

The Effect of Financial Inclusion and Financial Literacy on the Performance of Weaving MSMEs in Bengkalis

Henny Dwi Anggraheni¹, Ruzikna², Mandataris^{3*}

Business Administration, FISIP, Universitas Riau

Administration Business Faculty Knowledge of Social and Scientific Politics,
Universitas Riau

Corresponding Author: Mandataris mandataris@lecturer.unri.ac.id

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ABSTRACT

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The results of this research aim to see the impact of financial inclusion and financial literacy on the performance of weaving MSMEs in Bengkalis sub-district. Bengkalis is a district that is currently developing. The growth of MSMEs also triggers economic growth in the Bengkalis area. One of the MSMEs that is developing is MSMEs in the creative weaving industry sector. There are 273 MSMEs operating in the weaving sector spread across Bengkalis district. The problems faced by weaving MSMEs, even though they have a potential role, are in reality not yet able to develop optimally. a. The results of this research show that it partially has an influence on the performance of weaving MSMEs in Bengkalis sub-district. Likewise, simultaneously it also has an effect. In this research, the performance of weaving MSMEs is able to develop optimally if financial inclusion and financial literacy are properly paid attention to.

INTRODUCTION

In the current era of globalization, trade is one of the things that a country must do to advance its own economy, both micro and macro trade. To advance the economy in Indonesia, one way is to have MSMEs (Micro, Small and Medium Enterprises). Based on the Micro, Small and Medium Enterprises Law no. 20 of 2008, MSMEs have an important objective to increase economic growth and develop businesses in building a country's economy based on the principles of fair economic democracy. MSMEs have a significant contribution in creating new jobs, increasing GDP, aka gross domestic product, and providing economic services for people with low incomes who are involved in productive economic activities.

The data phenomenon explained is that one of the main challenges faced by MSMEs currently is business management problems. Data shows that MSMEs often experience delays in their development, which is caused by various general problems that have not been fully addressed. These problems include human resource capacity, ownership, finance, marketing, and other aspects related to company management. Research by (Abor and Quartey 2010) highlights that MSMEs often face challenges in these aspects of management. Therefore, strategic efforts are needed to improve the performance of MSMEs. Findings from (Aribawa 2016) show the need for better strategic steps to help MSMEs overcome the management problems they face. This emphasizes the importance of research and action that focuses on improving business management in improving the overall performance and growth of MSMEs. Based on research (Sabila and Wijayangka 2019), one of the factors that influences business growth is financial literacy and financial inclusion. A study conducted by Visa Barometer Global Financial Literacy in 2016 found that Indonesian people have lower financial literacy compared to other countries. With the Indonesian people not understanding basic financial knowledge, people do not have sufficient understanding to make decisions in managing their finances. Those who have a good understanding of finance can make financial decisions that may be better for current use of financial products and services and future financial management.

Understanding financial literacy is very important for small and medium enterprises (MSMEs) to manage their finances. According to (Anggraeni 2015) providing knowledge about business actors who run a business will be greatly helped by having an understanding of financial literacy. What they can know starts from budgeting to achieving business financial goals, planning business financial cash savings, to understanding the basic finances that they must understand. So far, the government still pays great attention to the establishment of MSMEs. If we look at the ability of MSME actors to have extensive access to capital, MSMEs can obtain financing services from financial institutions, namely getting credit which can help MSME actors in developing their businesses.

Therefore, MSME entrepreneurs' knowledge of financial literacy in running their business is very important and is the basis for improving MSME performance. If business actors are unable to manage their finances well, this will have an impact on the performance of MSMEs. Performance is a measure of the success of a business entity in achieving its goals. Performance is the

result of work that has a strong relationship with the organization's strategic goals, customer satisfaction and contribution to the economy. According to (Sanlistasya, Raharjo, and Iqbal 2019) in the report of the Global Entrepreneurship Monitor (GEM) in 2016, it was stated that the motivation for creating a business and the ability of business actors when viewed from the stages of entrepreneurship, as many as 31 percent of adult small business actors (18-64 years) Looking to start a business in the next three years, 4 percent have established a business, 10 percent have run a business between 3 and 42 months and 12 percent have owned and managed it for more than 42 months.

The contribution of the financial sector by opening the widest possible access to financial services for society and economic entities such as MSMEs. Therefore, it is necessary to encourage the financial sector in the regional economy. Understand the basic concepts of financial inclusion. (Terzi 2015) that financial inclusion is also included in the current financial literacy program where the higher the level of financial inclusion, the greater the economic stability of the country. Financial management is important to apply to MSMEs. According to (Ediraras 2010) an MSME business whose finances are managed transparently and accurately will have a positive impact on the MSME business itself. The positive impact of financial management is this, which has become a key factor in the success of MSMEs and can be used to maintain the continuity of the business. Based on sources from the Bengkulu Department of Cooperatives and MSMEs, Bengkulu District has 30 villages and each village has very diverse types of MSMEs. The total number of MSMEs existing in Bengkulu District in 2023 will reach 1,396 MSMEs consisting of 8 types of business. The following is an overview of the number of MSME types in Bengkulu District.

Tabel Error! No text of specified style in document.. Number of types of MSMEs in Bengkulu District in 2023

No	Jenis UMKM	Jumlah
1.	Kuliner	303
2.	Pedagang	258
3.	Nelayan	107
4.	Menjahit	90
5.	Pertanian	133
6.	Perternakan	173
7.	Laundry	59
8.	Tenun	273
TOTAL		1.396

Source: Bengkulu Cooperatives and UMKM Service (2023)

Micro, Small and Medium Enterprises (MSMEs) which dominate in Bengkulu District are mostly engaged in the culinary, handicraft and trade sectors. Almost all MSME actors spread across Bengkulu District are dominated by creative economic actors.

In the development of MSMEs, actors are required to be ready to compete with other MSMEs. This is important for MSME players to create new and different businesses, apart from that, MSME's are also expected to have good

performance. Even though MSME's have a very potential role, in reality there are still many problems faced in their development.

In the Pre-Survey that was carried out, it was seen that the development of Weaving MSME's in Bengkalis had several problems. As for the obstacles or problems currently being faced by Weaving MSME's in Bengkalis District, such as the lack of performance of MSMEs, financial management which is still not good, then we are looking to ask the younger generation to learn how to optimize the performance of these Weaving MSMEs. Therefore, it is really necessary to have better management of the technology, so that the Bengkalis industry can develop further and be competitive in both the international markets.

LITERATURE REVIEW

Financial Inclusion

According to (Yanti 2019) Financial inclusion is a comprehensive activity that aims to eliminate all forms of obstacles both in the form of prices and non-prices to community access in utilizing or utilizing financial services. (Zwedu 2014) states that financial inclusion facilitates access to savings and transfer services as well as providing credit and insurance at affordable costs for poor people.

Furthermore, financial inclusion can be defined as ensuring access to financial services at affordable costs and in a fair atmosphere (Waskito, 2012). (Soetiono 2018) explains that financial inclusion is all efforts to eliminate all forms of barriers to community access in the use of financial services at affordable costs. According to (Terzi 2015) the greater the increase in financial inclusion in SMEs, the more it will ultimately increase the financial stability of a country. From the understanding above, it can be concluded that financial inclusion is an activity that facilitates community access to financial services and products.

Dimensions of Financial Inclusion

According to (Bongomin et al., 2016) there are 4 dimensions of financial inclusion, including:

1. access, related to the ability to implement products and/or services in the formal financial sector in terms of physical and cost coverage.
2. Utilization, related to actual use of products and/or financial services.
3. quality, related to the level of meeting the needs of society in accessing products and services in the formal financial sector.
4. welfare, related to the size of the impact on product use and service in the financial sector.

Factors that Influence Financial Inclusion

According to (Sanjaya 2014), several factors that influence financial inclusion are as follows:

1. Poor with the lowest income

The category of intelligent people does not have access to financial services at all or access is very limited. Those who are very poor, who are unlikely to meet the requirements to obtain social assistance, as well as the lower classes of poor society, who are already taking part in projects aimed at empowering their communities, are included in the elite group.

2. Working poor

The category of self-employed, low-income individuals includes small and marginal farmers, non-farmers, self-employed and artisanal workers, small traders, and micro business owners in urban and rural areas. Due to a shortage of resources, they cannot increase production, increase productivity, or increase income.

3. Not poor

All local residents who do not fit the bill to become poor workers or poor people with the lowest income are included in the inli category.

4. Domestic and International Migrant Workers

TKI are often underserved by the financial sector or may not have sufficient access to financial services. They need fast, safe and affordable advice for transferring money from their jobs to their homes, which are usually located in remote and underdeveloped areas. The majority of migrant worker cases come from rural, low-income families where social assistance is practiced. They have limited official financial products or services that may be useful to them during the immigration process (i.e., before, during, and after migration).

5. Remote Areas

The geographical expansion of Indonesia's archipelago highlights the importance of giving individuals in rural areas special consideration in national financial inclusion plans. By utilizing information and communication technology, several gaps in access to financial services for internal groups can be filled (for example, mobile money to facilitate transfer and payment transactions between islands, as well as between rural and urban areas).

Financial Literacy

Understanding Financial Literacy

According to (Septianli and Wurylanli 2020) financial literacy is the extent to which individuals or society understand how to manage finances practically in accordance with economic needs and circumstances. Meanwhile (Lusardi and Mitchell 2007) explains that financial literacy can be interpreted as financial knowledge that has the aim of achieving prosperity. Then (Ortonl 2007) makes it clear by stating that financial literacy is an inseparable thing in a person's life because financial literacy is a useful tool for making informed financial decisions.

The essence of this idea is the ability to manage finances effectively and the knowledge needed to make decisions regarding investment, insurance, real estate, college costs, budgeting, retirement, and tax planning. Financial literacy is the skill or level of understanding of an individual or society in understanding how they manage their finances effectively in accordance with the needs and economic conditions they are currently facing (Septianli & Wurylanli, 2020).

Dimensions of Financial Literacy

The measurement of financial literacy uses four dimensions adopted from research (Bongominl et al., 2016) including:

1. Knowledge, namely superior understanding of financial services and can encourage society to avoid moral dangers that occur in financial markets.
2. Skills, related to effectiveness in selecting and deciding on financial services that will be used.
3. Attitude, related to the level of trust in financial institutions and their service products.
4. Behavior, related to ability in the process of budgeting, planning and decisions on managing household finances.

MSME Performance

Understanding MSME Performance

Performance is an achievement that a person or company achieves in achieving a goal (Kasenldah andl Wijaylanlgka 2019). Maximum performance is the main hope of a business unit in running its business. Then, good performance in all sectors, including finance, production, distribution and marketing, is an absolute requirement for MSMEs to continue to survive. (Mutegi, NLjeru, Anld Onlgesa 2015) defines SME performance as the result of work achieved by an individual and the fulfillment of that individual's role or task in a company in a certain period of time, which is related to a certain value measure or standard of the individual company u is working. Business performance is defined as a series of management processes that provide an overview of the extent to which results have been achieved in carrying out tasks and responsibilities in public accountability, both in the form of successes and shortcomings that have occurred.

Performance is the result or level of success of a person as a whole during a certain period in carrying out the tasks compared. From the several definitions above, it can be concluded that company performance is the company's ability to achieve targets that have been determined previously. All major types of business, namely MSMEs, must have a goal so that the business has the best performance. The main requirement to realize the development of MSMEs is good performance in all existing sectors such as the financial, production, distribution and marketing sectors. With various possibilities, such as work output standards, targets or targets or criteria that have been determined in advance and have been mutually agreed upon (Rivai 2008). This is also expressed by (Mulyladi 2007) that performance is the success of an individual, group or organization in carrying out goals that have been determined previously through desired actions.

Dimensions of MSME Performance

According to (Zaenal 2012) believes that in measuring the performance of an MSME, several dimensions can be used, including:

1. Profitable growth, Profit growth is calculated in terms of money (Rupiah) which is increasingly increasing.
2. Growth in the number of customers, the number of customers/consumers using products is increasing.
3. Growth in sales, the number of product sales in terms of quantity is increasing.
4. Growth in total assets, the number of company assets, both in the form of fixed and non-fixed assets, is increasing.

Relationship Between Variables

The Relationship Between Financial Inclusion (X1) and MSME Performance (Y)

According to (Yanti 2019) in research, financial inclusion has a positive and significant impact on the performance of MSMEs. Financial inclusion as an opening for business actors to access the availability of financial services, welfare of product service users and financial services that can always be used and utilized in the process of business activities aimed at increasing sales, capital, employment and profit growth effort.

The Relationship Between Financial Literacy (X2) and MSME Performance (Y)

Financial literacy can be broadly interpreted as knowledge of economic decision-making conditions. Good financial literacy will give rise to purchasing decisions that prioritize quality, and minimize the occurrence of wrong decisions regarding economic and financial issues that arise. Good literacy will provide adequate information about products, understanding risks to customers and cost efficiency (Aribawa 2016). According to (Yanti 2019) in research, it is clear that financial literacy has a positive and significant influence on the performance of MSMEs.

Based on the framework above, it can be concluded that the hypothesis in this research is as follows:

H1: It is suspected that financial inclusion has a significant effect on the performance of weaving MSMEs in Bengkalis District.

H2: It is suspected that financial literacy has a significant effect on the performance of weaving MSMEs in Bengkalis District.

H3: It is suspected that financial inclusion and financial literacy have a significant effect on the performance of weaving MSMEs in Bengkalis District.

METHODOLOGY

The approach taken in scientific research is to use a quantitative approach. According to (Sugiyono 2013) quantitative methods are research methods that are based on the philosophy of positivism, used to research certain populations or samples, data collection uses research instruments, data analysis is quantitative or statistical, with the aim of testing established hypotheses.

RESEARCH RESULT

Data Instrument Test

Validity Test

The assessment of each item's validity is determined by looking at the corrected item-total correlation of each item and the analysis is said to be valid if r calculated $>$ r table. The comparison in the r table in this research is to use the r table value with $nl = 73$ or $df : 73-2 = 71$ which is 0.1940.

Table 2. Recapitulation of Questionnaire Validity Test Results

Questioners	R count	Rtable	Label
X1.1	0,662	0,1940	Valid
X1.2	0,585	0,1940	Valid
X1.3	0,623	0,1940	Valid
X1.4	0,688	0,1940	Valid
X1.5	0,640	0,1940	Valid
X1.6	0,680	0,1940	Valid
X1.7	0,711	0,1940	Valid
X1.8	0,671	0,1940	Valid
X2.1	0,756	0,1940	Valid
X2.2	0,749	0,1940	Valid
X2.3	0,761	0,1940	Valid
X2.4	0,692	0,1940	Valid
X2.5	0,719	0,1940	Valid
X2.6	0,738	0,1940	Valid
X2.7	0,647	0,1940	Valid
X2.8	0,745	0,1940	Valid
Y.1	0,504	0,1940	Valid
Y.2	0,586	0,1940	Valid
Y.3	0,510	0,1940	Valid
Y.4	0,648	0,1940	Valid
Y.5	0,627	0,1940	Valid
Y.6	0,605	0,1940	Valid
Y.7	0,602	0,1940	Valid
Y.8	0,496	0,1940	Valid

Source: SPSS 25 processed data

Based on the table above, the results of the validity assessment of each of the analysis items include financial inclusion, financial literacy and MSME performance, a total of 24 analysis items all have a large count from r tables (r count $>$ r table) so that all questionnaire analysis items can be said to be valid and feasible. for use.

Reability Test

The reliability test is to measure a questionnaire which is an indicator of that variable. A questionnaire is said to be reliable if the answers obtained from a questionnaire are consistent or stable over time. Measuring reliability in in-house research is using the online shot method or one-time measurement to

measure reliability by looking at Cronbach's alpha. A construct or variable can be said to be reliable if it provides a Cronlback alpha value for each variable of more than 60% or 0.6, then the research is considered reliable.

Table 3. Recapitulation of Reliability Test Results

No	Variable	Cronbach's Alpha	Critical Value	Label
1.	Financial Inclusion (X1)	0,810	0,6	Reliabel
2.	Financial Literacy (X2)	0,867	0,6	Reliabel
3.	MSME Performance (Y)	0,705	0,6	Reliabel

The table above shows that the results of reliability testing for each of the variables shown show that the Cronbach's alpha value is above 0.60, the financial inclusion variable (X1) has a Cronbach's alpha of 0.810, the financial literacy variable (X2) has a Cronbach's alpha of 0.867, and the MSE performance variable m (YL) has a Cronlback's alpha of 0.705. These results prove that the entire questionnaire, each of the variables of financial inclusion, financial literacy, and MSME performance, has met the threshold value criteria and can be concluded as reliable and suitable to be used as a research instrument to record variables regarding financial inclusion, financial literacy, and MSME performance.

Classic Assumption Test

In this research, the combined linear regression model was used as the analysis method used. But before that you have to pass or be free from the 3 basic assumptions of regression. The following are the classic assumptions used as a basis for analysis:

Normality Test

Table 4. Normality Test Results

		Unstandardized Residual
N		73
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.36814599
Most Extreme Differences	Absolute	.079
	Positive	.079
	Negative	-.045
Test Statistic		.079
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: SPSS processed data

If the value is asymp. Sig. is greater than 0.05, it can be concluded that the residuals are distributed normally and vice versa. From the results of the

normality test using the Kolmogorov Smirnov method, the results were 0.200 ylanlg, meaning the data was distributed normally.

Multikolinearity Test

The aim of the multicollinearity test according to Ghozali (2011) is to find out whether the regression model found a correlation between independent variables. The multicollinearity test can be seen, if the tolerance value is > 0.10, and the VIF value is < 10.00, then multicollinearity does not occur.

Tabel Error! No text of specified style in document.. Multikolinearity Test Result

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	4.372	1.383		3.161	.002		
Financial Inclusion	.337	.045	.460	7.543	.000	.754	1.326
Financial Literacy	.309	.033	.574	9.419	.000	.754	1.326

a. Dependent Variable: MSME Peformance

Source: SPSS processed data

The VIF of the variables financial inclusion and financial literacy obtained a VIF value that is usually less than 10. This means that the variables financial inclusion and financial literacy do not have multicollinearity on the performance of MSMEs.

Heterokedastisity Test

Tabel 6. Heterokedastisity Test Result

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.040	.028		1.444	.153
Financial Inclusion	-.001	.001	-.172	-1.283	.204
Financial Literacy	.001	.001	.244	1.818	.073

a. Dependent Variable: ABS_RES

Source: SPSS processed data

The results of the heteroscedasticity test, the output shows that there is no significant relationship between all independent variables with respect to the absolute value of the residual which is shown by the sig value. greater than 0.05 means that in this model there are no symptoms of heteroscedasticity.

Data Analysis Test

Financial Inclusion on MSME Performance

Simple Linear Regression Analysis

Simple regression analysis is an analysis that is used to see the predictions of the independent variable financial knowledge (X1) in explaining the dependent variable financial management behavior (YL). Based on the results of calculations using the SPSS program, the data obtained can be seen as follows:

Table 7. Results of Simple Linear Regression Analysis of Financial Inclusion on MSME Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.874	1.992		3.953	.000
Financial Inclusion	.545	.058	.745	9.404	.000

a. Dependent Variable: Kinerja UMKM

Source: SPSS processed data

Based on table 5.20 above, it is known that the results of the simple linear regression analysis are with a value of continuity (*a*) of 7.874 and a regression coefficient of the financial inclusion variable of 0.545. Through the results of a simple linear regression test, a regression equation is obtained to determine the contribution of financial knowledge variables to financial management behavior variables as follows:

$$Y = a + Bx$$

$$Y = 7.874 + 0,545X$$

Where:

Y = MSME Performance

a = Constanta

X = Financial Inclusion

b = Regresion coefficient

From the regression results, it shows that:

1. The regression coefficient for MSME performance is positive, meaning that financial inclusion has a positive influence on MSME performance. The better the financial inclusion, the better the performance of MSMEs.
2. The constant value (*a*) is 7.874, which means that if the financial inclusion variable is assumed to be nol (0), then the performance of MSMEs is 7.874.
3. The financial knowledge regression coefficient value is 0.545, meaning that every 1 unit increase in financial inclusion will increase the performance of MSMEs by 0.545.

Coefficient of Determination (R2)

The simple coefficient of determination test (R2) is a quantity that is very useful for showing the level of strength of the relationship between the independent variables including financial inclusion (X1) in explaining the dependent variable of SME Performance (Y) or it can be said to see how much X contributes to Y. To find out big The influence of independent variables on dependent variables can be seen as follows:

Table 8. Results of the Simple Determination Coefficient (R2) of Financial Inclusion on MSME Performance Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 ^a	.555	.548	2.075

a. Predictors: (Constant), Inklusi Keuangan

b. Dependent Variable: Kinerja UMKM

Source: SPSS processed data

Sourced from table 5.21 above, it can be seen that the R square table calculates the coefficient of determination. From the table above, a value of 0.555 is obtained, which means that the contribution of financial inclusion variables to the performance of MSMEs in Tenlunl business actors in Benlglkalis District is 55.5%, while the remaining 45.5% is influenced by other variables which were not included in the original research.

Parsial- Test (t-Test)

The partial test (t test) is used to test each independent variable individually on the dependent variable and determine whether the hypothesis can be accepted or rejected. The results of the t test can be seen in the coefficient table in the sig (significance) column. If the test value is > ttable, and the significance value is sig < 0.05, then it can be said that the hypothesis used is acceptable. The following is the t test for variables including financial inclusion and performance of MSMEs:

Table 9. Results of Partial Test (t Test) of Financial Inclusion on MSME Performance Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	7.874	1.992		3.953	.000
Inklusi Keuangan	.545	.058	.745	9.404	.000

a. Dependent Variable: MSME Performance

Source: SPSS processed data

Based on table 5.23 above, it can be seen that the partial test results obtained a t-test result of 9.404 with a significance value of 0.000. It is known that the t table value can use the degree of freedom equation (df) using the following formula:

$$\begin{aligned} df &= n-2 \\ &= 73-2 \\ &= 71 \end{aligned}$$

Where:

df = degrees of freedom

n = number of business actors

The alpha significance rate is 5% or 0.05, then the t table obtained is 1.666

Hypothesis :

The financial knowledge variable has t count $9.404 > t$ table 1.666 sig 0.000 < 0.05 , which means H_a is accepted and H_o is rejected. From the results of this research, it can be concluded that the hypothesis stated "it is suspected that financial inclusion has a significant influence on the performance of Tenlunl MSMEs in Benlglalis District" is acceptable.

Financial Literacy on MSME Performance Simple Linear Regression Analysis

Simple regression analysis is the analysis that is used to see the predictions of the independent variable financial literacy (X2) in explaining the dependent variable MSME performance (Y). Based on the results of calculations using the SPSS program, the data obtained can be seen as follows:

Tabel 10. Results of Simple Linear Regression Analysis of Financial Literacy on MSME Performance

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	11.645	1.326		8.784	.000
Literasi Keuangan	.432	.038	.802	11.331	.000

a. Dependent Variable: Kinerja UMKM

Source: SPSS processed data

Sourced from table 5.24 above, it is known that the results of a simple linear regression analysis with a financial value (a) are 11.645 and a regression coefficient for the financial attitude variable is 0.432. Through the results of a simple linear regression test, a regression equation was obtained to determine the contribution of financial attitude variables to financial management behavior variables as follows:

$$Y = a + bX$$

$$Y = 11,645 + 0.432X$$

Where:

Y = Kinerja UMKM

a = konstanta

X = Literasi keuangan

b = koefisien regresi

From the regression results, it shows that:

1. The regression coefficient for MSME performance is positive, meaning that financial literacy has a positive influence on MSME performance. The better financial literacy, the better the performance of MSMEs.
2. The constant value (a) is 11.645, meaning that if the financial literacy variable is assumed to be nol (0), then the performance of MSMEs is 11.645.
3. The financial literacy regression coefficient value is 0.432, meaning that every 1 unit increase in financial literacy will increase the performance of MSMEs by 0.432.

Simple Coefficient of Determination Test

The multiple coefficient of determination test (R²) is a quantity that is very useful for showing the level of strength of the relationship between the independent variable financial literacy (X₂) in explaining the dependent variable MSME performance (Y_L) or it can be said to see how much X contributes to Y_L. To find out the magnitude of the influence of the independent variable on the dependent variable, it can be seen as follows:

Table 11. Results of the Simple Determination Coefficient (R²) of Financial Literacy on MSME Performance Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 ^a	.644	.639	1.855

a. Predictors: (Constant), Literasi Keuangn

b. Dependent Variable: Kinerja UMKM

Source: SPSS processed data

Sourced from table 5.25 above, it can be seen that the R square table calculates the coefficient of determination. From the table above, a value of 0.644 is obtained, which means that the contribution of the financial literacy variable to the performance of MSMEs in weaving businesses in Bengkalis District is 64.4%, while the remaining 35.6% is influenced by other variables which were not included in the research.

Partial Test (t Test)

The partial test (t test) is used to test each independent variable individually on the dependent variable and determine whether the hypothesis can be accepted or rejected. The results of the t test can be seen in the coefficient table in the sig (significance) column. If the test value is > t_{table}, and the significance value is sig < 0.05, then it can be said that the hypothesis used is

acceptable. The following is the t test of the financial literacy variable on MSME performance:

Table 12. Results of Partial Test (t Test) of Financial Literacy on MSME Performance Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	11.645	1.326		8.784	.000
Literasi Keuangan	.432	.038	.802	11.331	.000

a. Dependent Variable: Kinerja UMKM

Source: SPSS processed data

Based on table 5.26 above, it can be seen that the partial test results obtained a t-test result of 11.331 with a significance value of 0.000. It is known that the t table value can use the degree of freedom equation (df) using the following formula:

$$\begin{aligned} df &= n-2 \\ &= 73-2 \\ &= 71 \end{aligned}$$

Where:

df = derajat kebebasan
 n = jumlah pelaku usaha

Tarif signifikansi alpha 5% atau 0,05, maka t tabel yang diperoleh yaitu sebesar 1,666.

Hypothesis:

The financial attitude variable has t count $11.331 > t \text{ table } 1.666$ sig 0.000 < 0.05 , which means H_a is accepted and H_o is rejected. From the results of this research, it can be concluded that the hypothesis stated "it is suspected that financial literacy has a significant influence on the performance of Tenlunl MSMEs in Benlglkalis District" is acceptable.

Financial Inclusion and Financial Literacy on MSME Performance

Simple Linear Regression Analysis

Proving the influence of financial inclusion and financial literacy on MSME performance is carried out by using multiple regression. Multiple regression functions to prove the influence of two or more variables or look for functional relationships between two or more predictor variables on a criterion variable. The predictor variables in this research are financial inclusion and financial literacy, while the creative variable is SME performance. The following are the processed results of SPSS version 24 for multiple linear regression analysis of financial inclusion and financial literacy on MSME performance.

Table 13. Results of Multiple Linear Regression Tests on the Effect of Financial Inclusion and Financial Literacy on the Performance of Weaving MSMEs in Bengkalis District
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	4.372	1.383		3.161	.002
Inklusi Keuangan	.337	.045	.460	7.543	.000
Literasi Keuangan	.309	.033	.574	9.419	.000

a. Dependent Variable: Kinerja UMKM

Source: SPSS processed data

FORMULA :

$$Y = a + b_1.X_1 + b_2.X_2$$

$$= 4,372 + 0.337 X_1 + 0.309 X_2$$

Where:

Y = MSME Performance

a = Constant Value

b1.b2 = Regression Coefficient

X1 = Financial Inclusion

X2 = Financial Literacy

The regression equation above can be explained as follows:

1. A value of 4.372 is consistent or a situation when the financial management behavior variable has not been influenced by other variables, namely the financial inclusion variable (x1) and financial literacy (x2). If the internal variable does not exist then the MSME performance variable will not change.
2. b1 (the value of the regression coefficient with the assumption that other variables are not examined in the original research.
3. b2 (regression coefficient value x2) of 0.309 shows that the financial literacy variable has a positive influence on the performance of MSMEs which means that every 1 unit increase in the financial literacy variable will affect the performance of MSMEs by 0.309. with the assumption that other variables are not examined in the original research.

Coefficient of determination (R²)

Based on the internal coefficient of determination test, the aim is to see the percentage of the independent variable that is able to explain changes that are occurring in the dependent variable. The value of the coefficient of determination is between 0 and one. The larger R² (approaching 1), the influence of the independent variable is simultaneously considered strong, and vice versa. The following are the results of the coefficient of determination test using SPSS:

Table 14. Coefficient of Determination Test Results (R2) of Financial Inclusion and Financial Literacy on MSME Performance Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.896 ^a	.804	.798	1.388

a. Predictors: (Constant), Literasi Keuangan, Inklusi Keuangan

b. Dependent Variable: Kinerja UMKM

Source: SPSS processed data

Based on the table above, it can be seen that the R Square table takes into account the coefficient of determination. And the R2 (R Square) number obtained is 0.804. What this means is that the contribution of financial inclusion and financial literacy to MSME performance is 80.4%, while the remaining 19.6% is influenced by other variables which are not included in the original regression model.

Simultaneous Test (F Test)

The following are the results of simultaneous significance tests for the variables financial knowledge and financial attitudes towards financial management behavior.

Table 15. Simultaneous F Test Results ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	551.393	2	275.697	143.196	.000 ^b
Residual	134.771	70	1.925		
Total	686.164	72			

a. Dependent Variable: Kinerja UMKM

b. Predictors: (Constant), Literasi Keuangan, Inklusi Keuangan

Source: SPSS processed data

If the sig value < 0.05 or $f_{count} > f_{table}$ then there is a simultaneous influence of variable x on variable y. And conversely, if the sig value is > 0.05 or $f_{count} < f_{table}$ then there is no simultaneous influence of variable x on variable y.

$F_{table} = df1 : df2$

$df1 = k = 2$

$df2 = n - k - 1$

So,

$df1 = 2$

$df2 = 73 - 2 - 1 = 70$

Where:

df = Degrees of freedom

n = Number of respondents

k = The number of independent variables with an alpha significance rate of 0.05 then the F table obtained is 3.13

So the interpretation of the table above is as follows:

Testing the Third Hypothesis (H3)

Based on the output above, it is known that the significance value for the simultaneous influence of X1 and So financial inclusion and financial literacy simultaneously influence the performance of MSMEs in weaving businesses in Bengkalis District. So the third hypothesis is "It is suspected that Financial Inclusion and Financial Literacy have a significant influence on the performance of MSMEs." accepted.

DISCUSSION

The Effect of Financial Inclusion on MSME Performance

After testing, the results of the partial hypothesis test showed significant results on the financial inclusion variable on the performance of MSMEs. It is known that the value for the influence of

The results of the research show that financial inclusion has a partial effect on the performance of MSMEs, which means that the better the financial inclusion, the higher the level of performance of MSMEs, which is in line with the results of research (Fajri et al. 2021) and (Ylanlti 2019) shows that there is a positive influence of inclusion financial impact on the performance of MSMEs in each of their objects, namely Batik crafts MSMEs in Tegal Regency and MSME entrepreneurs in North Moylo who are registered with the Sumbawa Regional Office of the Republic of Indonesia.

The results of this research are also in line with research that has already been carried out by (Riwaylati 2017) showing that financial inclusion is able to increase the growth and performance of MSMEs. In this research, the success of MSMEs is influenced by external and internal factors, where internal factors include HR, financial and technical aspects.

The Influence Of Financial Literacy on MSME Performance

After testing, the results of partial hypothesis testing showed significant results on the variable financial attitudes towards financial management behavior. It is known that the financial value has a t count of $11.331 > t$ table 1.666 sig 0.000 < 0.05, so financial literacy has an influence on the performance of MSMEs among Tenlunl business actors in Benlgkalis District.

The results of this research show that financial literacy has a strong influence on the performance of MSMEs, which means that good financial literacy from MSME actors will support their ability to manage finances wisely. This means that it has been proven that with aspects of financial knowledge, financial skills, and financial attitudes that MSMEs have, they will be able to improve performance in terms of basic financial knowledge, calculating budgets, carrying out daily cash bookkeeping, and being careful in credit or debt decisions.

In line with research that has been carried out by (Idawati andl Pratama 2020) which has been carried out in Denpasar City by using 100 MSMEs as regional respondents. The results of this research show that there is a significant

influence between financial literacy on the performance and sustainability of MSMEs. The interpretation in this research is that with a good understanding of financial literacy, it is hoped that MSME actors can make appropriate financial decisions and financial management so that it can have an impact on improving the performance and sustainability of the business.

The results of this research are also in accordance with the Resource Based View (RBV) theory which was first put forward by Barnley in 1991. The results of this research are that business actors' resources are in the form of financial literacy which is of great value in achieving competitive performance excellence.

The influence of financial inclusion and financial literacy on MSME performance

After testing, the results of hypothesis testing simultaneously show significant results on the variables of financial knowledge and financial attitudes towards financial management behavior. It is known that the significance value for the influence of X1 and X2 simultaneously on YL is $143,196 > f_{table} 3.13$. So financial inclusion and financial literacy have a simultaneous influence on the performance of MSMEs among Tenlunl business actors in Benlgekalis District.

The results of this research show that financial inclusion and financial literacy simultaneously influence the performance of MSMEs, in line with the results (Sajuligbe et al. 2020) which show that the results of each financial inclusion and financial literacy variable jointly influence the performance of small businesses. There is a positive and significant relationship between financial literacy and financial inclusion.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of research that has been carried out on Tenlunl MSMEs in Benlgekalis District, the influence of financial inclusion and financial literacy on the performance of MSMEs is assessed. So the following conclusions can be drawn:

1. The results obtained show that the financial inclusion of SMEs in the Bengkalis sub-district is categorized as very good. This means that internal MSME players can handle the financial services they have very well. There is the lowest score on the financial inclusion variable, namely the dimension of access to financial services. The results showed that the financial literacy of MSMEs in Bengkalis District was categorized as very good. There is the lowest score on the financial literacy variable, namely the behavioral dimension. From all the information that has been given, internal MSME actors are still less able to understand the skills in the process of budgeting, planning and financial management decisions. The results obtained were that the performance of the MSMEs of Tenlunl actors in Bengkalis District was categorized as quite good. This means that internal MSME players are quite capable of utilizing access to financial services and financial knowledge so that they are able to drive efforts to improve the

performance of MSMEs. And there is the lowest score for the MSME performance variable, namely the growth and number of sales dimensions.

2. Partially, it can be seen that the financial inclusion variable has a positive and significant influence on the performance variables of MSMEs in the Bengkalis District. The better the financial inclusion, the higher the performance level of MSMEs.
3. Partially, it can be seen that the financial literacy variable has a positive and significant influence on the performance variable of MSMEs in Bengkalis District. The better the financial literacy, the higher the performance level of MSMEs.
4. Simultaneously, it can be seen that the financial inclusion and financial literacy variables have a positive and significant influence on the MSME performance variables of weaving MSME actors in Bengkalis District

ADVANCED RESEARCH

Meanwhile, suggestions that can be put forward in this research:

1. For MSME owners, it is hoped that they will be able to maintain and improve knowledge regarding financial inclusion and financial literacy in order to be better in the future and also to improve performance for the future so that the MSME's that are currently running are better and can be competitive Also in a wider world.
2. For the government, pay more attention to MSME's in terms of distributing aid and assistance evenly so that MSMEs can develop and be known to both international and international society.
3. For further researchers, it is hoped that the results of this research will be used as a reference for further research, and it is hoped that similar researchers will be able to develop other variables that have an influence on the performance of MSMEs.

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