

THE INFLUENCE OF FINANCIAL LITERACY, FINANCIAL INCLUSION, AND FINANCIAL ATTITUDE ON THE FINANCIAL PERFORMANCE OF DEPOK UMKM THROUGH FINANCIAL MANAGEMENT AS AN INTERVENING VARIABLE



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Abstract

The purpose of this study was to analyze and obtain empirical evidence of the influence of financial literacy, financial inclusion, and financial attitudes on the financial performance of Depok UMKM through financial management as an intervening variable. The research used a purposive sampling method to select samples for the UMKM (Micro and Medium Enterprises) Depok Region registered with DKUM (Department of Micro Enterprise Cooperatives). The data analysis method used is Structural Equation Modelling-Partial Least Squares (SEM-PLS) on WarpPLS 7.0 application software. The results of this study state that financial literacy has a significant positive direct influence on the financial performance of Depok UMKM, Financial Inclusion has an insignificant positive influence on the financial performance of Depok UMKM, Financial attitudes have an insignificant positive influence on the financial performance of Depok UMKM, Financial literacy has a significant positive direct influence on financial management, financial inclusion has a significant positive direct influence in financial management, the financial attitude has a significant positive direct influence on financial management, financial management has a positive and significant direct influence of financial performance, financial management is able to mediate financial literacy on financial performance, financial management is not able to mediate financial inclusion on financial performance and financial management are able to mediate financial attitudes toward financial performance.

Keywords: Financial Literacy, Financial Inclusion, Financial Attitudes, Financial Performance, Financial Management

INTRODUCTION

Financial performance is an important aspect of financial management because it illustrates the company's ability or level of achievement in realizing the targets, objectives vision, and mission stated in its business plan. According to (Hutabrata, 2020) Financial performance achievements achieved in a certain period describe the health level of a business to achieve targets. The same thing is the case with financial management according to (Irfani, 2020), financial management can be a company financial management activity related to efforts to find and use funds efficiently and effectively to realize company goals. To strive to achieve the Company's goals according to targets.

Financial performance from a financial management perspective is a person's ability to manage their business to achieve successful business goals. Financial performance is an indicator of evaluating and measuring a company's financial condition through the company's ability to generate profits (Pang et al., 2020). Financial performance certainly has an important role in the company, because financial performance is an illustration of the company's achievement of success, which can be interpreted as the results that have been achieved for the various activities that have been carried out (Fahmi, 2012). It can be explained that financial performance is an analysis carried out to see the extent to which a company has implemented financial implementation rules properly and correctly.

Every company must have financial performance that continues to increase in its productivity process. Financial Performance according to (Alamsyah, 2020) Financial performance assessments can help companies, among other things, as a basis for determining company strategy for the future and to see overall organizational performance. Apart from financial performance being very important for companies, financial performance is also important for UMKM (Micro Small, and Medium Enterprises) as a systematic source for financial management is also needed for all business owners, and the performance of small businesses such as UMKM in society.

Indonesian UMKM is considered to contribute important roles in development and economic growth through increased financial performance, one of which is in the field of Culinary UMKM. The development of Micro, Small, and Medium Enterprises (UMKM) in Indonesia has increased from 55.21 million in 2012 and 64.19 million business units in 2018.

It can be concluded that the growth in the number of UMKM in Indonesia increased by 116 percent from 2012-2018 (Yahya et al., 2020)

As the spearhead of a region's economy, the role of UMKM financial performance is very important to continuously increase profits. Financial performance is an achievement achieved by a company in a certain period in describing the company's level of excellence (Ratih et al., 2014). This can be a basis for assessing financial performance conditions. However, not all regions can improve the financial performance of UMKM, especially in the culinary sector. Several areas are still unstable in efforts to improve the performance of UMKM, one of which is the Depok area. It can be seen from the Depok UMKM performance report data which is unstable from year to year.

However, in the Performance Report of the Department of Cooperatives and Micro Enterprises for the Depok Region for 2019-2022, the strategic targets are as follows:

Table 1.
Performance Target for Depok Cooperatives and Micro Enterprises Service 2019-2023

Strategic Goals		Target					Realization					Mean per Indicator
Description	Performance Indicators	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	
Increasing the quality of accountable government management	SAKIP DKUM value	100%	100%	100%	100%	100%	100%	100%	70,6%	70,6%	70,2%	82%
Increasing the competitiveness of cooperatives and Micro Enterprises	Quality Cooperative	100%	100%	100%	100%	100%	59,7%	44,8%	87,7%	56,3%	58,3%	61%
	Percentage of entrepreneurial volume	100%	100%	100%	100%	100%	34,6%	77,3%	76,3%	80,0%	78,2%	69%
	Percentage of new entrepreneurs	100%	100%	100%	100%	100%	58,2%	73,5%	75,8%	72,7%	80,2%	72%

The percentage of micro businesses has increased in class	100%	100%	100%	100%	100%	61,0%	53,0%	13,0%	86,6%	79,6%	59%
Average Per Year						63%	70%	64,71%	73,29%	73,32%	69%

Source: Performance Report of the Department of Cooperatives and Micro Enterprises 2019-2023

Based on the report above, the performance report of Depok UMKM for the past 5 years has been unstable or fluctuating. From several of the assessment indicators above, such as quality cooperatives, the fluctuating percentage of entrepreneurial volume, new entrepreneurs and micro-enterprises upgraded to class also reflects fluctuating financial performance as well. If the performance of UMKM through high-quality cooperatives is stuck, the volume of new entrepreneurs is not developing or moving up in class and there is no improvement, this shows that the ability or level of achievement of the UMKM business cannot meet the target and cannot meet the target, this is the problem. from Depok UMKM that financial performance is still fluctuating.

From the performance report of the Department of Cooperatives and Micro Enterprises, in reality, Depok UMKM has many problems, one of which is the low financial performance of SMEs. According to (Fahmi, 2012) Financial performance is an analysis carried out to see the extent to which a company has implemented financial implementation rules properly and correctly. Good company financial performance means that the implementation of applicable regulations has been carried out properly and correctly. To avoid problems regarding financial performance which is still considered weak amidst the condition of Depok UMKM which is currently carrying out a lot of coaching, even though one thing that must also be focused on is

There is a need for financial intelligence as a person's ability to manage the financial resources they have so that performance increases, according to the institution (Financial Services Authority, 2022) states that by definition literacy is defined as the ability to understand, so financial literacy is the ability to manage one's funds so that one can develop and live more prosperously in the future.

OJK stated that the important mission of the financial literacy program is to provide financial education to the Indonesian people so that they can manage their finances intelligently, so that low knowledge about the financial industry can be overcome and people are not easily fooled by investment products that offer high profits in the short term. Without considering the risks, especially in district areas. The results of the OJK (Financial Services Authority) inclusion literacy report for 2022, show that the financial literacy index and Financial Inclusion of West Java (Including Depok City) are low with the financial literacy presentation of the people of West Java at 56.10% and financial inclusion at 88.31%, Literacy West Java's finances are considered low compared to other provinces. This shows that the gap between the level of literacy and the level of inclusion is very large, even though financial inclusion must be accompanied by good financial literacy to improve financial performance.

According to (Alamsyah, 2020), researching the effect of optimizing Financial Literacy on the financial performance of Gorontalo furniture UMKM. The results of this research show that Financial Literacy can help UMKM face financial problems, making it possible to manage financial information and make the right decisions for the welfare of their business. However, the negative and significant influence between Financial Literacy and Financial performance is also explained by research (Habibah, 2021). This shows that the higher the financial literacy of UMKM actors, the lower the financial performance produced by those UMKM actors. Researchers believe that UMKM in Sidoarjo still does not understand and master how to manage finances, so financial performance is still low.

In contrast to research (Naufal Ilham, 2022) financial literacy does not have a significant effect on the F&B performance of Jember UMKM. According to him, financial literacy knowledge is not a dominant factor in determining performance, there can also be other organizational factors, namely work discipline, financial inclusion is also considered a strengthening indicator of financial performance, as is research from (Maharani, 2022) that financial inclusion has a positive and significant effect on financial performance. With easy financial services, the performance of UMKM in an area will improve. will increase due to the convenience obtained from financial institutions. With adequate financial access, business actors can easily save profits from their business in formal financial institutions, so that the profits obtained can be differentiated from personal finances. That way, business

profits will be clearly visible, and business actors can know well how their business is performing

In research (Jumady Edy, 2022), the unfavorable geographic location results in a lack of infrastructure (lack of banking branch offices and ATMs in Makassar which makes it difficult for UMKM players to access financial institutions related to business transactions and business capital. So financial inclusion has a significant negative effect on the performance of UMKM. However, this is different from research from (Mutiara S, 2023) which states that financial inclusion does not have a significant influence on the financial performance of Bandar Lampung UMKM. UMKM players are considered to be able to improve their performance with other strategies such as improving product quality, marketing strategies, selecting strategic business locations, and innovation apart from utilizing financial institutions.

Meanwhile, another variable that is also considered important in financial performance is financial attitude. According to (Salma, 2023) financial attitudes have a positive effect on the financial performance of UMKM in the culinary sector. According to him, if the Banyumas department continues to improve its capabilities regarding the financial attitude of UMKM, it will increase its capabilities in good and healthy business financial performance.

Research according to (Safitri, 2020) considers that financial attitudes have a significant negative effect on the financial performance of Kalipucung Wetan UMKM. They consider that Fintech is much more important for every UMKM to have than a financial attitude in optimizing the financial performance of their business.

Although it is different from research from (Hayati, 2023) that financial attitude does not have a significant effect and guarantees good financial performance. Environmental factors and surrounding people influence financial performance compared to the financial attitude of UMKM because UMKM players believe that society will definitely need UMKM to meet their daily needs. Based on several previous studies, there are inconsistencies related to financial literacy, financial inclusion, and financial attitudes towards financial performance. Difference/ research gap in the results of research that has been carried out and which are used as the basis of research.

From several inconsistencies in previous research above, financial performance indicators, financial inclusion, and financial attitudes have a controversy over the influence of financial performance, it emerges gap research, so it is necessary to provide intervention, namely financial management which is considered an important part of creating good financial performance. The author wants to close the gap in research is by presenting financial management variables as variables intervening. Because obey (Rulyanti et al., 2017) stated that there is a lack of understanding of good accounting standard financial management for UMKM to obtain financial information used in decision-making and improve financial performance. Meanwhile, according to (Amelia, 2022) Financial management is an act of responsibility for managing funds. Someone who has extensive financial knowledge tends to have better financial skills in managing their business finances. Therefore, UMKM players need to think carefully about how to manage their finances properly.

REVIEW OF LITERATURE

Theory of Planned Behaviour

The theory of planned behavior is a theory that is often used to predict various behaviors, balanced by behavioral intentions. Intention or inner intention The Theory of planned behavior is the main factor for individuals in carrying out certain attitudes. This theory is not directly related to the amount of control a person has, but rather focuses on the influence of planning intentions which have the possibility of influencing a person's attitudes, subjective norms, and behavioral control according to what is perceived to achieve a goal. According to (Mendari & Kewal 2014) the important aspects of financial literacy that UMKM must have to avoid financial problems are: General Basic Financial Knowledge, loan savings, insurance, and investment. This aspect becomes a control attitude in planning, as is the theory (TPB) in improving the financial performance of UMKM. The theory (TPB) as a control for the behavior of UMKM actors on a spec that is no less important is also explained by (Sarma, 2016) that financial performance can be improved through financial inclusion indicators: banking penetration, availability of banking services, and use of the banking service system as behaviors that must be carried out. in certain situations, such as improving financial performance.

Financial performance also plays an important role in the process of achieving UMKM targets. One of them is good and neat financial management for every UMKM business so that it reaches a stage of increased financial performance. This reflects Theory Planned Behavior that UMKM actors have control in financial management planning so that financial performance also increases Marketing Performance (Y)

Financial Performance

Performance is a complete display of the condition of the company (micro business unit) during a certain period, it is a result or achievement that is influenced by the company's operational activities in utilizing the resources it has (Hayati & Prasetyo Budi, 2023). Financial performance according to (Najib & Kiminami, 2011) can be measured through profitability, one of which is. For performance to continue to develop, there needs to be good management within the organization itself. Financial performance is a company's operational and investment activities by increasing the role of financial intermediaries, such as angel investors, venture investors, and creditors who can contribute to encouraging small business growth and product market innovation (Mohamad & Utomo, 2017)

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Financial Literacy

Financial literacy is about how individuals can manage their finances using their knowledge of finance itself (Rokhayati et al., 2022). In addition, the Financial Services Authority defines financial literacy as a form of improving the quality of decision-making

and managing finances to achieve prosperity using knowledge, skills, and beliefs that are applied to individual attitudes and behavior.

Financial Inclusion

Financial inclusion according to (Ayu et al., 2023) means that individuals and business actors can access financial products and services such as transactions, payments, savings, credit, and insurance. Financial access facilitates everyday life and helps families and businesses plan everything from long-term goals to unexpected emergencies. Therefore, financial inclusion is a major driving factor for reducing poverty and inequality.

Financial Attitude

According to (Khodijah et al., 2021) financial attitude is the application of financial principles to create and maintain value through proper decision-making and managing resources. Financial attitude is a state of mind, opinion, and judgment about finance.

RESEARCH METHOD

Research Framework

Research framework according to (Sugiyono, 2017) is a diagram that outlines the flow of research. The thinking framework is a conceptual model of theory related to various factors that have been identified as important problems. To make it easier to carry out research, it is necessary to create a thinking framework related to variables (X) = exogenous variables, namely Financial Literacy (X1), Financial Inclusion (X2), and Financial Attitudes (X3). Meanwhile, Financial Management as a variable (Z) = mediating endogenous variable (Z) and Financial Performance as a variable (Y) = dependent endogenous variable (Y). Referring to the problem formulation, the thinking framework in this research can be described and explained as follows:

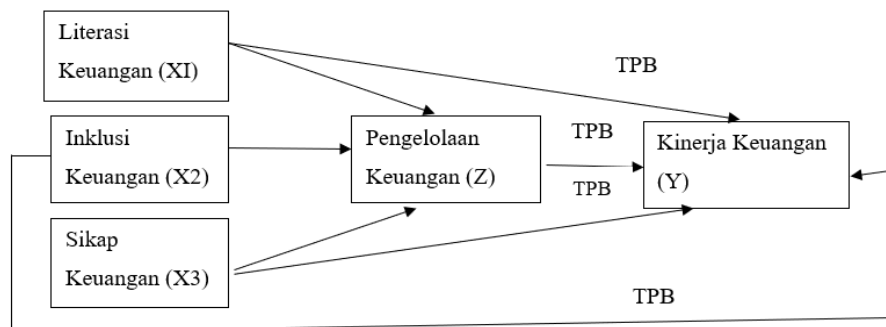


Figure 1
Research Framework

Source: Processed by Researchers (2023)

Population and Sample

According to (Kurniawan, 2016) Population is a generalization area consisting of subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn. Referring to the definition above, the population in this study is Depok UMKM actors, UMKM registered with the Depok Regional Micro Business-Cooperative Service as of 2023 are included in quality UMKM or have been in business for more than 1 year and have annual reporting of 321 UMKM players.

So, based on lemeshow formula, the obtained is $96.04 = 100$ people, so this study took data from a sample of at least 100 people. These 100 respondents will be taken based on the purposive sampling method. (Yafie, 2016) states that the purposive sampling method is a sampling technique using data sources with certain considerations that have criteria that are appropriate to the research phenomenon. The criteria are as follows:

- 1) UMKM Business Actors in the Depok area
- 2) Business has been around for more than 1 year
- 3) Have simple financial reports in your business.

Data Analysis Method

A quantitative research approach was used in this research. In this research, the data analysis method used is Structural Equation Modelling-Partial Least Squares (SEM-PLS) by using the software WarpPLS version 7.0. This software is used because it has several advantages, including being able to test the relationship of moderating variables directly (Mahfud and Ratmono, 2013). Therefore, software This is very following the research model

built in this study. According to Ratmono & Sholihin (2021), the WarpPLS program can identify nonlinear relationships between latent variables and correct path coefficient values based on these relationships. Kock (2010) states that WarpPLS is the first software that can do this. Because most relationships between variables are nonlinear, WarpPLS can find the "real" relationship between latent variables in SEM analysis. Therefore, often the path coefficients associated with strong real effects can be higher than those estimated by other SEM software.

RESULTS AND DISCUSSION

Description of Research Variable Measurement Results

The research results obtained are displayed in tabulated form to facilitate descriptive depiction of the data based on classification. The mean and standard deviation results in this study are as follows:

Table 2.
Mean and Standard Deviation

Variable	Mean	Std deviation
Financial Literacy	4,38	0,18
Financial Inclusion	4,26	0,14
Good attitude	4,10	0,10
Financial Management	4,18	0,06
Financial performance	4,05	0,07

Inferential Statistical Analysis

Outer Model Evaluation

The next step is to evaluate the outer model using three criteria, namely convergent validity, discriminant validity, and internal consistency.

Composite Reliability

Table 3
Composite Reliability

Variable	Mark Composite Reliability
Financial Literacy	0,730
Financial Inclusion	0,749
Financial Attitude	0,743
Financial Management	0,830

Financial Performance	0,761
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Source: Processed Data (2024)

Next, Table 3 shows the values composite reliability has met the requirements, namely > 0.7 .

Outer Loading

Convergent Validity

Convergent validity is the correlation between the indicator score and the construct score. The PLS-SEM model satisfies convergent validity and can be said to be valid when outer loading > 0.5 and AVE value > 0.5 (Mahfud and Ratmono, 2013).

Table 4
Outer Loading

No	Variable	Statement Items	Loading Value Factor	Information	P Value
X1	Financial Literacy	LK1 (I have sufficient financial knowledge to avoid any form of money fraud)	0.726	Valid	<0.001
		LK 2 (I feel safe saving business profits in the bank)	0.576	Valid	<0.001
		LK 3 (I have business insurance against losses caused by fire and natural disasters)	0.517	Valid	<0.001
		LK 4 (My business capital is assisted by investment from other people who then have to share the results with them)	0.643	Valid	<0.001
X2	Financial Inclusion	ME 1 (I have a bank account to make it easier to pay for my business)	0.717	Valid	<0.001
		I 2 (I am able to use bank facilities to meet my needs and manage finances in MSMEs)	0.591	Valid	<0.001
		I 3 (I have M-Banking services to make monitoring business payments easier)	0.782	Valid	<0.001
		I 4 (I feel that Qris or digital wallet payments are more practical than cash)	0.606	Valid	<0.001
X3	Financial Attitude	SK 1 (I have a budget before purchasing raw materials)	0.755	Valid	<0.001
		SK 2 (I feel safe using bank credit to overcome the lack of business funds)	0.571	Valid	<0.001
		SK 3 (My business income always makes a profit and I can buy raw materials again)	0.645	Valid	<0.001
		SK 4 (I record expenses and income from business activities which are very important)	0.786	Valid	<0.001

No	Variable	Statement Items	Loading Value Factor	Information	P Value
Z	Financial Management	PK 1 I always make a list of needs and adjust it according to income)	0.737	Valid	<0.001
		PK 2 (All income is immediately recorded as cash receipts in order to maximize business financial records)	0.808	Valid	<0.001
		PK 3 (I try to help expenses be smaller than income)	0.706	Valid	<0.001
		PK 4 I record simple financial reports as financial planning for future business)	0.712	Valid	<0.001
Y	Financial Performance	KK 1 (The business I run experiences an increase in sales every month)	0.790	Valid	<0.001
		KK 2 (I have business profits that continue to increase)	0.788	Valid	<0.001
		KK 3 (I always stock raw materials to anticipate increasing orders)	0.539	Valid	<0.001
		KK 4 (I have enough money for business operations)	0.524	Valid	<0.001

Source: Primary data processed, 2024

Based on the loading validity test in Table 4.5, all loading values are > 0.5 and p-value < 0.001, which means it has met the validity requirements based on the loading value.

Average Variance Extracted (AVE)

Average variance extracted (AVE) is a value (on average) that explains how much a latent variable or construct can explain the variance of its indicators. According to (Mahfud and Ratmono, 2013) the higher the AVE, the better a latent variable is at explaining the variance of its indicators. The minimum limit for AVE is 0.5, that is, an AVE value > 0.5 is acceptable. The Average variance extracted (AVE) value in this research can be seen in the following table:

Table 5
Average Variance Extracted (AVE)

Variable	AVE
Financial Literacy	0,514
Financial Inclusion	0,534
Financial Attitude	0,535
Financial Management	0,550
Financial performance	0,553

Source: Processed Data (2024)

Based on the AVE results in Table 5, it is known that all AVE values are > 0.5 , which means all indicators have absorbed the variance of each indicator $> 50\%$ (valid).

Multicollinearity Test

The Multicollinearity Test is used to determine whether there is a deviation from the classic assumption of multicollinearity, namely the existence of a linear relationship between the dependent variables in the regression model (Wiyono, 2011). Data is not said to be multicollinearity when $VIF < 3.3$ (Knock, 2013). If the data experiences multicollinearity, a variable that is strongly correlated with other variables in the model will have unreliable and unstable predictive power. The results of the Multicollinearity Test can be seen in Table 6.

Table 6
Multicollinearity Test

Description	Collinearity
Financial Literacy (LK)	1,252
Financial Inclusion (IK)	1,436
Financial Attitude (SK)	1,782
Financial Management (PK)	1,799
Financial Performance (KK)	1,446

It can be concluded that all VIF values are below 3.3 and there is no multicollinearity.

Discriminant Validity

Discriminant validity is the degree to which the results of a concept have the ability to differentiate themselves from the results of measuring other concepts which are theoretically said to be different.

Cross Loading

If the results are in view combined loading and cross-loading show the results that the loading value to other constructs (Cross loading) the value is lower than the loading on the variable construct, which can be said to meet the requirements for discriminant validity (Mahfud and Ratmono, 2013).

Table 7
Cross Loading

	Financial Literacy	Financial Inclusion	Financial Attitude	Financial Management	Financial Performance
Financial Literacy (1)	0.726	-0.166	0.053	0.189	0.035

	Financial Literacy	Financial Inclusion	Financial Attitude	Financial Management	Financial Performance
Financial Literacy (2)	0.576	0.323	-0.005	0.171	-0.063
Financial Literacy (3)	0.517	-0.198	0.162	-0.047	0.028
Financial Literacy (4)	0.643	0.127	-0.214	-0.170	-0.017
Financial Inclusion (1)	0.031	0.717	-0.019	-0.199	-0.115
Financial Inclusion (2)	0.038	0.591	-0.135	0.143	-0.075
Financial Inclusion (3)	-0.046	0.782	0.016	0.151	0.031
Financial Inclusion (4)	-0.009	0.606	0.111	-0.076	0.156
Financial Attitude (1)	0.080	0.111	0.755	-0.237	-0.081
Financial Attitude (2)	0.269	-0.008	0.571	-0.025	0.302
Financial Attitude (3)	0.068	-0.142	0.645	-0.005	-0.197
Financial Attitude (4)	-0.260	0.013	0.786	0.244	0.096
Financial Management (1)	-0.106	0.132	0.288	0.737	0.054
Financial Management (2)	0.102	-0.015	-0.082	0.808	-0.178
Financial Management (3)	-0.134	0.102	-0.282	0.706	0.121
Financial Management (4)	0.126	-0.220	0.074	0.712	0.025
Financial Performance (1)	0.182	-0.075	-0.064	0.125	0.790
Financial Performance (2)	0.138	0.043	-0.272	0.011	0.788
Financial Performance (3)	-0.313	-0.062	0.298	-0.050	0.539
Financial Performance (4)	-0.159	0.113	0.199	-0.154	0.524

Source: Processed Data (2024)

From table 7 it can be seen that all loading values for all variables on the construct variables are greater than the loading values on other constructs. It can be concluded that discriminant validity is met and is said to be valid.

Structural Model Testing

Path Diagram

This research uses dependent variables, independent variables and intervening variables. Where the dependent variable is the cause of the independent variable or the variable that has an arrow leading to the dependent variable as shown in the following diagram:

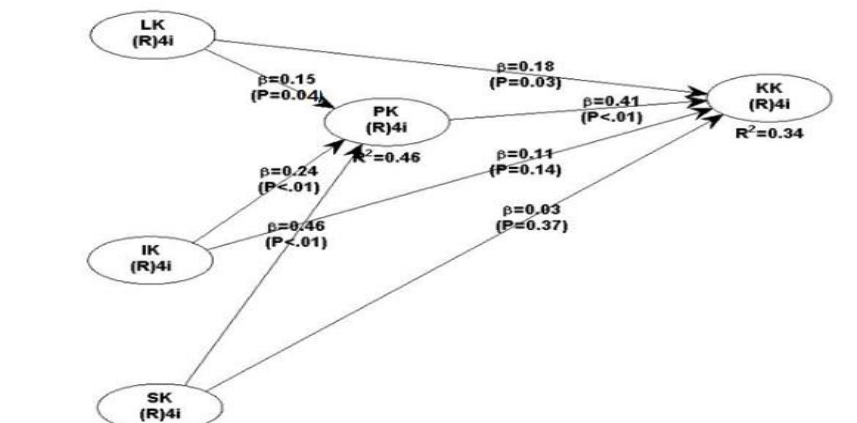


Figure 2
Path Diagram

The Financial Performance (KK) variable is the dependent variable, Financial Literacy (LK), Financial Inclusion (IK) and Financial Attitude (SK) are the independent variables and Financial Management (PK) is the Intervening variable. Where the PK variable influences LK, IK, and SK on KK. To evaluate the structural relationship between variables, testing of the path coefficient (β) and P-Value (P) must be carried out. Where the criterion $P \geq 0.05$ H_0 is rejected, and $P < 0.05$ H_0 is accepted.

Overall Model Fit Testing (Model fit)

The results of the model fit test in this study can be seen from the table below:

Table 9
Model Fit

Mode Fit and Quality Indices	Analysis Results	Fit Criteria	Information
Average path coefficient (APC)	0,225, P < 0,001	P –Value < 0,05	Fit
Average R- squared (ARS)	0,402, P < 0,001	P –Value < 0,05	Fit
Average adjusted R- squared (AARS)	0,379, P < 0,001	P –Value < 0,05	Fit
Average block VIF (AVIF)	1,521	Acceptable if < 0,05, ideally <= 3,3	Ideal
Average full collinearity (AFVIF)	1,543	Acceptable if < 0,05, ideally <= 3,3	Ideal

Mode Fit and Quality Indices	Analysis Results	Fit Criteria	Information
Tenenhaus GoF (GoF)	0,419	Small $\geq 0,1$ medium, $\geq 0,25$, Large $\geq 0,36$	Large

Source: Primary data processed, 2024

R Square and Q Square

The next evaluation is by looking at the R-square/Adjusted R-square and Q-square values. R-Qquare/Adjusted R-Square is used to explain the percentage of variance explained or in other words to explain how far the model can explain variations in the dependent variable (Ghozali, 2016).

Table 10
Mark R-square, Adjusted R-Square, Q-Square

Description	R- Square	Adjusted R-Square	Q-Square
Financial Management	0,564	0,444	0,468
Financial Performance	0,539	0,311	0,356

Source: Primary data processed, 2024

Mark R-square on the Financial Management variable is 0.564, which means that the Financial Literacy, Financial Inclusion, and Financial Attitude variables can explain the Financial Management variable 56.4%. Meanwhile, the remaining 43.6% is caused by other variables outside the variables studied. Mark Adjusted R- Square for Financial Management 0.444, following existing rules if the value ≤ 0.45 indicates that the model is moderate in explaining variance.

Mark R-square on the Financial Performance variable is 0.539, which means that the Financial Literacy, Financial Inclusion, and Financial Attitude variables are able to explain the Financial Performance variable by 53.9%. Meanwhile, the remaining 46.1% is caused by other variables outside the variables studied. Mark Adjusted R-Square for Financial Performance is 0.311, meaning ≤ 0.45 , indicating that the model is moderate in explaining variance.

There are two values Q-square namely for Financial Management 0.468 and Financial Performance 0.356. The second value of Q-square > 0 so it can be concluded that the model has predictive relevance, meaning that the observation values produced by the model and also the parameter estimates are good.

Hypothesis

Hypothesis testing functions to explain the direction of the relationship between independent and dependent variables in a study. This test is carried out utilizing path analysis (path analysis) on the model that has been made.

Direct Influence (Direct Effect)

Results Output The direct influence of the independent variable on the dependent variable in this research can be seen in the following table:

Table 12
Significance Test of Direct Effect

NO	Influence	Path Coef	P Values	Criteria	Information
1	Financial Literacy □ Financial Management	0.153	0.047	< 0.05	Positive and Significant
2	Financial Inclusion □ Financial Management	0.236	0.007	< 0.05	Positive and Significant
3	Financial Attitude □ Financial Management	0.463	<0.001	< 0.05	Positive and Significant
4	Financial Literacy □ Financial performance	0.178	0.032	< 0.05	Positive and Significant
5	Financial Inclusion □ Financial performance	0.107	0.137	< 0.05	Not Significant
6	Financial Attitude □ Financial performance	0.034	0.366	< 0.05	Not Significant
7	Financial Management □ Financial performance	0.405	<0.001	< 0.05	Positive and Significant

Source: Primary data processed, 2024

Indirect Influence (Indirect Effect)

Indirect effect (indirect influence) by entering a mediating variable, then simultaneously connecting the independent variable to the mediating variable, the mediating variable to the dependent variable, and the independent variable to the dependent variable. Results Output The ability of the intervening variable to mediate the independent variable on the dependent variable in this research can be seen in the following table:

Table 13.
Intervening Variable Testing (Indirect Effect)

NO	Influence	Indirect Effects	P Values	Criteria	Information
1	Financial Literacy □ Financial Management □ Financial performance	0,162	0,048	< 0,05	Financial Management is able to mediate influence Financial Literacy □ Financial performance

2	Financial Inclusion <input type="checkbox"/> Financial Management <input type="checkbox"/> Financial performance	0,096	0,044	< 0,05	Financial Management is able to mediate influence Financial Inclusion <input type="checkbox"/> Financial performance
3	Financial Attitude <input type="checkbox"/> Financial Management <input type="checkbox"/> Financial performance	0,188	0,003	< 0,05	Financial Management is able to mediate influence Financial Attitude <input type="checkbox"/> Financial performance

Source: Primary data processed, 2024

CONCLUSION

Based on the results of the research and discussion above, the following conclusions can be drawn:

1. Financial literacy has a positive and significant effect on financial performance. The financial literacy capabilities of Depok UMKM as a basis for financial knowledge can help improve financial performance for increased business results. Financial knowledge is able to provide information regarding strategic efforts for the future to create increased financial performance. The financial insight that Depok UMKM players have regarding financial concepts, understanding the use of finance and its conditions is an important part of helping decision making.
2. Implementation of financial inclusion does not have a positive and significant effect on financial performance. If financial inclusion is not implemented well and effectively, its ability to influence financial performance is also weak. Lack of understanding in the use of banking financial services, such as the absence of M-Banking by Depok UMKM players and the use of business credit services at banks, means that financial performance such as profits received cannot increase.
3. Financial attitude does not have a positive and significant effect on financial performance. This financial attitude still lacks awareness of UMKM actors in planning business income and expenditure budgets. Implementing a financial attitude that is not yet dominant can give rise to business risks that will make the business's financial performance weaker.
4. Financial literacy has a positive and significant effect on financial management.

Financial literacy can provide knowledge about analyzing and managing business financial conditions. Depok UMKM players will have the ability to manage finances through their financial understanding to improve their economic health. Financial management will ensure that it will be structured systematically if Depok UMKM have good financial information. So that financial management will be of higher quality through increasing financial literacy.

5. Implementation of financial inclusion has a positive and significant effect on financial management. Financial inclusion properly integrates financial services for better financial management. Access for Depok UMKM players in utilizing financial service products is considered good for the sustainability of micro businesses or UMKM.
6. Financial attitudes have a positive and significant effect on financial management. UMKM players are starting to become aware of financial principles such as maintaining financial values for decision making through recording business income and expenses. This not only increases the effectiveness of business control, but also supports quality financial management accountability and can help decision making in the future. Of course, financial attitudes must be aligned in optimizing good financial management in UMKM.
7. Financial management has a positive and significant effect on financial performance. Financial management is a perspective for business development that is carried out in an accountable manner through planning, organizing, and controlling finances. With control in financial management, the risk of errors and fraud will of course be reduced. So that profits can be controlled and financial performance will of course increase. With the existence of a systematic financial management mechanism and more controllable use of funds, UMKM players encourage their businesses to grow.
8. Financial management is able to mediate the influence of financial literacy on financial performance. Financial literacy is a basic skill or ability that Depok UMKM players must have to avoid losses or negative risks. Financial management can mediate financial performance achievements which will increase through increasing knowledge of information about finances, and understanding of insurance and loans.

Good financial literacy will result in increased sales as a result of financial performance. Financial management that is implemented due to good financial literacy will also be able to improve the financial condition of the business which includes collecting funds and distributing funds well.

9. Financial management is able to mediate the influence of financial inclusion on financial performance. This indicates that there is good implementation of financial inclusion in the financial management of Depok UMKM. If financial management runs effectively due to the influence of financial inclusion, then its ability to mediate the influence of financial inclusion on financial performance can work. Because Depok UMKM actors are aware of the procedures for utilizing banking financial services, this can lead to good financial management so that good financial management can improve financial performance.
10. Financial management is able to mediate the influence of financial attitudes on financial performance. Financial management can improve financial performance by assessing finances for the future. Financial management can help plan and prevent business risks using financial principles to create and maintain value through making appropriate decisions and empowering people through financial attitudes. Such as preparing a financial budget, and recording expenses and income. With this, financial attitudes can improve through good financial management to increase financial performance.

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