. To assess and make decisions regarding their company's finances, they must possess financial literacy. The business community should be better equipped to handle the complexities of the loan market with financial literacy. Entrepreneurs that possess financial literacy are better equipped to mitigate risk by implementing tactics including keeping cash reserves, diversifying investment portfolios, and acquiring insurance. One of the biggest barriers to MSMEs' sustainable development has been highlighted as their lack of financial literacy. Research indicates that there is still a deficiency in financial literacy among businesses.

In their 2017 study, Eniola and Entebang noted that SMEs frequently struggle with a lack of financial literacy, which has an effect on companies both in their early and later phases of development. In 2008, Kotzè, L. and Smit, A. came to the conclusion that the primary cause of SME failure was a lack of financial literacy. By applying risk management knowledge and skills, Widdowson and Hailwood [2007] assert that people can take advantage of the increasingly competitive financial markets. They also discovered that financial literacy enables entrepreneurs to voice their opinions to bankers during client interviews, adapt to changing business and financial market conditions, and achieve sustainability [Lusardi, A.; Mitchell, O.S, 2011; Reich, C. M.; Berman, J. S., 2015; Cowling, M., et al. 2015].

Individual financial literacy affects investing decisions and strategy, according to the majority of research [Forlani, D.; Mullins, J. W., 2000; Norton, W. I.; Moore, W.T., 2006]. Only a small number of studies in developing nations have looked at financial literacy in the MSME sector; most financial literacy research has been done in wealthy nations [Florio, C.; Leoni, G., 2017].Financial literacy and business performance are positively correlated, according to numerous research [Huston, S.J., 2010]. Companies with a strong understanding of finance are better able to understand the financial elements of strategic concerns, which leads to improved performance.

Financial literacy is crucial for SMEs to survive in both developed and developing nations, as demonstrated by Wise, S. (2013). Insufficient financial literacy results in inadequate money management techniques and frequently culminates in financial errors [Lusardi, A.; Mitchell, O.S., 2014]. Financial literacy is required to deal with the rapid changes in the economy, as demonstrated by Huston (2010). According to Widdowson & Hailwood, K. [2007], investors that possess a good background in finance are more likely to make difficult and profitable investments. A correlation between financial literacy and business performance was also discovered by Davidson III et al. [2004]. Furthermore, financial literacy has been linked to wealth creation and business performance [Behrman, J.R., 2012].

Accordingly, financial literacy has emerged as one of the key factors influencing strategic long-term financial planning [Lusardi, A.; Mitchell, O.S., 2011] and organizational decision making [Allgood, S., et al., 2016]. Businesses that understand finance will use sound financial management techniques to further their growth and sustainability. According to Van Rooij dkk.2011], making bad financial judgments is correlated with having low financial literacy. Enhancing a business's understanding of finance can positively impact its perspective on risks and obstacles related to money. Better managerial knowledge and abilities will result from raising a company's financial literacy, which will enhance resource and financial management [Eniola, A.A.; Entebang, H., 2017].

Because financially literate organizations have stronger financial knowledge and risk management skills, Widdowson and Hailwood (2007) propose that having strong financial literacy can help businesses capitalize on the growing competition in the financial market. Making decisions can be aided by financial knowledge as well. Furthermore, financial literacy can lower the potential losses linked to taking risks by enabling businesses to evaluate and justify their decisions more thoroughly. The degree to which a specific strategy response is deemed a manageable risk can be influenced by financial literacy. Companies with little or no financial literacy are unable to evaluate risk because they lack the knowledge necessary, which effectively restricts their access to prospects for extremely large earnings.

MSMEs that possess a strong understanding of finance are inclined to take calculated risks, hence enhancing their longevity. According to research by Purnomo [2019] and Eniolav and Entebang [2017], financial literacy directly affects the performance of SMEs in Nigeria and has a favorable effect. We find that financial literacy is a crucial part of organizational intellectual capital, and our results align with those of Carmeli and Tishler [2004], who discovered that SMEs' sustainability is positively impacted by intellectual capital.

Furthermore, financial literacy contributes to the sustainability of SMEs by guaranteeing their ability to withstand abrupt economic shocks that alter credit and financial markets quickly [Lusardi, A.; Mitchell, O.S., 2014]. Financial literacy helps SMEs to recognize and fund opportunities that will grow their business, according to research by Hailwood [2007]. Furthermore, financial literacy reduces financial errors and enhances financial management procedures, both of which contribute to the increased sustainability of SMEs [Lusardi, A.; Mitchell, O.S., 2014].

The results of this study, however, are in contrast to those of Eresia-Eke and Raath's (2013) study, which found no relationship between financial literacy and SME performance. This could be because Ye et al. (2019) measured financial literacy using the financial managers' financial literacy, whereas both studies use the owners' or managers' financial literacy to index the organization's financial literacy. According to Agyei, S.K. (2018), there is a cultural context-dependent relationship between the financial growth and literacy of MSMEs. Typically, MSMEs are operated according to the principles and beliefs of their proprietors. Hence, the owner's resources determine whether the venture succeeds or fails.

The degree of financial literacy among MSME owners and cultural values, particularly when funding is no longer a major issue for MSMEs in several developing economies like Ghana, according to Nunoo and Andoh (2012) (Besley, Coate, & Loury, 1993; Nunoo & Andoh, 2012; Townsend, 1994). According to Ciemleja et al. (2014), financial literacy has no bearing on performance or performance growth aside from culture. This is because of erroneous metrics. It is now established that MSME owners' financial literacy is a crucially important but underutilized organizational resource that can boost MSME growth and performance by giving them a lasting competitive advantage.

Financial decision-making and performance are generally predicted to improve with financial literacy. Contrarily, the majority of empirical research on financial literacy (particularly in developed nations) focuses on the variables that determine financial literacy levels (Ciemleja, Renda, & Titko, 2014; Lusardi & Mitchell, 2006, 2007a, 2007b). Very few studies discuss the effects of financial literacy or illiteracy. Because financial literacy is generally low, Ciemleja et al. (2014) contend that faulty instrument measurements can result in improper responses. This is concerning because of the detrimental effects of a lack of financial choice information (PISA/OECD, 2012).

Nunoo and Andoh (2012) found that the literacy of small and medium-sized business (SME) owners is generally low in financial literacy. The study also examined whether financial literacy assists MSMEs by promoting growth in the companies. According to research by Adomako and Dance (2014), capital availability and resource mobility play a mediating role in the relationship between financial literacy and entrepreneurial firm performance in Ghana. Financial literacy enhances firm performance, and this relationship is further supported by the degree of resource mobility.

Ye et al. 2019 study discovered that the degree of financial literacy among Ghanaian SME owners can affect their ability to manage their finances, allocate funds appropriately for investments, and recognize growth funding opportunities that can enhance their business' performance. Financial literacy can therefore result in better business management, which boosts business expansion. According to Saeed (2009), a firm's financial resources have a significant impact on its growth, and information asymmetry makes it more challenging for a company to achieve its financial requirements.

This has a significant impact on financial literacy in the MSME sector since owners lack the funding to hire a large number of qualified workers, contributing to the low level of financial literacy in addition to financial illiteracy. Company performance will be influenced by financial resources or even awareness of the company's growth.Growth prospects are limited when people lack access to financing, which inhibits investment and consumption (Korutaro, N.S., et al., 2014). Kotzè & Smit (2008) state that financial illiteracy has several negative effects, such as spending more than one makes; failing to maintain proper records; failing to plan and carry out a regular investment program; and making poor financial judgments.

The literature on financial literacy indicates that there is no accepted standard measure of financial literacy (Moore, 2003; Cole & Fernando, 2008). In contrast, entrepreneurs with higher financial literacy demonstrate increased business performance and sales (Bruhn & Zia, 2011). According to research by Wise et al. (2013), entrepreneurs or people without financial literacy are the main reason for new business failures, whereas Bosma & Harding (2006) discovered that poor business acumen, which includes low financial literacy, inhibits entrepreneurial activity. Using financial knowledge in the following areas is required for this action: financial planning, investing, budgeting, maintaining correct financial records, and identifying the many kinds of bank accounts.

According to Fritz and Weyh (2006), the average 5-year survival rate of new enterprises is less than 50%. Additionally, ten years after their launch, only 10% of initiatives are still operating in the market (Timmons & Spinelli, 2004). More specifically, in Canada, a new business has only a 36% probability of surviving its first five years and a 77% chance of surviving its first year (Baldwin & Statistics Canada Analytical Studies Branch, 2000). In both industrialized and developing nations, the role that financial literacy plays in promoting human liberation and development is becoming more widely acknowledged. By raising production, investment, income, savings, and consumption, MSME managers' exceptional financial literacy promotes economic and social liberty.

For the purpose of researching the financial decisions made by MSME management, financial literacy is crucial. According to Joo and Grable (2000), the intricacy of financial transactions, the multitude of variations, and a lack of personal financial knowledge are the main causes of business people's inappropriate, inadequate, and ineffective financial decisions. options for financial services and products. Financial obstacles for SMEs may be exacerbated by a lack of business management abilities. The capacity to make wise choices about how to utilize and manage money is known as financial literacy (Noctor et al., 1992; Beal and Delpachitra, 2003)

As a component of the fundamental knowledge required for survival in contemporary culture, financial literacy can also be described (Kim, 2001). According to Servion dan Kaestner (2008), financial literacy is the capacity of an individual to comprehend and apply financial concepts. According to Houston (2010), there are two components to financial literacy: knowledge and application. In addition to cognitive information and abilities, financial literacy also involves a desired set of attitudes, behaviors, and outside support systems (Lusardi, 2012). It is considered that financial literacy is a useful asset for creative firms. This enables business owners to prevent failures brought on by inadequate financial management (Berryman, 1983).

Furthermore, a 2010 Global Entrepreneurship Monitor (GEM) survey reveals that one of the major flaws among small business owners that raises the likelihood of small business failure is a lack of financial literacy. The performance of small and medium-sized businesses has been found to benefit from financial literacy in a number of regions (Barte, 2012; Wise, 2013; Siekei et al., 2013). The financial literacy of MSMEs' owners is a crucial factor in their success and a resource that can help these businesses create jobs. Because it broadens their knowledge and improves their ability to make sound financial decisions, financial literacy boosts the resources of MSME owners (Conner and Prahalad, 1996).

MSME Performance

According to several metrics, business performance is a multifaceted concept (Stam dkk., 2014; Rau dkk., 2009). Generally speaking, two categories of firm performance exist: financial performance and non-financial performance (Venkatraman and Ramanujam, 1986). Non-financial performance demonstrates the company's overall operational effectiveness, while financial performance reflects the company's economic objectives. A company's growth and profitability are typical markers of its financial health, yet there are times when there are trade-offs between the two. A business might, for instance, make significant investments in its long-term expansion at the expense of short-term earnings (Zahra, 1996).

Gains in market share, earnings, sales, and employment are all markers of a growing business. Accounting-based metrics like return on equity (ROE), return on assets (ROA), and return on sales (ROS) are indicators of profitability. Non-financial success of a business can be categorized by a number of operational metrics, including productivity, export performance, competitive capacities, and technical excellence (Stam dkk., 2014). Non-financial performance can also include the business owner's or manager's level of happiness and their ranking in terms of worldwide success (Rauch dkk., 2009).

The literature on growth does not give measuring growth much attention (Delmar, 1997). Growth has recently come to be understood as a multifaceted, diverse, and intricate construct (Achtenhagen et al., 2010; Leitch and Neergard, 2010). Performance is what is meant by "growth" in this context. A few metrics are used to gauge the growth of small businesses, including shifts in employment and sales. Sales and employment are the preferred growth metrics for three reasons. First, a number of people contend that the main ways small businesses benefit the economy are through employment and productivity (Acs and Storey, 2004; Audretsch et al., 2008; Cowling, 2006), which means that hiring and sales are two inherent and important functions of the organization.

Variables for growth measures (Delmar, 1997; Unger et al., 2011; Weinzimmer et al., 1998; Abendhagen et al., 2010). Second, a recent assessment of the literature on small business growth discovered that earlier studies frequently used single performance metrics, which led to results that were incomparable (Achtenhagen et al., 2010; Delmar, 1997; Weinzimmer et al., 1998). Delmar recommends using a range of growth indicators since they could be representative of growth theories (1997: 203). Finally, as noted by Achtenhagen et al. (2010), there is a gap between what is meaningful and relevant for entrepreneurs and what is defined and measured by academics or policy makers when it comes to growth outcomes. This is because current entrepreneurship studies tend to simplify growth outcomes to easily observable measures like the number of employees and ignore the multidimensionality and complexity of the growth process (2010: 359). In the Annual Small Business Survey (ASBS), which served as the basis for this study, more than four out of five entrepreneurs stated that they saw a rise in turnover as a way to fulfill their long-term growth objectives. This suggests that there may be practical and policy implications, but overall, this does not seem to be a major cause for concern.

An early analysis of a business venture's success distinguishes between successful and unsuccessful businesses (Komines, 1972; Brockhaus, 1980; Hornaday, 1970 in Driessen, 1996). Furthermore, existence and growth are the two dimensions in which Frank (2007) defines corporate success. Various company performance indicators are used in current research to measure a business's success. Brie et al. (2019) define performance MSMEs as the outcome of work completed by individuals and their adaptation to roles or tasks within a company within a given period of time, associated with a particular measure or standard of value of a particular company is working in or achieving success or failure of goals organization that has been implemented.

Dahlmann and Roehrich (2019) and Dura et al. (2022) define financial performance as the analysis done to determine how well a company has applied financial implementation standards. Work performance during a specific period of time is reflected in a company's financial state, which is examined using financial analysis techniques to determine the company's good and bad financial conditions. In order to use resources as efficiently as possible in the face of environmental changes, this is crucial. Liquidity ratios, ratios of leverage to solvency, activity ratios, profitability/profitability ratios, and valuation ratios are a few of the measurement tools that can be employed.

The following are reasons why evaluating a company's financial performance is crucial, per Carter et al. (2020) and Dura (2022): 1) To determine the amount of liquidity, or the capacity of the business to receive funds for commitments that need to be paid for right away or the capacity of the business to pay its bills on schedule. 2) To determine the degree of solvency, or the company's capacity to meet its financial obligations in the event of a liquidation, including both short- and long-term debts. 3) To determine the profitability level, or profitability that demonstrates the business's capacity to turn a profit over a specific time frame (Miswanto et al., 2022). 4) To determine the degree of business stability, or the company's capacity to manage a stable operation. This is determined by taking into account the capacity of the business to pay interest charges on its debts, as well as the ability to pay off the principal of the debt on schedule, and the capacity to regularly distribute dividends to shareholders without encountering difficulties or financial crises.

Micro, Small and Medium Enterprises (MSMEs)

Government Regulation No. 7 of 2021 about Facilities, Protection, and Empowerment of Cooperatives and Micro, Small and Medium Enterprises (PP UMKM) has been issued by the government along with 48 other implementing regulations from Law No. 11 of 2020 about Job Creation (Job Creation Law) on Last February 16 2021. The UMKM PP changes several provisions previously regulated in Law no. 20 of 2008 concerning Micro, Small and Medium Enterprises (UMKM Law).The new MSME criteria are regulated in Articles 35 to 36 of the UMKM PP. Based on this article, MSMEs are grouped based on business capital criteria or annual sales results. Business capital criteria are used for establishing or registering MSME activities. The capital criteria consist of:

- Micro businesses have the most business capital Rp. 1,000,000,000.00 (one billion rupiah) excluding land and buildings place of business

- Small businesses have business capital of more than Rp. 000,000,000.00 (one billion rupiah) up to a maximum of IDR 5,000,000,000.00 (five billion rupiah) does not include land and buildings where the business is located
- Medium Enterprises have business capital of more than IDR 5,000,000,000.00 (five billion rupiah) up to a maximum of IDR 10,000,000,000.00 (ten billion rupiah) does not include land and buildings where the business is located.

Based on the criteria for annual sales results, consisting of:

- Micro businesses have annual sales results of up to most a lot of IDR 2,000,000,000.00 (two billion rupiah)
- Small businesses have annual sales results of more than IDR 2,000,000,000.00 (two billion rupiah) up to a maximum Rp. 15,000,000,000.00 (fifteen billion rupiah)
- Medium Enterprises have annual sales results of more than IDR 15,000,000,000.00 (fifteen billion rupiah) up to a maximum a lot of IDR 50,000,000,000.00 (fifty billion rupiah).

MSMEs come in various shapes and sizes [European Commission, 2017]. They are a diverse mix of companies, which present different challenges and opportunities in implementing sustainability-oriented actions [Koirala, S., 2019]. Definitions of MSMEs differ from country to country, reflecting each country's economic, cultural, and social customs, and are most often based on asset value or number of employees [Chege, S.M.; Wang, D., 2020, OECD, 2000]. The European Commission defines MSMEs as those that employ less than 250 people and have a turnover of less than 50 million euros and/or a total balance sheet that does not exceed 43 million euros [European Commission, 2003).

Ye et al.'s 2019 Micro, Small, and Medium Enterprises (MSMEs) report defines micro enterprises as companies with fewer than nine employees and assets (land and buildings excluded) of less than $5 million; small businesses, on the other hand, are companies with between 10 and 49 employees and assets between $5 and $50 million, and medium-sized companies, with between 50 and 199 employees and assets between $50 and $500 million. But according to TNP2K (2021), the Central Statistics Agency (Ministry of Finance of the Republic of Indonesia, 2012) is a non-departmental government organization that performs government functions in the area of statistics. It defines MSMEs according to labor quantity as follows:

a. one to five employees work for microbusinesses.
b. Small companies employ anywhere from five to nineteen individuals.
c. Medium businesses have a workforce of 20-99 people.

Determinants of company performance

Previous research has usually concluded that age, gender, and educational background have an impact on financial literacy. Lusardi and Mitchell (2006) state that women and others with less education frequently lack financial literacy. According to Ciemleja et al. (2014), a person's level of financial literacy is determined by their field of expertise and basic education. In the meantime, financial illiteracy is typically linked to both young and old individuals (Agarwal, Driscoll, Gabaix, & Laibson, 2007; Lusardi & Mitchell, 2006), regardless of whether they reside in developed or developing nations (Christelis, Jappelli, and Padula, 2006). Other important elements that impact corporate success are age (Acceptance & Marfo Grace, 2011; Boahene, Dasah, & Agyei, 2012); Agrawal & Knoeber corporate governance, 2012). This is the conclusion drawn from the literature on corporate performance.Bhagat & Bolton, 2008; Kyereboah-Coleman, 2007); Chen, Paulraj, & Lado, 2004; Gilley & Rasheed, 2000), and Savings/Investment

1. *Age*
   It is expected of organizations to use the experience they have accumulated throughout time to support business expansion. Techniques that are gradually established to counteract risks to the business environment and take advantage of opportunities should result in worthwhile learning experiences that will support the expansion of the organization. According to Quartey, Turkson, Abor, and Iddrisu (2017), MSMEs' access to financing is significantly influenced by the expertise level of top management. MSMEs are likely to be able to capitalize on business environment growth prospects by developing quality systems and processes and gaining access to finance. While Robson and Bennett (2000) came to the conclusion that age is a significant element explaining the growth of MSMEs, Rosenbusch, Brinckmann, and Bausch (2009) contend that company age strengthens the influence of innovation on firm performance.

2. *Corporate Governance (gender)*
   Although the correlation between gender and corporate performance has drawn a lot of attention, the contradictory findings are still unknown. Recent research has questioned earlier conclusions that men outperform women, mostly due to biased exclusion of control variables and improper definition of performance proxies (Collins-Dodd, Gordon, & Smart, 2004; Johnsen & McMahon, 2005; Rob & Watson, 2012). However, Robb and Watson (2012) note that several distinctions between men and women, such as their varying propensity for taking chances and the sizes of the businesses they work for, may account for variations in gender performance. One could argue that men are more adept than women at managing riskier commercial ventures. Because males tend to take chances, pursuing growth possibilities may therefore be something that only men are capable of doing in comparison to women (Robb & Watson, 2012).
3. *Savings/Investment*
   The organization won't gain much from realizing development prospects unless it has the resources to take advantage of them. earnings from investments providing expansion opportunity funding vehicles. Furthermore, investments can serve as collateral to get financing from financial institutions and present SME owners with new funding options.

Evidence for the relationship between more foreign direct investment (FDI) transactions and improved performance was discovered by Lu and Beamish (2001). It is thus stated that because resources are available and/or there is a chance to create healing funding, SMEs that invest are more inclined to look for expansion chances.

According to Barney (1986), the resource-based perspective of the company acknowledges that a firm's ability to provide a sustained competitive advantage is significantly influenced by the transfer of its resources and capabilities. The question of knowledge transferability is crucial, not just between businesses but also—and maybe more importantly—within businesses. The efficiency and intensity of communication are increased by this transfer in the form of symbolic communication to comprehend that all computer software, literacy, and numeracy are components of a common language. The analysis of state organizations has not been greatly influenced by the knowledge-based literature thus far. The knowledge-based approach provides a theoretical framework for comprehending some contemporary organizational developments and trends.

Knowledge production and organizational know-how emphasize the application of knowledge and the role of personnel if knowledge is the company's primary resource. According to Lusardi, A. and Mitchell, O.S. (2014), financial knowledge is an investment in human capital. Both financial literacy and programs aimed at raising financial literacy levels in the general public have significant effects on wellbeing. Research on the effects of financial literacy is beginning to appear in emerging nations, and it looks quite promising. According to a human resources perspective on financial literacy, there will likely be significant variation in people's financial literacy and economic behavior, therefore it is unlikely that a single level or default setting will enhance everyone's quality of life.

Furthermore, individuals with less understanding may encounter difficulties in locating reliable sources of guidance. Collins (2011) and Finke (2013), for instance, contend that financial literacy and guidance are complementary rather than interchangeable. The literature on financial literacy indicates that there is no standard measure of financial literacy, which contributes to the variability in the research results regarding the impact of financial literacy on the performance of MSMEs (Moore, 2003; Cole & Fernando, 2008). Generally, however, the results indicate that financial literacy has a positive effect on the performance of MSMEs.

Because of the negative effects of a lack of financial decision information, Ciemleja et al. (2014) contend that inaccurate instrument measurements can result in inappropriate responses due to the low general level of financial literacy. The PISA/OECD, 2012 benchmarks are not yet uniform, and there are cultural differences. According to Agyei, S.K. (2018), there is a correlation between financial literacy and MSMEs' growth, but it also depends on the cultural setting. MSMEs are typically operated by owners who are driven by their ambitions, goals, and values. Therefore, the owner's resources determine whether they are successful or not.

According to these resources, Nunoo and Andoh (2012) contend that cultural values and the degree of financial literacy of MSME owners, particularly when funding is no longer a major issue for MSMEs in a number of developing nations, including Ghana (Besley, Coate, & Loury, 1993; Nunoo & Andoh, 2012; Townsend, 1994). According to research findings by Bui et al. (2021), SMEs need financial literacy to manage resources and obtain adequate financial backing. Kumari and Harikrishnan (2021) assert that in order for SMEs to maintain long-term company continuity and mitigate the effects of events like pandemics, they need to be financially literate in order to manage their finances healthily.

Dura (2022) and Carter et al. (2020) also conducted studies that yielded similar findings. According to Mastos et al. (2020), a business actor with a high level of financial literacy will maximize their business performance and exercise greater caution in their operations. This will make managing the firm easier for them when they possess strong financial knowledge. Financial literacy is necessary to build a better society that is adept at managing revenue sources and finances, claim Sánchez et al. (2020) and Shibin et al. (2020). According to Dahlmann Research and Roehrich (2019), financial performance of MSMEs is impacted by financial literacy.

The financial literacy variable is made up of variables that control money so that the company's finances can be managed in accordance with plans for future business goals. Financial success enhances and is crucial to an internet business player's or MSME's operation. Miswanto Miswanto, et al. 2024 state that financial literacy in SMEs offers several positive advantages, particularly for long-term economic success. Among the advantages are the following:

1. Capable of handling money well.
   This kind of money management will be simpler for us to do if we have sufficient financial literacy. This covers setting up emergency money, investing, insurance, and managing financial flow on a monthly basis. To put it briefly, if we understand It will be easy for us to decide on a course of action and make the best financial judgments if your finances are in order. To a greater or lesser extent, this issue also affects the financial wealth of SMEs.
2. Use money wisely to achieve prosperity
   Our standard of living can increase dramatically if we are able to use financial products and services, such as financial management skills, effectively.

CONCLUSION

From the above explanation, the following conclusions may be drawn:

1. MSME owners' financial literacy can be seen as a crucial element of their business's success and as a resource that can help these enterprises generate revenue. Because it broadens their knowledge and improves their ability to make sound financial decisions, financial literacy strengthens the resources of MSME owners.

2. The variable that maintains order in finances is financial literacy. The current business's finances can be allocated in accordance with its intended interests for the future.
3. In order to sustain company continuity over the long run and mitigate economic effects, such as during a crisis, COVID-19 pandemic, or recession, small and medium-sized enterprises (SMEs) need to possess financial literacy.
4. Performance and growth are subject to different understanding and assessment criteria.

   This research still has a lot of limitations because it doesn't restrict the year that articles are published or the research that was done in earlier articles from developed or developing nations. However, future studies can group these articles and access articles from Scopus journals published in different years. Do studies conducted in developed or moderately developed countries differ from one another.

REFERENCES

Adomako, S.; Danso, A.; Ofori Damoah, J. The moderating influence of financial literacy on the relationship between access to finance and firm growth in Ghana. Ventur. Cap. 2016, 18, 43–61. [CrossRef]

Afina,S., 2023. Tahun Berganti, Resesi Menanti, UMKM Jadi Solusi. https://www.djkn.kemenkeu.go.id/kanwil-banten/baca-artikel/15988/Tahun-berganti-Resesi-Menanti-UMKM-Jadi-Solusi. Diakses, Selasa, 14/05/2024. Jam 17.26

Agyei, S.K. Culture, financial literacy, and SME performance in Ghana. Cogent Econ. Financ. 2018, 6, 1463813.[CrossRef]

Allgood, S.; Walstad, W.B. The e ects of perceived and actual financial literacy on financial behaviors.Econ. Inq. 2016, 54, 675–697. [CrossRef]

Alzoubi, H., Ahmed, G., Al-Gasaymeh, A., & Kurdi, B. (2020). Empirical study on sustainable supply chain strategies and its impact on competitive priorities: The mediating role of supply chain collaboration. Management Science Letters, 10(3), 703-708.

Analoui, F., & Karami, A. (2003). Strategic management in small and medium enterprises. Australia: Thomson Learning.

Arribas, I.; Vila, J.E. Human capital determinants of the survival of entrepreneurial service firms in Spain. Int. Entrep. Manag. J. 2007, 3, 309–322. [CrossRef]

Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management, 17(1), 99http://dx.doi.org/10.1177/014920639101700108

Barney, J. B. (2001). Is the resource-based "view" a useful perspective for strategic management research?The Academy of Management Review, 26(1), 41.

Barney, J.B. and Arikan, A.M. (2001), "The resource-based view: origins and implications", in Hitt, M.A., Freeman, R.E. and Harrison, J.S. (Eds), The Blackwell Handbook of Strategic Management, Blackwell, Oxford.

Barney, J.B. and Hesterly, W. (2012), Strategic Management and Competitive Advantage: Concepts and Cases, Pearson, Hoboken, NJ

Bednarzik R (2000) The role of entrepreneurship in US and European job growth. Monthly Labor Review 123(3): 3–16.

Behrman, J.R.; Mitchell, O.S.; Soo, C.K.; Bravo, D. How financial literacy a ects household wealth accumulation. Am. Econ. Rev. 2012, 102, 300–304. [CrossRef]

Binks M and Jennings A (1986) Small firms as a source of economic rejuvenation. In: Curran J, Stanworth J and Watkins D (eds) The Survival of the Small Firm: The Economics of Survival and Entrepreneurship. Aldershot: Gower Publishing, pp.19–37.

Carmeli, A.; Tishler, A. The relationships between intangible organizational elements and organizationalperformance. Strateg. Manag. J. 2004, 25, 1257–1278. [CrossRef]

Chan, C.S.R.; Park, H.D. The influence of dispositional aect and cognition on venture investment portfolioconcentration. J. Bus. Ventur. 2013, 28, 397–412. [CrossRef]

Conner, K.R.; Prahalad, C.K. A resource-based theory of the firm: Knowledge versus opportunism. Organ.Sci. 1996, 7, 477–501. [CrossRef]

Cowling M (2003) Productivity and corporate governance in smaller firms. Small Business Economics 20: 335–344.

Cowling, M.; Liu, W.; Ledger, A.; Zhang, N. What really happens to small and medium-sized enterprises in aglobal economic recession? UK evidence on sales and job dynamics. Int. Small Bus. J. 2015, 33, 488–513. [CrossRef]

Das, T.K.; Teng, B.-S. A resource-based theory of strategic alliances. J. Manag. 2000, 26, 31–61. [CrossRef]

Davidson, W.N., III; Xie, B.; Xu, W. Market reaction to voluntary announcements of audit committee appointments: The eect of financial expertise. J. Account. Public Policy 2004, 23, 279–293. [CrossRef]

Degong, M.; Ullah, F.; Khattak, M.; Anwar, M. Do international capabilities and resources configure firm's sustainable competitive performance? Research within Pakistani SMEs. Sustainability 2018, 10, 4298. [CrossRef]

Deni, S., 2023. **OJK Sebut Literasi Keuangan Orang Indonesia Makin Baik, Ini Buktinya.**(https://www.liputan6.com/bisnis/read/5479188/ojk-sebut-literasi-keuangan-orang-indonesia-makin-baik-ini-buktinya?page=3 diakses hari senin, 13/05/2024 jam 6.59 WIB

Department for Business, Innovation and Skills (2013) Making it easier to set up and grow a business. Available at: www.gov.uk/government/policies/making-it-easier-to-set-up-and-grow-a-business—6 (accessed 24 September 2013).

Eniola, A.A.; Ektebang, H. SME firms performance in Nigeria: Competitive advantage and its impact. Int. J.Res. Stud. Manag. 2014, 3, 75–86. [CrossRef]

Eniola, A.A.; Entebang, H. SME managers and financial literacy. Glob. Bus. Rev. 2017, 18, 559–576. [CrossRef]

Eresia-Eke, C.E.; Raath, C. SMME owners' financial literacy and business growth. Mediterr. J. Soc. Sci. 2013, 4, 397. [CrossRef]

Florio, C.; Leoni, G. Enterprise risk management and firm performance: The Italian case. Br. Account. Rev.2017, 49, 56–74. [CrossRef]

Forlani, D.; Mullins, J.W. Perceived risks and choices in entrepreneurs' new venture decisions. J. Bus. Ventur. 2000, 15, 305–322. [CrossRef]

Grant, R.M. Toward a knowledge-based theory of the firm. Strateg. Manag. J. 1996, 17, 109–122. [CrossRef)

Hosseini, S.; Fallon, G.; Weerakkody, V.; Sivarajah, U. Cloud computing utilization and mitigation informational and marketing barriers of the SMEs from the emerging markets: Evidence from Iran and Turkey. Int. J. Inf. Manag. 2019, 46, 54–69. [CrossRef]

Hussain, J.; Salia, S.; Karim, A. Is knowledge that powerful? Financial literacy and access to finance: An analysis of enterprises in the UK. J. Small Bus. Enterp. Dev. 2018, 25, 985–1003. [CrossRef]

Huston, S.J. Measuring financial literacy. J. Consum. A . 2010, 44, 296–316. [CrossRef]

Jappelli, T.; Padula, M. Investment in financial literacy and saving decisions. J. Bank. Financ. 2013, 37,2779–2792. [CrossRef]

Korutaro, N.S.; Kasozi, D.; Nalukenge, I.; Tauringana, V. Lending terms, financial literacy and formal credit accessibility. Int. J. Soc. Econ. 2014, 41, 342–361. [CrossRef]

Kotzè, L.; Smit, A. Personal financial literacy and personal debt management: The potential relationships with new venture creation. S. Afr. J. Entrep. Small Bus. Manag. 2008, 1, 35–50. [CrossRef]

Kustiwi, Irda Agustin. 2024. "Accounting Information System (Ais): Integration of Artificial Intelligence and Management in Farm Tourism Kelompok Tani Elok Mekar Sari." DiE: Jurnal Ilmu Ekonomi Dan Manajemen 15(1):123–31. doi: 10.30996/die.v15i1.10634.

Lenny Koh, S.C.; Demirbag, M.; Bayraktar, E.; Tatoglu, E.; Zaim, S. The impact of supply chain management practices on performance of SMEs. Ind. Manag. Data Syst. 2007, 107, 103–124. [CrossRef]

Li, L., Wang, Z., Chen, L., Zhao, X., & Yang, S. (2023). Supply chain collaboration and supply chain finance adoption: themoderating role of information transparency and transaction dependence. Supply Chain Management: An InternationalJournal, 28(4), 710-723.

Lusardi, A.; Mitchell, O.S. Financial literacy around the world: An overview. J. Pension Econ. Financ. 2011, 10, 497–508. [CrossRef] [PubMed]

Lusardi, A.; Mitchell, O.S. The economic importance of financial literacy: Theory and evidence. J. Econ. Lit. 2014, 52, 5–44. [CrossRef] [PubMed]

Lusardi, A.; Mitchell, O.S.; Curto, V. Financial literacy among the young. J. Consum. A. 2010, 44, 358–380.[CrossRef]

Nonaka, I.; Von Krogh, G.; Voelpel, S. Organizational knowledge creation theory: Evolutionary paths and future advances. Organ. Stud. 2006, 27, 1179–1208. [CrossRef]

Norton, W.I.; Moore, W.T. The influence of entrepreneurial risk assessment on venture launch or growth decisions. Small Bus. Econ. 2006, 26, 215–226. [CrossRef]

Nurohman, Y. A., Kusuma, M., & Narulitasari, D. (2021). Fin-Tech, financial inclusion, and sustainability: a quantitative approach of Muslims SMEs. IJIBE (International Journal of Islamic Business Ethics), 6(1), 54-67.

Nursini, N. (2020). Micro, small, and medium enterprises (MSMEs) and poverty reduction: empirical evidence from Indonesia. Development Studies Research, 7(1), 153-166.

OJK, 2022. **Siaran Pers: Survei Nasional Literasi dan Inklusi Keuangan Tahun 2022.** https://ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/Survei-Nasional-Literasi-dan-Inklusi-Keuangan-Tahun-2022.aspx di akses hari Senin, 13/05/2024 jam 6.54 WIB.

OJK, 2024. Literasi Keuangan.(https://ojk.go.id/id/kanal/edukasi-dan-perlindungan-konsumen/Pages/literasi-keuangan.aspx diakses hari senin, 13/05/2024 jam 6.44 WIB) judul artikel literasi keuangan

Oláh, J.; Kovács, S.; Virglerova, Z.; Lakner, Z.; Kovacova, M.; Popp, J. Analysis and Comparison of Economic and Financial Risk Sources in SMEs of the Visegrad Group and Serbia. Sustainability 2019, 11, 1853. [CrossRef)

Parker S, Congregado E and Golpe A (2012) Is entrepreneurship a leading or lagging indicator of the business cycle? Evidence from UK self-employment data. International Small Business Journal 30(7):736–753.

Pietrobelli, C.; Rabellotti, R. Global value chains meet innovation systems: Are there learning opportunities for developing countries? World Dev. 2011, 39, 1261–1269. [CrossRef]

Purnomo, B.R. Artistic orientation, financial literacy and entrepreneurial performance. J. Enterp. Communities People Places Glob. Econ. 2019. [CrossRef]

Ratnawati,T. Kustiwi, I. A., etc. 2023. Internal Audit of Cupak Village Fund Budgetting Process, Nguskan, Jombang. International Journal Of Social Science Humanity & Management Research, Volume 02 Issue 09 September 2023, Page No. 987-999. DOI: 10.58806/ijsshmr.2023.v2i9n17

Reich, C.M.; Berman, J.S. Do financial literacy classes help? An experimental assessment in a low-income population. J. Soc. Serv. Res. 2015, 41, 193–203. [CrossRef]

Robbins D, Pantuosco L, Parker D, et al. (2000) An empirical assessment of the contribution of small business employment to US state economic performance. Small Business Economics 15(4): 293–302.

Schumpeter J (1942) Capitalism, Socialism and Democracy. New York: Harper & Row.

Shibin, K. T., Dubey, R., Gunasekaran, A., Hazen, B., Roubaud, D., Gupta, S., & Foropon, C. (2020). Examining sustainable supply chain management of SMEs using resource based view and institutional theory. Annals of Operations Research, 290, 301-326

Smallbone D, Deakins D, Battisti M, et al. (2012a) Small business response to a major economic downturn: Empirical perspectives from New Zealand and the United Kingdom. International Small Business Journal 30(7): 754–777.

Smallbone D, Kitching J, Kasperova E, et al. (2012b) The resilience of small firms to a major economic downturn. Paper presented at the 35th Institute for Small Business and Entrepreneurship (ISBE) Annual Conference, Creating Opportunities through Innovation: Local Energy, Global Vision, Dublin, 7–8 November.

Smallbone, D.; Welter, F.; Voytovich, A.; Egorov, I. Government and entrepreneurship in transition economies: The case of small firms in business services in Ukraine. Serv. Ind. J. 2010, 30, 655–670. [CrossRef]

Spender, J.C. Knowing, managing and learning: A dynamic managerial epistemology. Manag. Learn. 199425, 387–412. [CrossRef]

Teixeira, S.J. and Ferreira, J.J. (2018), "Entrepreneurial artisan products as regional tourismcompetitiveness", International Journal of Entrepreneurial Behavior and Research, doi:https://doi.org/10.1108/IJEBR-01-2018-0023

Tim Kebijakan Peningkatan Kapasitas Ekonomi Sekretariat TNP2K, Lembaga Demografi Fakultas Ekonomi dan Bisnis Universitas Indonesia. Edisi Pertama, Maret 2021. TIM NASIONAL PERCEPATAN PENANGGULANGAN KEMISKINAN. PEMETAAN PROGRAM PEMBERDAYAAN USAHA MIKRO, KECIL, DAN MENENGAH (UMKM). (www.tnp2k.go.id).

Utami, C. W., Sumaji, Y. M. P., Susanto, H., Septina, F., & Pratama, I. (2019). Effect of supply chain management practices on financial and economic sustainable performance of Indonesian SMEs. International Journal of Supply Chain Management, 8(5) 523-535.

Van Rooij, M.; Lusardi, A.; Alessie, R. Financial literacy and stock market participation. J. Financ. Econ. 2011,101, 449–472. [CrossRef]

Wang, H.; Han, G. Local government's "black box" in small and medium-sized private enterprises' trans-ownership M&A failure: Chinese cases. J. Small Bus. Enterp. Dev. 2008, 15, 719–732.

Widdowson, D.; Hailwood, K. Financial literacy and its role in promoting a sound financial system. Reserv. Bank N. Z. Bull. 2007, 70, 37–47.

Wise, S. The impact of financial literacy on new venture survival. Int. J. Bus. Manag. 2013, 8, 30. [CrossRef]

Wu, J.; Si, S. Poverty reduction through entrepreneurship: Incentives, social networks, and sustainabilityAsian Bus. Manag. 2018, 17, 243–259. [CrossRef]

Ying, Q.; Hassan, H.; Ahmad, H. The role of a manager's intangible capabilities in resource acquisition and sustainable competitive performance. Sustainability 2019, 11, 527. [CrossRef]