

THE INFLUENCE OF FINANCIAL INFORMATION TECHNOLOGY, ABILITY MANAGERIAL, FINANCIAL INCLUSION, AND FINANCIAL LITERACY ON SME PERFORMANCE IN TEGAL CITY

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ABSTRACT

The purpose of this study is to understand in detail work from SMEs by testing four independent variables that can determine performance, including Financial Information Technology, Managerial Ability, Financial Inclusion, Financial Literacy. This type of quantitative descriptive In this study, the data analysis method used is regression analysis of berganda line segments using SPSS version 22, this research uses Purposive Sampling Technique. Sample measurements used the Slovin formula, Data collection was conducted with 100 respondents. The test results state that financial information technology possess no positive effect on the performance of SMEs in Tegal City, Managerial Capability has a positive positive positive impact on UKM's workforce Tegal City, Financial Inclusion has a positive positive impact on UKM's workforce Tegal City, Financial Literacy has a positive impact on UKM's workforce Tegal City

Keywords: *Financial Information Technology, Managerial Ability, Financial Inclusion, Financial Literacy on SME Performance in Tegal City.*

A. INTRODUCTION

Law of the Republic of Indonesia Number 20 of 2008 states that one of the industries that is very important in improving a country's economy is MSMEs, or small and medium enterprises. These businesses exist to contribute to income stability and growth, bring economic expansion, and help achieve national stability. Furthermore, as a form of MSME business, it must be given the first opportunity for support, protection, and proper development as widely as possible which is very supportive of the interests of companies and the community.

The performance of MSMEs is very important for Indonesia's economic growth, including the economy of Tegal City. Because MSMEs have the potential to encourage community economic activities and emerge as the main source of income in Tegal City, empowering MSMEs is very important in

developing a prosperous economy (Hidayatullah 2020)

The number of residents of Tegal City who are involved in the business world is very large. However, this does not have a clear correlation with the desire to progress, so that the absorption of labor does not follow the strong spirit in running a business. The large number of micro and ultra-micro companies that have been established is proof of running a business without using paid or part-time workers. In addition, the desire of companies to join the world market or export is usually very minimal. As a result, companies in Tegal City must become entrepreneurs. Here is the number of business increases in 2021-2022.

Table 1 1
Number of New UMKM in Tegal City

Tabel 1.1 Jumlah UMKM Baru Di Kota Tegal		
No	Urutan	Jumlah
1	Jumlah Wirausaha Baru Tahun 2022	6.826
2	Jumlah Wirausaha Baru Tahun 2021	2.962
	Total	9.788

Sumber: (Asn & Koperni, 2023)

The obstacles that hinder the progress of business actors to move up a class vary according to the individual and the place where their business operates. Everyone should not only focus on one obstacle, but must be comprehensive so that the initial target of the business to move up a class can be achieved more easily (Diskopukm 2024)

Financial technology or fintech used by MSMEs can be applied to cashier payment transactions, however, the obstacles faced include quite large costs for purchasing programs, making settings that require expert services for their features and machine maintenance costs, software that is susceptible to viruses (Zs et al 2023)

In achieving the organization. Participants. MSMEs need to have a comprehensive understanding of corporate management so that they are able to coordinate their commercial efforts in the fields of marketing, production, and human resources, finance, managerial capabilities and others, ethically and effectively (Abdillah, Primasari, and Widianingsih 2019). Pemcintah has issued a financial inclusion and financial literacy policy as a form of providing financial services and special knowledge to attract the public to use formal financial products and services such as safe money storage (balance, safe money), transfers, savings and loans and insurance (Achirlita 2021)

B. LIBRARY REVIEW

1. Theoretical Basis

In Indonesia, MSMEs constitute the majority of business entities. The Ministry of Small and Medium Enterprises and Cooperatives (Kementerian KUKM) is the Indonesian government agency responsible for managing MSMEs. Of course, the requirements for MSMEs vary from country to country as they are influenced by the economic landscape (Suyono

and Zuhri 2022) The definition of MSMEs is taken from the Law on Micro, Small, and Medium Enterprises No. 20/2008

- 1) Micro-enterprises are successful businesses run by individuals or groups that meet the requirements outlined in Law No. 20/2008.
- 2) Small businesses are profitable companies that are controlled by individuals or organizations that do not meet the requirements outlined in Law No. 20/2008 and are not divisions, affiliates or components either directly or indirectly through large or medium businesses.
- 3) Independent commercial business is prosperous, medium-sized companies are run by humans or organizations that are not branches or divisions of a larger business owned, run, or involved either directly or indirectly by large companies or small companies that have annual income/capital as defined by Law No. 20/2008

The following are the requirements for Micro, Small and Medium Enterprises as defined by Government Regulation No. 7 of 2021:

No	Jenis Usaha	Kriteria	
		Aset	Omzet
1	Usaha Mikro	Maksimal 1 miliar	Maksimal 2 miliar
2	Usaha Kecil	Lebih dari 1 miliar	>2 miliar-15 miliar
3	Usaha Menengah	>5 miliar-10 miliar	>15 miliar-50 miliar

Sumber: (PP Nomor 7 Tahun 2021)

2. Variety of Conceptual Thinking

1. The Impact of Financial Information Technology on MSMEs Financial information technology, which can be used to organize, process and establish commercial relationships and is available at all times and in all locations, can improve the performance of MSMEs (Achirita 2021). For MSMEs, it will undoubtedly produce the highest possible output and improve performance.
H1, Information Technology Kinetia UMKM is influenced postally by finance
2. The Influence of Managerial Ability on MSME Performance Financial performance is influenced by managerial skills. This can improve the business's ability to compete One of the main goals of a company is to operate profitably, and managers or owners of MSMEs make decisions that affect their profits As a result, the two are interrelated and

affect the possibility of achieving these goals (Walansendow 2020)

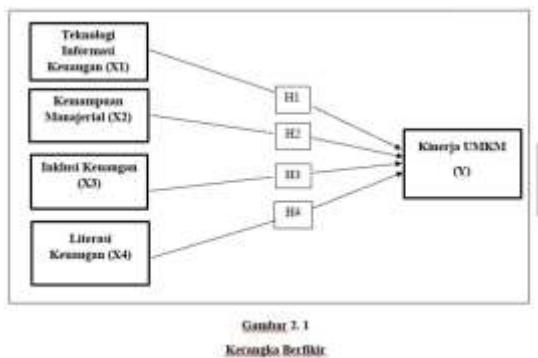
H2. Managerial Ability Has a Positive Influence on MSME Performance

3. Financial Inclusion Affects MSME Performance The purpose of financial inclusion is to eliminate all barriers that prevent people from obtaining banking services at economical prices. Due to the complexity of banking standards, it is often difficult for individuals to access financial institutions, so companies cannot receive funding for their capital needs (Satyawati, Wimba, and Agustina 2023)

H3: MSME Performance is Positively Influenced by Financial Inclusion

4. Financial Literacy Affects UMKM Cameras The ability to plan and manage finances is known as financial literacy. The broad definition of financial literacy is to make financial decisions that affect all businesses by having an understanding of the financial situation. A person with a sound financial plan is will make purchases that reduce poor financial judgment and prioritize quality (Joko, Anisma, and Sofyan 2022)

H4. UMKM Performance is Positively Influenced by Financial Literacy research framework will make purchases that reduce poor financial judgment and prioritize quality (Joko, Anisma, and Sofyan 2022)



C. RESEARCH METHODS

a. Types of Research

descriptive quantitative research type to simplify sample data to make it easy to understand. The independent variables studied are Financial Information Technology (X1), Managerial Ability (X2), Financial Inclusion (X3) and Financial Literacy

(X4), and the dependent variable is MSME Performance (Y)

b. Population and Sample

The research population consists of actors registered with the Cooperatives and MSMEs in Tegal City and data collection was carried out on 100 respondents.

c. Metusic Data Collection

Purposive Sampling Technique is used in this study. MSME actors in Tegal City are the research sample. The number of samples that can be tolerated is determined at 10% to measure the sample using the Slovin formula, 1 is done in the following:

$$n = \frac{N}{1 + N(e)^2}$$

Information:

N= Sample Size

N=Population size

E=Eror Tolerance

$$n = \frac{N}{1 + N(e)^2} = \frac{23.609}{1 + 23.609 (10\%)^2}:$$

= 99,57 dibulatkan menjadi 100

sampel

d. Metosle Analists Data

The collection method is an activity to obtain information needed in order to achieve research objectives. The research methodology of this study is using the Questionnaire Technique. A questionnaire is one way to provide a written question to respondents to get an answer. This study uses primary data which is carried out by distributing questionnaires directly to 100 respondents. Validity, reliability, and analysis tests are techniques, data analysis used data (descriptive statistics), independent t-test, multiple linear regression analysis, un bunsotests fuit, f-test. And determination coefficient test), and classical assumption test (un normality, multicollinearity test, and heteroscedasticity test)

D. RESEARCH RESULTS AND DISCUSSION

1. Descriptive Statistical Test

Uji Statistik Deskriptif

	N	Minimum	Maximum	Mean	Sd. Deviation
Teknologi Informasi Keuangan	100	9	20	16.41	2.523
Kemampuan Managerial	100	19	43	34.89	5.731
Inklusi Keuangan	100	12	35	27.17	5.324
Literasi Keuangan	100	36	40	38.37	.773
Kinerja	100	11	33	25.83	4.278
Valid N (listwise)	100				

Sumber: Output data SPSS versi 22 (2024).

The Financial Information Technology variable has an average of 16.41 and a standard deviation of 2.523. The minimum and maximum values are 9 and 20, respectively. The Managerial Ability variable has an average of 34.89 and a standard deviation of 5.731. The minimum value is 19 and the maximum is 43. The Financial Inclusion variable has a standard deviation of 5.324 and a mean of 27.17. The lowest and maximum values are 12 and 35, respectively. The Financial Literacy variable has a standard deviation of 0.773, an average of 38.37, and a maximum value of 40. The performance variable has a standard deviation of 0.773, an average of 38.37, and a maximum value of 40. The mean is 25.83 and the standard deviation is 4.278. The mean and maximum values are 11 and 33 respectively.

2. Classical Assumption Tests

(a) Normality Test

Table 4.12
Normality Test

Uji Normalitas

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.11186868
Most Extreme Differences	Absolute	.066
	Positive	.050
	Negative	-.066
Test Statistic		.066
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Sumber: Olah data SPSS versi 22 (2024).

Signifikansi asymptotic (two tailed)

Of 0.200 is higher than 0.05, as shown by the results in Table 4.12 normality test of data processing

with the Kolmogorov Smirnov test procedure above. It can be said that apart from Deugan, the information used in this study can be utilized and distributed normally

(b) Uji Multicollinearity

Table 4.13
Multicollinearity Test

Uji Multikolinearitas

Coefficients^a

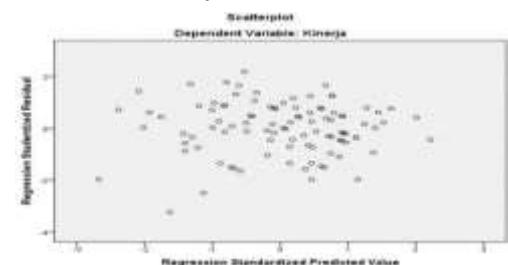
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Teknologi Informasi Keuangan	.740	1.352
Kemampuan Managerial	.814	1.228
Inklusi Keuangan	.766	1.305
Literasi Keuangan	.953	1.050

a. Dependent Variable: Kinerja

Sumber: Olah data SPSS versi 22 (2024).

Table 4.13 provides the following information: the VIF value of managerial competence is 1.228, the VIF value of financial inclusion is 1.305, and the VIF value of financial information technology is 1.352. Financial literacy has a VIF value of 1.050 (2) 0.10. Financial information technology has a tolerance value of 0.740, while administrative competence has a tolerance value of 0.740 0.814, financial inclusion has a tolerance value of 0.766, and financial literacy has a tolerance value of 0.953 which is smaller (<) 10.00 so that a conclusion is obtained that the regression is free from multicollinearity.

(c) Heteroscedasticity Test



There is no heteroscedasticity in the graph because it is clear that the points follow clear patterns and are spread along the Y axis higher and lower zero

3. Multiple Linear Regression Analysis

Table 4.14
Multiple Linear Regression

Regresi Linear Berganda

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	-43.915	17.008		-2.582	.011
Teknologi Informasi Keuangan	.147	.147	.086	.997	.321
Kemampuan Manajerial	.343	.062	.459	5.549	.000
Inklusi Keuangan	.269	.068	.335	3.926	.000
Literasi Keuangan	1.240	.423	.224	2.930	.004

a. Dependent Variable: Kinerja

Sumber: Olah data SPSS ver 22 (2024).

Here is how the multiple linear regression equation can be formed according to the table above of Unstandardized Coefficients beta figures:

$$Y = -43.915 - 2.343 X_2 + 0.269 X_3 + 0.1240 X_4 + e + 0.457 X_1$$

4. Hypothesis Testing

a. Uji T

Table 4.16
Partial Test (Uji T)

Uji Partiel (Uji T)

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	-43.915	17.008		-2.582	.011
Teknologi Informasi Keuangan	.147	.147	.086	.997	.321
Kemampuan Manajerial	.343	.062	.459	5.549	.000
Inklusi Keuangan	.269	.068	.335	3.926	.000
Literasi Keuangan	1.240	.423	.224	2.930	.004

a. Dependent Variable: Kinerja

Sumber: Olah data SPSS ver 22 (2024).

It can be concluded that financial information technology does not have a positive effect on the performance of MSMEs in Tegal City, managerial ability has a significant positive effect on the performance of UMKMs in Tegal City, managerial ability has a significant positive effect on the performance of UMKMs in Tegal City, financial literacy has a significant positive effect on the performance of UMKMs in Tegal City

b. Koefisien Determination Test

Table 4.17
Determination Coefficient Test

Uji Koefisien Determinasi

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.686 ^a	.471	.449	3.17671

a. Prediktor: (Constant), Literasi Keuangan, Inklusi Keuangan, Kemampuan Manajerial, Teknologi Informasi Keuangan.

b. Dependen: Kinerja.

Based on the model summary table, performance is influenced by independent variables assessed by looking at the Adjusted R Square, which means that the independent variable influences the dependent variable by 0.449 or 44.9%.

c. F Test

Table 4.15
Model Feasibility Uji

Uji Kelayakan Model

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	853.421	4	213.355	21.142	.000 ^b
Residual	959.689	95	10.091		
Total	1812.110	99			

a. Dependent Variable: Kinerja

b. Prediktor: (Constant), Teknologi Informasi Keuangan, Kemampuan Manajerial, Inklusi Keuangan, Literasi keuangan.

Sumber: Olah data SPSS ver 22 (2024).

The results of the f-test obtained a significant value of 0.000, less than 0.05. Thus, it can be said that the financial information technology variable, managerial skills, financial inclusion, financial literacy is worth continuing

E. CONCLUSIONS AND SUGGESTIONS

Conclusion

1. The performance of UMKMs in Tegal City is not positively affected by financial information technology, because UMKM access to financial information technology is uneven. Because some UMKM actors still use manual payment methods or are not familiar with cashier software, many of them are still relatively new to technology.
2. In Tegal City, managerial ability has a positive impact on the success of UMKMs. This implies that UMKM performance will improve proportionally with the number of UMKM actors who have strong managerial abilities.

3. Tegal City UMKMs have better performance as a result of financial inclusion. This is due to the fact that inclusion facilitates UMKM actors' access to payments at financial institutions for initial capital.
4. In Tegal City, UMKMs will work better if they have financial literacy. Because having strong financial literacy will help UMKMs manage business finances and keep them under control. On the other hand, lack of knowledge and understanding of financial management can expose UMKMs to a number of risks, including losses due to bankruptcy.

Suggestions

The author can make the following recommendations based on the findings and conclusions of the analysis:

1. Research on financial variables using technology: information does not affect the performance of UMKMs, therefore, in order to improve the performance of UMKMs, UMKM actors are expected to be able to use financial information technology as one of their business sustainability strategies. This is because financial technology can facilitate the digitalization of companies, making things like payment transactions and stock of goods easier, and along with the advancement of financial technology, performance will also increase.
2. This study uses managerial ability variables, UMKM performance is positively influenced by financial inclusion and financial knowledge, so it is expected that further researchers will use these variables with different objects. This is to compare whether there is a proxy for managerial ability variables, financial inclusion, In Tegal City, MSME performance is influenced by financial literacy.