MSME Strategy the Impact of Financial Literacy,Self-Efficacy,and Financial Attitudes in improving MSME Business Performance in Indonesia

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A R T I C L E I N F O

A B S T R A C T

Indonesia is still said to be minimal for the process of managing business performance. It is proven that financial management is still inconsistent and even not according to plan. The purpose of this study looks at the strategies used by MSME actors to improve their business performance through the finance department by involving sharing factors that fall into the category of financial system management. Judging from the factors of financial literacy, self-efficacy and financial attitude. This type of research uses bibliometric analysis. The results of the analysis looked at many MSME strategies in the financial system, researchers found that there were factors that had not been widely associated with financial attitudes. It was found that the existence of a financial attitude on business performance can shape knowledge and foster self-confidence to be able to provide financial system plans both from the past and the future. With the understanding and adjustment of the situation, it makes the financial system efficient and stable.

INTRODUCTION

Indonesia is a country that is said to be still developing. You can even see that everything has been changed for the overall effect, especially in terms of operational efficiency. Performance is the ability of an enterprise to achieve pre-set goals. A metric is needed to measure performance such as the success rate or achievement of a business. Performance can be seen from the vision and mission of the company itself. Evaluation of the goals to be achieved by an enterprise (Radulovich, 2018). Companies that still need to have more impact on a country's revenue are MSMEs. Where MSMEs are companies that are formed to become more advanced and develop in a practical, fast and easy way of operating. So, good performance in all fields such as finance, distribution, production including marketing, which is a mandatory requirement for MSMEs to remain narcissistic and develop and maximize the main goals of MSMEs. MSMEs are independent units whose management is in individuals and organizations. The contribution of micro, small and medium enterprises (MSMEs) in Indonesia does not need to worry or even hesitate (Anwar, 2021). In the economic crisis in Indonesia in 98, it was proven that MSMEs could still stand and survive beyond that crisis until now, so it needs to be studied more deeply about the business performance of MSMEs.

According to Aribawa (2016) suggesting that analyzing SME performance requires an approach based on a number of assumptions, namely: limited human resources, complex financial metrics that result in unrealistic business requirements, less relevant ways of measuring performance when applied to companies and robust management mechanisms. However, beyond these assumptions, the performance of MSMEs can be measured by several indicators, namely: nominal income increases, consumer interest in products increases; (3) the number of products that sell well increases; (4) the number of company assets, both fixed assets and fixed assets, increased (Islami et al., 2017). Financial performance will be considered good if operations can be improved. Business development and growth require factors that support each other, one of which is improving financial performance as an effort to improve SME finances. Companies can perform ratio analysis which is useful for measuring the company's financial performance (Purnomo & Hadi, 2017). The relationship between the elements of financial statements can be explained by the existence of an analytical tool in the form of an analysis of financial ratios and it requires strong literacy in the system. Therefore financial literacy is necessary to maintain this stability.

In this case, financial literacy is defined as a cognitive aspect, that is, a person's knowledge and cognitive abilities about finance. Financial literacy describes a person's ability to recognize and apply concepts related to finance. A person who masters certain skills can make him successful. This is evident in the financial attitude that the person adopts to achieve the goal. With this success, he will help improve his self-efficacy. The skills in question are financial literacy skills, namely: knowledge, abilities and expertise for financial management. Therefore, it can be concluded that financial literacy and financial attitudes affect a person's financial confidence. Therefore, researchers want to develop how the

improvement of MSME business performance is influenced by these three dimensions, namely financial literacy, financial attitudes, and self-efficacy.

LITERATURE REVIEW
MSME Business Performance

Business performance reflects the capabilities of a company in each period. The higher the level of performance of a company, the more successful it is in implementing its strategy. Performance shows how much a company can increase sales relative to total sales. Performance can be known through a good business management mechanism by looking at the handling of financial records. In addition, the company will be easy to know if sales increase from the turnover of managed debt. Aspects of performance outcomes also depend on factors other than individual behavior. For example, an entrepreneur gives perfect results of work (aspects of behavioral results) to his employees, but one or two employees do not improve their skills in carrying out the assigned tasks due to lack of mastery (performance aspect). Or imagine a salesperson in the telecommunications industry who underperforms in direct contact with potential customers (behavioral performance aspects), but still generates high mobile phone sales (behavioral performance aspects) due to generally high demand for equipment. So focusing on transaction performance as an action doesn't really solve all the problems.

Financial Literacy

Financial literacy has two dimensions: "understanding" and "using". Financial knowledge includes "understanding" whereas the application of this knowledge is "using". The knowledge that shapes financial decision making is financial knowledge, including aspects of understanding and use. Basically, people with financial literacy have self-esteem, trust and the ability to use that knowledge financial decision choices (Huston, 2010). Remund (2010) argues that financial literacy is the degree to which a person understands key financial concepts and has the ability and confidence to manage their personal funds in a short period of time and is suitable for financial decision-making and solid care in long-term terms. Financial literacy can simply be understood as the ability to understand, know and understand how to manage finances well (Remund, 2010). According to Ningsi & Manurung (2021) financial literacy is not only related to financial knowledge, but also related to the ability to manage finances and make financial decisions that are relatively appropriate for the benefit of others in the future. When business entities have a good level of financial literacy, they will tend to better manage business finances, be able to identify and access financial resources in the hope of maintaining business continuity in their company.

Financial Attitude

Financial attitudes are mental states, attitudes and judgments about finances (Hassan & Sofoluwe, 2022). It can indicate a person's personality, for example considering money as an important part of life, a determining factor in the quality of life, honor, and can even lead to evil (Lysonski et al., 2017). Understanding financial attitudes will help a person understand what is believed to be related to money. Forming the right financial attitude i.e. focusing on the present means stopping thinking about the past and worrying about the future, in addition to positive means seeing the benefits of the past so as not to repeat itself in the present and future A good financial attitude can be measured using five factors that assess a person's ability to have a good attitude towards money (obsession), the ability to control one's financial situation (undertaking), the ability to use money according to needs (shortages), unwillingness to spend money (Financial Attitude) in relation to financial goals) and the preparation of a personal financial plan Financial attitudes are reflected in the following six concepts (Furnham & Thomas, 1984) Obsession refers to a person's thinking towards money and their perception of the future in order to manage their money well. 2) Power, is a person who uses money as a tool to control others and believes that money can solve problems. 3) Effort, only people feel that what they have done is worth the money they spent. 4) A poor fakir is a person who always feels short of money. 5) Holding back, only people are less likely to be willing to spend money. 6) Security refers to a person's very old-fashioned view of money, such as the notion that money should be kept privately without being held in a bank or for investment.

Self-Efficacy

Self-efficacy is the degree to which an individual assesses his or her self-confidence to be able to do or perform measurable actions that relate to how well the individual can perform the necessary actions related to prospective situations (Bandura, 2010). This self-efficacy is related to the belief that the self has the ability to perform the expected actions. Financial Self-Efficacy is the level of trust a person has in his ability to access, use financial products or services, make financial decisions, and deal with complex financial situations (Amatucci & Crawley, 2011). Self-efficacy is a form of an individual's assessment of his or her ability to plan and perform actions to achieve certain goals. Self-efficacy in the view of cognitive social theory as a person's belief in his own capacity to complete a given task. self-financial efficacy has an influence on decisions made in the financial management of adolescents (Newman, 2018); (Lyons & Bandura, 2019). In addition (Zheng et al., 2018); (Müller & Seufert, 2018); (Amagir, 2020) suggests that self-efficacy is a concept of self-belief about ability in the field of finance, about how a person is able and confident to manage and manage his personal finances and influence his attitude. The choice to own assets for women is influenced by self-confidence in the field of finance they have (Yeh et al., 2021) in their research stated that Financial Efficacy has a positive and significant effect on investment decision making.

METHODOLOGY

This study used a bibliometric. Where this research describes from various research sources obtained from the Publish or Perish (PoP) application. This application is used to sort various journals published in Google Schoolar, Web of Science, Scopus and so on. One of the applications that can convince researchers to review the novelty of what is already in the journal. After finding various journals from various sources in PoP, continued the analysis with the Vosviewer application. Where the application describes its analysis in relating relationships between variables or *keywords* using buble shape images. If the shape of the buble is getting smaller or far from the scope of the *keywords* entered. That's a *novelty* that exists in the study, or still lacks research. Because the scope of the researcher's science is MSMEs, so this research has its own interest in finding the relationship between the variables of Financial Literacy, *Self-Efficacy* and Financial Attitudes with MSME Business Performance in Indonesia.

The initial process in this study took literature from PoP. Here are pictures 1 and 2. from the details of the search process on the PoP.
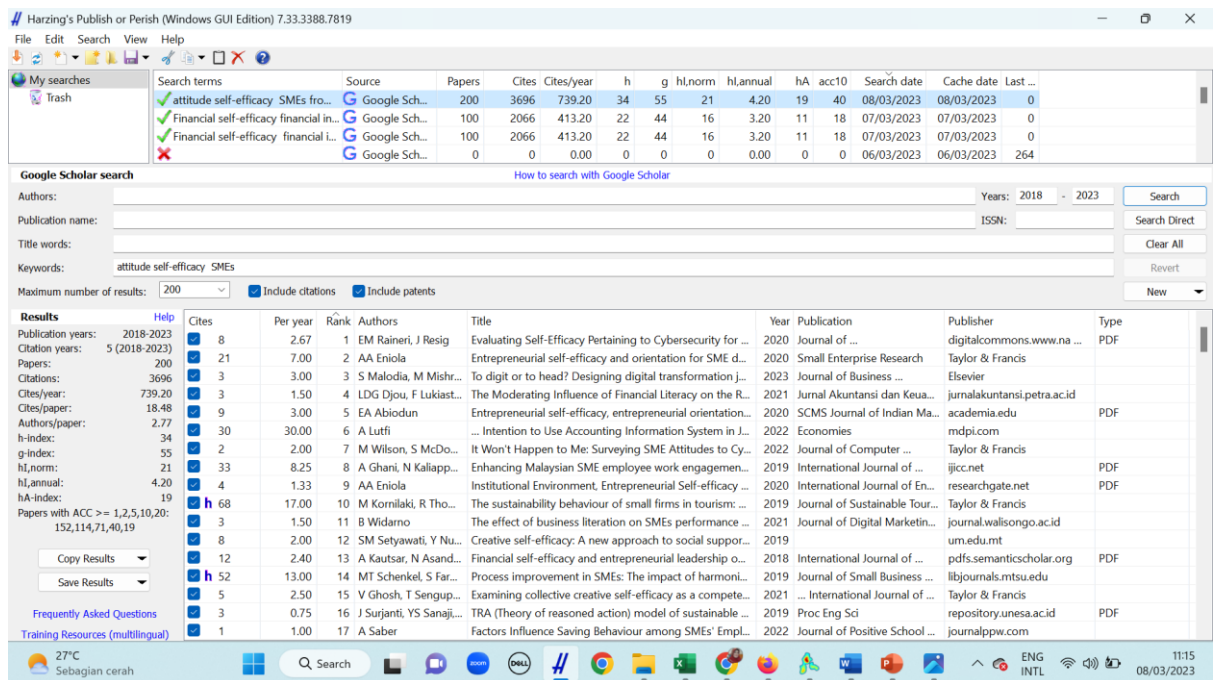

Figure 1. The process of taking literature from Schoolar
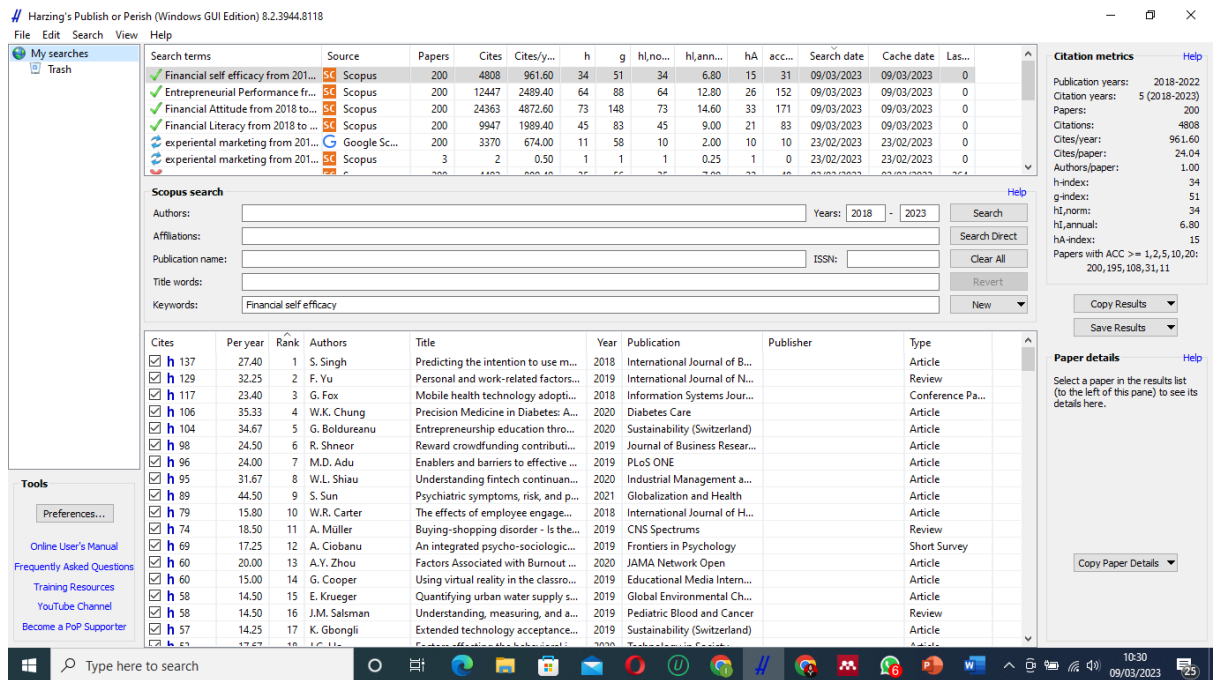**Sumber: Publish or Perish (2023)**

Figure 2. The process of taking literature from Scopus
Sumber: Publish or Perish (2023)

It can be observed in the two images above, providing a description that the search for PoP is based on keywords that will be used as variables in the study. There are more than 200 journals of each variable both searches through scopus and schoolar. Where later it will be sorted back via save as (ctrl + s) in the form of a RIS file which will be exported to Mendeley first. Then after the RIS file, researchers began to re-sort by categorizing which journals fit the scope of this study. By using the plan as follows.
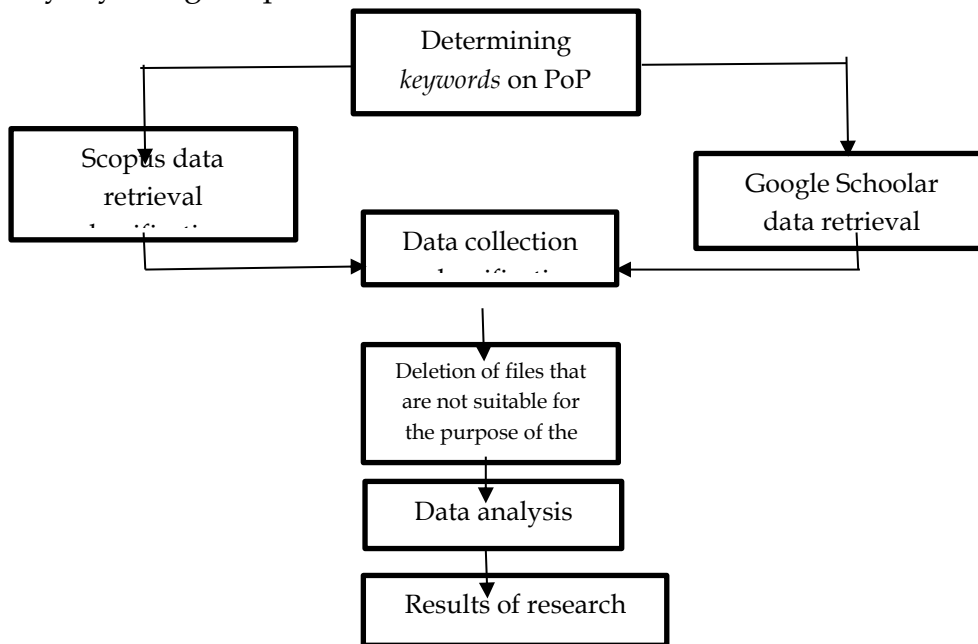

Figure 3. Conceptual framework for journal selection from Google Schoolar and Scopus
Source: Data processed by researchers (2023)

From the conceptual framework above, it can be concluded that the interrelationships of various selected variables can only be used as a reference to find the *novelty* of a study. Thefirst thing to do is to determine the *keywords* of the PoP. Furthermore, the determination of the source to be searched is scopus or Google Schoolar. Third, unite all journals that can be obtained by providing a classification of several variables. Fourth, delete files that are deemed unrelated to the purpose of the study. Fifth, analyze the data looking at all the journals on Mendeley. Finally, it will find variable results as a research goal and continue the analysis through the bibiliometrics listed on the Vosviewer application.

RESULT AND DISCUSSION

From the results obtained from this study is an explanation of the concept of images regarding the relationship between variables of financial literacy, *self-efficacy* and financial attitudes to improve the progress of business performance of MSMEs. By entering various *keywords,* so as to get the following results.
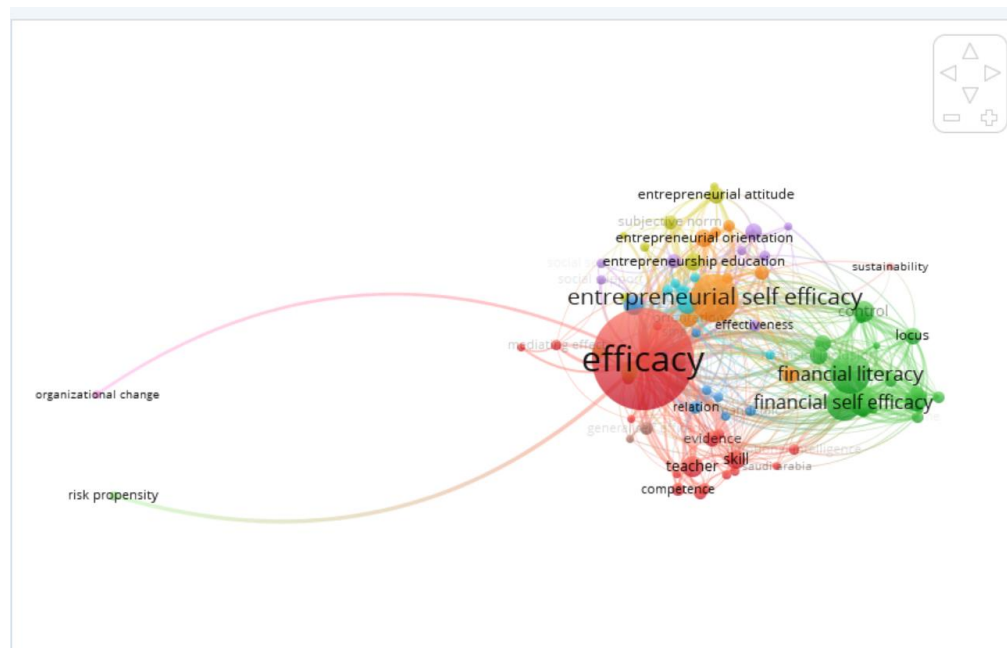

Figure 4. Network Visualization Overley between variables
Source: Vosviewer

Based on *the keywords* taken on a network-based basis, each color cluster can be re-detailed from each variable by looking at the color in the image. There are 11 clusters that can be categorized, so researchers can look for updates. The following are various explanations related to 11 clusters related to seeing what is the latest of the *self-efficacy* variable for improving the business performance of MSMEs in Indonesia.

Table 1. *Keyword* categories **in each cluster**

Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5	Cluster 6	Cluster 7	Cluster 8	Cluster 9	Cluster 10	Cluster 11
Comptenece	Control	Antecedent	Computer self efficacy	Business performance	Entrepreneurial passion	Entrepreneurial orientation	General self efficacy	Organizational Change	Sustainability	Risk property
Efficacy	Financial attitude	Creative self efficacy	Entrepreneurial attitude	College student	Firm performance	Finance	Woman			
Evidence	Financial behaviour	Entrepreneurial leadership	Entrepreneurship education	Competitiveness	Green self efficacy	Nigeria				
Importance	Financial capability	Innovative work behaviour	Moderating effect	Social self efficacy	Innovation	SMEs development				
Job performance	Financial knowledge	Knowledge sharing	Pakistan	Social support	Market orientation	SMEs performance				
Job satisfaction	Financial literacy	Pandemic	Perception							
Knowledge Acquisition	Financial management	Relation	Personal attitude							
Korea	Financial planning	Self efficacy	Vietnam							
Marketing self-efficacy	Financial self efficacy	Systematic riview	Entrepreneurial self efficacy							
Mediating effect	Financial technology									
Personal ability	Income									

Present study	Locus									
Saudi arabia	Medium enterprises									
Self efficacy belief	SMEs									
Skill										
Teacher										
Teacher self efficacy										
Work										

Source: processed by researchers (2023)

After the classification of each cluster as shown in the table above, the researcher scoped between the variables related to looking at the *keywords* of each cluster based on color. Cluster 1. The red color explains *keywords* about competence, efficacy, evidence, job performance, job statification, knowledge acquisition, Korea, marketing self-efficacy, personality, suadi arabia, self-efficacy belief, skill, teacher and work. So that among the keywords on the table, researchers take objects in Indonesia, because it is a novelty in research seen in terms of country. Cluster 2. Green describes control, financial attitude, financial behavior, financial capability, financial literacy, financial management, financial planning, financial self-efficacy, financial technology, income, locus and SMEs. So that researchers determine financial literacy to be used as research material in this scope by adding *novelty*, namely financial attitude. Cluster 3. In blue, the *keywords* are antecedent, creative self-efficacy, entrepreneurial leadership, innovation work behavior, knowledge sharing, pandemic, relation, self-efficacy and systematic riview. So, the keyword chosen by the researcher is self-efficacy as the basic keyword or used as the basic theory of this research and the differences in countries taken. This aspect of research takes the Indonesian state as the object. The next step is to classify these keywords in the form of year-aspect updates. In the results of the bibliometric analysis, it can be seen that the novelty of *the keywords* in the cluster above assesses their novelty from 2019-2021. Here are the results of the analysis on Vosviewer seen in figure 5.
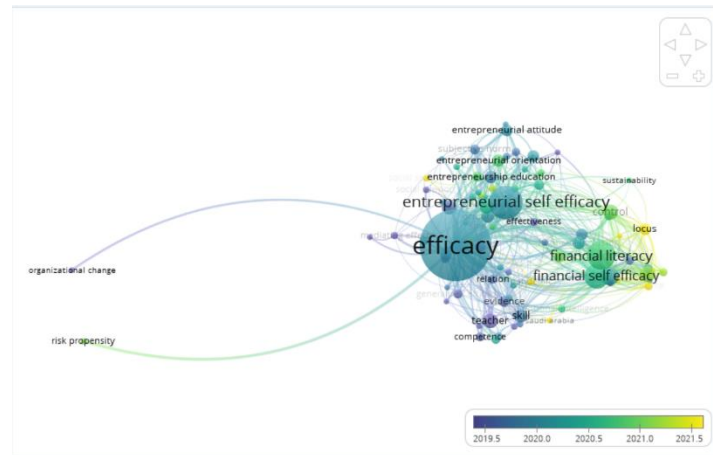
Figure 5. Overlay Visualization analysis results of Financial Literacy, Self-Efficacy and Financial Attitude towards Business Performance
Source : Vosviewer

From the picture above, it shows specific results between the variables of financial literacy, self-efficacy and financial attitudes in improving MSME business performance. It can be seen that there is an explanation of the color aspect starting from purple to yellow that the classification form is in accordance with previous research research. The explanation of the color purple is a previous research research from 2019. For the color of tosca is the research of previous researchers from 2020. As for the green and yellow colors, it is a study conducted in 2021. It can be concluded that, the brighter in terms of color indicates the presence of *novelty* obtained from a study. The picture above shows that, when viewed in terms of *keywords*, Self-Efficacy is the basic keyword of this study. Furthermore, researchers look for other *keywords* related to self-efficacy as material for their research *novelty*. Here is an image of the Overlay Visualization Vosviewer related between variables.
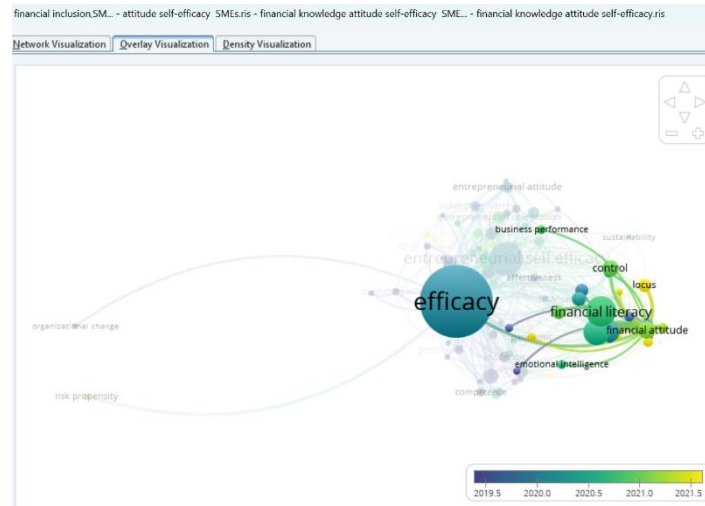
Figure 6. Relationships between variables based on Visualization overlays in 2019-2021
Source: Vosviewer

The results show that, self-efficacy variables affect financial literacy, financial attitudes, control, emotional intelligence, control, and business performance. The focus of this research is how much self-efficacy contributes to financial literacy and financial attitudes in order to improve business performance in MSMEs. So, researchers took *a novelty* in overley visualization on Vosviewer about the financial attitude of MSMEs. This research is supported by previous research from (Antoncic et al., 2021) where these results explain that financial literacy, self-efficacy and financial attitudes affect performance in the family-based MSME business model. Furthermore, this research is also in line with previous research conducted by (Oppong, 2017) entitled Successful Strategies Used by Small Business Owners for Company Sustainability. And the previous research from (Wall, 2021) entitled Determinants Of Smes' Performance- From Business Strategy To Innovation. From these results, it is proven that there are various strategies including the categories of financial literacy, financial attitudes and self-efficacy applied by Small and Medium Enterprises that increase sustainability regarding the business performance applied. The results of this study prove that there is still minimal research on re-assessment related to the variables of financial literacy, self-efficacy and financial attitudes as a strategy to improve the business performance of MSMEs in Indonesia. Various factors that can affect performance in business apart from control, control and emotional intelligence are how we respond to the financial situation in the business. How to respond to the state of mind, opinions and judgments about finances. An understanding of financial attitudes will help all MSME actors to know what they believe is related to the right relationship between themselves and money. It means how the attitude of focus is to reflect on the attitude of decision-making in the past and look to the future. In addition, it has a positive impact on one's own attitude that can measure a good mindset,

adjust usage according to needs, save for emergency expenses, and provide views on safe storage of money.

Meanwhile, Self-efficacy itself can be interpreted as a belief in the attitude to be taken regarding financial regulation and management. In terms of financial literacy, the level at which a person is financially literate is important, has the capacity and confidence to handle his business funds through an appropriate and short period of time for decision making as well as strong long-term financial care. This process provides a resource-based view and provides useful implications for managers related to improving financial, market and innovation aspects of providing business strategy performance to SMEs in Indonesia. Supported by, the results of Vosviewer's analysis can be seen from the image in terms of density visualization as follows.
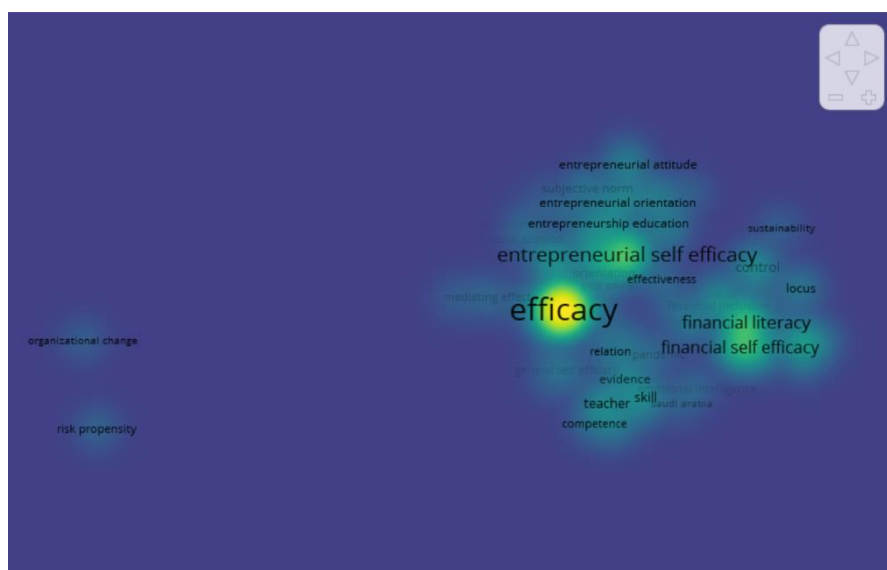

Figure 7. Density visualization between variables
Source: Vosviewer

The Cluster Density view is an item (label) marked as shown. Each point of an element has a color that depends on the density of the element at that time. It determines that the color of a point on the map depends on the number of elements associated with other elements. This section is useful for getting an idea of the general structure of a bibliographic map by paying attention to the factors that are considered important for analysis. Thanks to this spreadsheet, we can explain the most used keywords in publications. Visualization of copper density maps on research development of institutional repository utilization towards open access. The density map that is the result of the analysis uses all the papers that developed from research on the use of institutional repositories for open access, both linked and unlinked. The redder, the denser, and the greener, the rarer it is. In the picture there will be 11 clusters if sorted by keywords. It can be seen that the image above reflects if the blocks of self-efficacy and financial literacy keywords show related results. By fusing keywords that are not clearly visible so that they become updated in this study such as financial attitudes in improving business performance in MSMEs in Indonesia.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the above presentation, it can be concluded that various strategies carried out by MSMEs to improve their business performance are through the management of their financial management. Judging from the dimensional value attributed by existing research, if the self-efficacy variable is a keyword that has been widely done, it is even used as a basic element by linking other variables, namely financial literacy and financial attitudes. The influence of the impact of financial literacy, self-efficacy and financial attitudes has proven to be still in the low category in the business performance of MSME players. Because, to convince yourself that a decision is taken for the sustainability of his business from the past to the future. With this research, it can provide knowledge for all MSME actors in Indonesia regarding financial management, it is better to further increase confidence in responding to finances and financial understanding, in order to achieve maximum financial goals.

ADVANCED RESEARCH

In particular, further research provides development related to this research with additional differences in terms of objects and variables such as Fintech, Financial Education, Risk Performance, Innovation so that the classification assessment is more in-depth in research.

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