

THE INFLUENCE OF FINANCIAL LITERACY, CREATIVITY, AND HUMAN RESOURCE COMPETENCIES ON THE PERFORMANCE OF SRC MSME (CASE STUDY OF BANYUMAS AND SOMAGEDE SUB-DISTRICTS)

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ABSTRACT

MSME performance is the result of work that has a strong relationship with the organization's strategic goals, contributes to customer satisfaction, and contributes to the economy. MSME performance also means doing work, the results achieved from the work, and what is done and how to do it. This study looks at the influence of independent variables consisting of financial literacy, creativity, and HR competencies on the acceptance of MSME performance in Banyumas District. The purpose of this study is not only to determine the effect of the four independent variables on MSME performance but also to determine their significant effect on MSME performance in Banyumas District. The type of research used is quantitative research, with the primary data collection method using a questionnaire taken from respondents who are MSME actors in Banyumas Regency. Based on the results of the study, it is known that (1) Financial Literacy has a significant effect on MSME performance; (2) Creativity has a significant effect on MSME performance; and (3) HR competence has a significant effect on MSME performance.

Keywords: Financial Literacy, Creativity, Human Resource Competencies, and MSME Performance.

1. Introduction

1.1 Background

The emergence of the Micro, small, and Medium Enterprises (MSMEs) sector is a significant part of economic development and job creation (Wahyudiati & Isroah, 2018). In 2013, the Indonesian Ministry of Cooperatives and MSMEs recorded 56,534,592 MSME units in Indonesia. This figure continued to increase until 2017, totaling 62,922,617 units. Thus, the growth of MSMEs must be supported by the government so that they continue to grow because they have an important role in the Indonesian economy. MSMEs often experience delays due to various conventional problems (Sulistiyo et al., 2022). Product marketing, technology, financial management, the quality of human resources, and capital are some of the problems most often faced by MSME actors. If the problems of MSMEs are not addressed immediately, it will have an impact on their performance.

Based on data from the Ministry of National Development Planning, only 4% of MSMEs have higher sales than before the pandemic, and only 4% also have the same amount of sales from before the pandemic and after the pandemic. It can be concluded that since the pandemic, 58% of MSME players have experienced a decrease in sales turnover due to the pandemic, and only 8% of MSME players can "survive" in the midst of the current pandemic. The COVID-19 pandemic has caused the performance of MSMEs to decline, which is characterized by a decrease in sales for several MSMEs. A similar phenomenon also occurred in Banyumas Regency, especially in Banyumas District and Somagede District, as explained in the graph below.

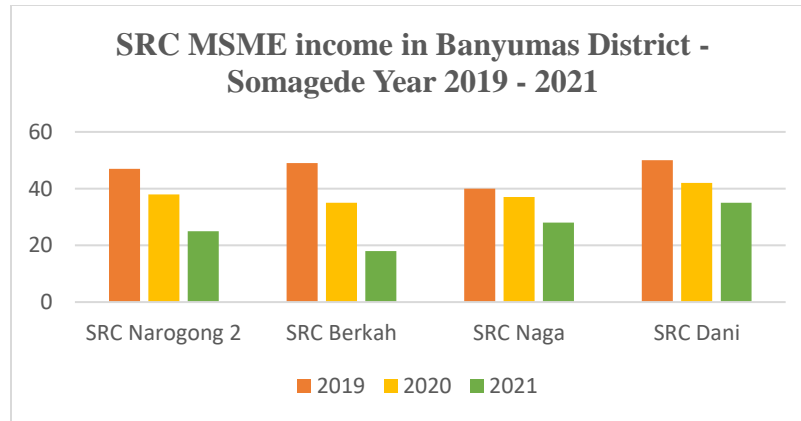


Figure 1. Revenue of SRC MSMEs in Banyumas and Somagede sub-districts

Based on the graph above, it can be seen that the revenue of SRC MSMEs in Banyumas and Somagede sub-districts in 2019–2021 has decreased. Thus, with this research, MSMEs in Banyumas Regency can recover and rise again. The occurrence of poor performance is influenced by many internal and external factors. Factors that influence the performance of MSMEs are human resources aspects, financial aspects, technical aspects of production and operations, market and marketing aspects, government policy aspects, social, cultural, and economic aspects, and aspects of the role of related institutions (Wahyudiati & Isroah, 2018). This is also supported by research conducted by Hermawan and Damai (2012), which states that financial and HR aspects have a significant effect on the performance of MSMEs. Other research conducted by Safik and Suparwati (2013) states that a significant factor affecting the performance of MSMEs is the human resource aspect.

Financial literacy is one of the factors that influences the performance of MSMEs. Financial literacy is knowledge about how to manage and design finances properly, which can help in making business decisions (Dhara Kartika & Musmini, 2022). Apart from financial literacy, creativity is also a factor that affects the performance of MSMEs. Creativity is a collection of new ideas, experiences, and knowledge that are in the human mind and are needed by society (Puspitasari et al., 2022). Creativity is the ability to make new combinations or see new relationships between pre-existing elements, data, and variables (Sukriani, 2022).

Human Resource competence is one of the factors that also affects the performance of MSMEs. Human resource competencies are competencies related to knowledge, skills, abilities, and personality characteristics that directly affect their performance (Kholid Murtadlo & Hanan, 2019). Based on the explanation of the background of the problem above, the researchers are

interested in conducting research with the title "The Effect of Financial Literacy, Creativity, and Human Resource Competencies on the Performance of SRC MSMEs (Case Study of Banyumas and Somagede Districts)".

1.2 Problem Formulation

Based on the description of the problem formulation in the background above, some of the research questions are as follows :

1. How does financial literacy affect the performance of MSMEs in Banyumas Regency?
2. How does creativity affect the performance of MSMEs in Banyumas Regency?
3. How does human resource competence affect the performance of MSMEs in Banyumas Regency?

1.3 Research Purposes

This study was conducted to analyze the effect of financial literacy, creativity, and human resource competencies on the performance of SRC MSMEs in Banyumas and Somagede Districts.

2. Literature Review

2.1 Literature Review

2.1.1. MSME Performance

The definition of MSME performance is an overall achievement of work results compared to work results, goals, targets, or those that have been set in advance and agreed upon in a business. There are several factors that affect business performance. There are two types of factors that affect MSME performance. Internal factors include aspects of human resources, financial aspects, production or operational techniques, and market and marketing aspects. Meanwhile, external factors include aspects of government policy, socio-cultural and economic aspects, aspects of production or operational techniques, and aspects of the role of related institutions (Musran Munizu, 2010). The indicators used to measure MSME performance include sales growth, capital growth, labor growth, market growth, and profit growth (Zhaviery et al., 2019).

2.1.2. Financial Literacy

Financial literacy is knowledge about how to manage and design finances properly, which can help in making business decisions (Dhara Kartika & Musmini, 2022). Financial literacy can help business actors related to business management, starting with budgeting, planning business fund savings, and basic knowledge of finance, achieve financial goals (Iko Putri Yanti, 2019). In addition, good financial literacy will provide adequate information about products and an understanding of risks to customers, and in the community, it will increase tax revenue for the government to maximize the development of infrastructure and public service facilities. Research by Aribawa (2016), Yanti (2019), Kasendah and Wijayangka (2019), and Septiani and Wuryani (2020) shows that financial literacy has a positive and significant effect on MSME performance.

Based on this theoretical basis, the alternative hypothesis related to financial literacy is as follows:

H₁: Financial literacy has a positive effect on the performance of MSMEs.

2.1.3. Creativity

Creativity is the idea or mentality to create something new to fulfill a market or community need that does not currently exist (Puspitasari et al., 2022). Creativity is essential to obtaining and maintaining organizational effectiveness and a competitive advantage. Creativity is the main capital for superior HR performance. Creative HR can get the job done effectively and efficiently (Puspitasari et al., 2022). The research of Puspitasari et al. (2022), Sukriani (2022), Numat et al. (2022), and Harini et al. (2022) shows that there is a positive and significant effect of creativity on the performance of MSMEs. Based on this theoretical basis, the alternative hypothesis related to financial literacy is as follows:

H₂: Creativity has a positive effect on the performance of MSMEs.

2.1.4. Human Resource Competencies

Human resource competencies are competencies related to knowledge, skills, abilities, and personality characteristics that directly affect their performance (Kholid Murtadlo & Hanan, 2019). A business that has adequate human resource competencies will have a positive impact on improving the performance of MSMEs. In addition, good human resource competencies, if owned and maintained over a long period of time, can be an investment in the progress of MSMEs (Maulatuzulfa, 2022). Human resource competencies can affect the performance of MSMEs because business continuity is determined by the level of education of MSME owners and employees, the experience of MSME actors in the business world, and the managerial and marketing competencies of each individual involved in maximizing MSME performance. Therefore, human resource competencies affect the performance of MSMEs. Based on this theoretical basis, the alternative hypothesis related to financial literacy is as follows:

H₃: Human resource competencies have a positive effect on the performance of MSMEs.

2.1.5. SRC (Sampoerna Retail Community)

SRC (Sampoerna Retail Community) is a network of contemporary grocery stores that join the partnership, coaching, and mentoring programs of PT Sampoerna Tbk. MSME players are not left alone but are given training, mentoring, and education to be able to compete in the market as a community empowerment to improve the community's economy. SRC (Sampoerna Retail Community) itself continues to strive to increase its contribution to realizing a populist economy and increasing the competitiveness of MSMEs. There are several programs provided by PT Sampoerna to SRC members, namely on sales and marketing governance and management, store tidying, and business development procedures, so that they can better compete with modern stores.

2.2 Framework

Researchers created a framework by focusing on the influence of financial literacy variables, creativity, and HR competencies on MSME performance variables. The framework can be seen in Figure 2 below.

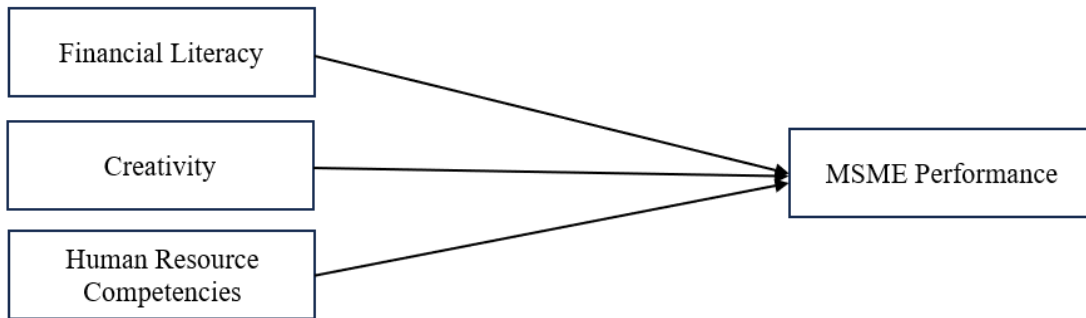


Figure 2. Thinking Framework

3. Research Methodology

The type of research used in this study is quantitative research. This type of research uses statistical procedures, and there are measurements. While this research method uses a descriptive method, namely research that is systematically organized, This research was conducted at several SRC MSMEs in Banyumas and Somagede sub-districts within the implementation period in May 2023.

The population in this study was all SRC MSME players in Banyumas and Somagede Sub-districts. The sample is part of a number of characteristics possessed by the population used for research. The sample used in the study was taken using a sampling technique called saturated sampling, namely, taking the sample as a whole from the population. The data collection technique in this study is to use a questionnaire or questionnaires, observation, documentation, and interviews with the owners of the SRC MSME. Data analysis in this study used multiple regression analysis. This analysis is used to determine the effect of two or more independent variables (X_1, X_2, \dots, X_3) on the dependent variable (Y) so as to determine the effect of financial literacy, creativity, and HR competence on MSME performance, which is expressed by the following equation :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \quad (1)$$

This study also conducted a classic assumption test, namely the normality test, the multicollinearity test, and the heteroscedasticity test. This test is used to determine how much influence the independent variables (financial literacy, creativity, and HR competencies) have on the dependent variable (MSME performance).

4. Results

4.1 Respondent Description

Respondents in this study were SRC shopkeepers in Banyumas and Somagede sub-districts. The method of sampling is saturated sampling, namely, taking samples as a whole from the population. Data collection is done through distributing questionnaires either directly or via a

Google Form (G-Form) sent via chat via WhatsApp. In this study, researchers interviewed 37 respondents. Based on the research that has been carried out, it is obtained that the general description of the respondents as the object of research is the gender of SRC business actors in Banyumas and Somagede Districts, with the highest proportion being male, totaling 21 people with a percentage level of 56%. The age of respondents among fashion business actors in Indramayu Regency is in the range of 28–52 years, with the highest proportion being in the 30–50 year old business group with a total of 24 people, so that the majority of SRC business actors in Banyumas and Somagede Sub-districts are included in the productive age category. Furthermore, the education level of the majority of fashion business actors is high school, with a proportion of 18 people, or 49% of all respondents. This shows that fashion business actors have a fairly high level of education.

4.2 Data Analysis

This study has passed all classical assumption tests, which include the normality test, the multicollinearity test, and the heteroscedasticity test. Thus, data processing in research can be said to be feasible and appropriate. Furthermore, the data processing carried out is multiple linear regression analysis, and based on the processing results obtained, the following analysis results were obtained :

4.2.1. Multiple Linear Regression Analysis

Table 1. Results of Multiple Linear Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.502	3.404		-1.323	.195
	FINANCIAL_LITERACY	.777	.156	.611	4.971	.000
	CREATIVITY	.155	.157	.120	.985	.332
	HUMAN_RESOURCE_C OMPETENCIES	.331	.148	.261	2.245	.032

a. Dependent Variable: MSME_PERFORMANCE

Source: Data Processing, 2023

Based on Table 1, multiple linear regression coefficients can be known as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e \tag{2}$$

$$Y = -4,502 + 0,777X_1 + 0,155X_2 + 0,331X_3 + e \tag{3}$$

Based on the multiple linear regression equation above, it is concluded that the constant is -4.502. This means that X1 (financial literacy), X2 (creativity), and X3 (HR competence) are equal to zero (0), then the performance of MSMEs is 4.502%, the regression coefficient of variable X1 (financial literacy) is 0.777, the regression coefficient of variable X2 (creativity) is 0.155, and the regression coefficient of variable X3 (HR competence) is 0.331.

4.2.2. Coefficient of Determination (R^2)

The coefficient of determination (R^2) has a function to explain the extent to which the ability of the independent variables (financial literacy, creativity, and HR competencies) is related to the dependent variable (MSME performance) by looking at R Square. Data analysis on the income level variable obtained an R Square of 0.570, or 57%. This shows that the independent variables (financial literacy, creativity, and HR competencies) are only able to explain the dependent variable (MSME performance) by 57%; the remaining 43% is explained by other variables that are not present or are not taken into account in data processing analysis, such as taste, fashion, and others.

4.2.3. F-Test

This test aims to determine the extent to which the independent variables used are able to explain the dependent variable. F test to find out if all the independent variables included in the model have a joint influence on the dependent variable shown in Table 2.

Table 2. Test Results : F-Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	110.701	3	36.900	14.571	.000 ^b
	Residual	83.569	33	2.532		
	Total	194.270	36			
a. Dependent Variable: MSME_PERFORMANCE						
b. Predictors: (Constant), HUMAN_RESOURCE_COMPETENCIES, CREATIVITY, FINANCIAL_LITERACY						

Source: Data Processing, 2023

Based on the table above and the results obtained from F count $14.571 > F$ table 2.89 and a significant value of $0.000 < 0.05$, it can be explained that Financial Literacy, creativity, and HR Competence have a significant effect on the performance of MSMEs.

4.2.4. t-Test

The t test is done by comparing the value of the t table with the t count. If the t value $>$ t table ($\alpha = 0.05$), then the variable has a significant influence.

1. Based on the test statistical results for variable X1 ($5.757 > 1.692$), it can be concluded that H_a is accepted, meaning that variable X1 (financial literacy) has a positive and significant effect on variable Y (MSME performance), so that the first hypothesis is proven.
2. The results of the t test statistics for variable X2 obtained a t count of $2.329 < 1.692$, so it can be concluded that H_a is accepted, meaning that variable X2 (creativity) has a positive and significant effect on variable Y (MSME performance), so that the second hypothesis is proven.
3. The results of the t test statistics for variable X3 obtained a t count of $2.452 < 1.692$, so it can be concluded that H_a is accepted, meaning that variable X3 (HR competence) has a positive and significant effect on variable Y (MSME performance), so that the third hypothesis is proven.

5. Discussion

After analyzing the data, the discussion in this study is as follows:

1. The results of this study indicate that financial literacy has a significant effect on the performance of MSMEs. Therefore, it can be explained that the better the financial literacy, the more the performance of MSMEs will increase. The results of this study are in line with the research of Iko Putri Yanti (2019), which proves that financial literacy has a positive and significant effect on the performance of MSMEs, explaining that good financial literacy will enable MSME actors to carry out good financial management so that with good financial management, good MSME performance will be achieved. In addition, it is also supported by the results of research by Aribawa (2016), which states that the better the financial literacy of an MSME, the better its performance will be.
2. Based on the test results, it shows that creativity has a significant effect on the performance of MSMEs. Therefore, it can be explained that the higher the creativity, the higher the performance of MSMEs. The results of this study are in line with the results of research by Sukriani (2019) proving that creativity has a significant influence on the performance of MSMEs, explaining that high creativity will enable MSME actors to create new ideas so that with new ideas that can develop businesses, good MSME performance will be achieved. In addition, it is also supported by the results of research conducted by Puspitasari et al. (2022), which states that the higher the creativity of an MSME, the higher its performance.
3. Based on the test results, it shows that human resource competence has a significant effect on the performance of MSMEs. Therefore, it can be explained that the higher the competence of human resources, the higher the performance of MSMEs. The results of this study are in line with the results of research by Zhaviery et al. (2019), which prove that HR competence has a significant effect on MSME performance, explaining that good HR competence will make MSME actors because, with good HR competence, human resources in MSMEs will have good skills and expertise, and good skills and expertise will support activities in MSMEs so as to improve MSME performance. In addition, it is also supported by the results of research conducted by Wahyudianti and Isroah (2018), which states that the higher the HR competence of an MSME, the higher its performance will be.

6. Conclusions and Implications

6.1. Conclusions

Based on the results and discussion of the research, the conclusions obtained in this study are as follows:

1. Financial literacy has a significant effect on the performance of MSMEs (research on SRC MSMEs in Banyumas Regency). So it can be concluded that the higher the financial literacy of MSMEs, the better their performance.
2. Creativity has a significant effect on the performance of MSMEs (research on SRC MSMEs in Banyumas Regency). So it can be concluded that the higher the creativity in MSMEs, the better their performance.
3. Human resource competence has a significant effect on the performance of MSMEs (research on SRC MSMEs in Banyumas Regency). So it can be concluded that the higher the competence of human resources in MSMEs, the better their performance.

6.2. Implications

1. Improving financial literacy is important for an MSME because it can improve its performance. It is expected that MSMEs will have the desire to improve their financial literacy. By increasing financial literacy, MSME financial management will be improved so that it helps MSME actors make wise financial decisions. It is recommended that MSME actors have their own awareness to improve their financial literacy in order to improve their performance.
2. Increasing creativity is important for MSME actors because creativity can improve their performance. It is hoped that MSMEs have the desire to increase their creativity. By increasing creativity, new ideas such as product variations, promo prices, purchases getting bonuses (buy one, get one), and product arrangements that are more attractive to customers will emerge. These ideas will be used to develop MSMEs so as to improve their performance. It is recommended that MSME actors increase creativity for MSMEs in order to improve their performance.
3. Human resource competence is very important for an MSME. MSME actors must pay attention to human resource competencies to improve MSME performance. Improving human resource competencies can improve the performance of MSMEs. With good human resource competencies, human resources in MSMEs will have good skills and expertise. Good skills and expertise will support activities in MSMEs so as to improve MSME performance. It is recommended that MSME actors improve human resource competencies to improve MSME performance.

6.3. Limitations

1. This study only uses independent variables of financial literacy, creativity, and human resource competencies that can affect the dependent variable of MSME performance. In further research, it can use other independent variables that can improve MSME performance, such as government support, technology, marketing, entrepreneurial spirit, and other variables related to MSME performance.
2. This research only focuses on the scope of Banyumas Regency; for further research, it can cover a wider scope, such as provinces or other scopes.
3. In collecting data, the research questionnaire only used closed questions so that respondents could only choose answers based on the available answer statements. For

future research, it can be done by adding open-ended statements in the questionnaire for respondents so that they can find out answers from a broader perspective from respondents on the variables studied.

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