

THE INFLUENCE OF FINANCIAL LITERACY ON INTENTIONS TO INCREASE THE PERFORMANCE AND SUSTAINABILITY OF MSMEs DURING THE COVID-19 PANDEMIC IN BULUKUMBA

Rani Dian Aryani Rasjid

Program Studi Manajemen Kepariwisata, Politeknik Pariwisata Negeri Makassar
ranijie2@gmail.com

ABSTRACT

This study aimed at analyzing the effect of financial literacy on intentions to improve the performance and sustainability of MSMEs specifically engaged in the culinary and handicraft industries during the COVID-19 pandemic in Bulukumba, South Sulawesi, Indonesia. The population of this study was MSMEs engaged in the culinary and handicraft industries and registered at the Department of Cooperatives and MSMEs (Indonesian: Dinas Koperasi dan UMKM) of Bulukumba. The employed technique of data analysis was a structural equation modeling-partial least square (SEM-PLS) using SmartPLS 3.0 software. In this study, the researchers utilized the Theory of Planned Behavior to determine intentions to improve the performance and sustainability of MSMEs. Results indicated that financial literacy has an effect on intentions (attitude toward behavior, perceived behavioral control, and subjective norm). Furthermore, the researchers found strong intentions (attitude toward behavior and perceived behavioral control) within MSME actors, resulting in attitudes for improving the performance and sustainability of MSMEs in Bulukumba. However, the intention specifically on the variable of the subjective norm has no effect on the performance and sustainability of MSMEs. Knowledge sharing to MSMEs occurs not only from the government, academicians, or big businesses but also between MSMEs, which can be the main key to the success of MSMEs in the era of global trade. Furthermore, it is important to realize that intra-MSME cooperation is highly needed to achieve complementary capabilities.

Keywords: Financial Literacy, Theory of Planned Behavior, MSME Performance, MSME Sustainability.

ABSTRAK

Tujuan penelitian ini untuk menganalisis hubungan literasi keuangan (financial literacy) terhadap niat peningkatan kinerja dan keberlangsungan UMKM Industri Kuliner dan Kerajinan Pada Masa Pandemi Covid-19 di Kabupaten Bulukumba. Populasi penelitian ini adalah UMKM Kuliner dan kerajinan yang terdaftar di Dinas Koperasi dan UMKM Kabupaten Bulukumba. Teknik analisis data menggunakan model persamaan struktural atau Structural Equation Modelling-Partial Least Square (SEM-PLS) dengan software SmartPLS 3.0. Penelitian ini menggunakan Theory Of Planned Behavior yang menunjukkan niat peningkatan kinerja dan keberlangsungan UMKM. Berdasarkan hasil penelitian bahwa Literasi Keuangan berpengaruh terhadap Niat (attitude toward behavior, perceived behavior control dan subjective norm), dengan niat yang kuat (attitude toward behavior dan perceived behavior control) didalam diri para UMKM sehingga dapat timbul sikap berperilaku yang berupaya meningkatkan kinerja dan keberlangsungan UMKM di Kabupaten Bulukumba. Namun niat pada variabel subjective norm tidak berpengaruh terhadap kinerja dan keberlangsungan UMKM. Knowledge sharing ke UMKM terjadi tidak hanya dari pemerintah, akademisi, atau bisnis besar saja, namun knowledge sharing antar UMKM bisa menjadi kunci utama keberhasilan UMKM dalam berkembang di era perdagangan global. Sangat penting untuk menyadari diperlukan kerjasama intra UMKM untuk mencapai kemampuan yang saling melengkapi.

Kata Kunci: Literasi Keuangan, Theory of Planned Behavior, Kinerja UMKM, Keberlangsungan UMKM.

1. INTRODUCTION

The sector of the Micro, Small, and Medium Enterprises (MSMEs) (Indonesian: *Usaha Mikro Kecil dan Menengah* (UMKM)) is one of the pillars of the Indonesian economy, capable of providing monetary development, job creation, & job retention, improving national GDP, becoming a source of non-oil & gas trade, and playing an important role in restoring tourism. In the era of an open economy, it is necessary to utilize all economic potentials in order to be able to create highly competitive goods and services from both natural and human resources. Indonesia has abundant natural resources so that there is a lot of economic potentials that can be developed. One of them is the economic potential of the maritime sector. A maritime economy is an economic activity carried out in coastal areas, oceans, and on land (top land) that sells natural resources and maritime services to produce goods and services needed by the community (Dahuri, 2004). To develop the potential of the maritime economy, a conducive business climate is highly needed and must be supported by fiscal policy from the government and monetary policy from Bank Indonesia (Indonesia's central bank) to encourage investment and production, especially among small maritime business actors, such as small and traditional fishermen.

The current COVID-19 pandemic has had a negative impact on all sectors, such as tourism and the creative economy, in Indonesia. All economic activities in all sectors have experienced a decline due to the limited mobility of citizens along with the spread of the coronavirus so that many MSMEs are helpless and go bankrupt one by one. Coastal communities and fishermen in Makassar and Pangkep, South Sulawesi have been severely affected by the COVID-19 pandemic with the decline in the number

of catches and the price of fish, high fishing operational costs, inflated loan funds, and social restrictions, exacerbated by the impact of sea sand mining in Makassar waters (Wardyah, 2020).

From 34 provinces of Indonesia, it has been recorded that around 213,000 workers in the sectors of tourism and the creative economy are affected by the COVID-19 pandemic so that Indonesia's Ministry of Cooperatives and Small & Medium Enterprises must be ready to help. Several steps that have been taken are collecting data regarding MSMEs in the sectors of tourism and creative economy that are affected, providing stimulus for improving the purchasing power of MSME products, providing direct cash aid (Indonesian: *Bantuan Langsung Tunai* (BLT)) for ultra-micro businesses, and restructuring interest rates for micro-businesses (Kompas.com, 2020). Likewise, MSMEs engaged in culinary and handicraft sectors in Bulukumba, South Sulawesi, Indonesia also feel the same thing. Bulukumba is one of the regencies with great potential in marine and fisheries aspects and is located between 2 seas, namely the Flores Sea and Bone Bay. This strategic position allows Bulukumba to become the center of maritime services for the South Sulawesi region. Most of the people of Bulukumba are of a productive age so that they rely more on marine resources, such as opening seafood culinary businesses and craft businesses. Establishing and maintaining the continuity of a culinary business requires strong capital. Therefore, it is not uncommon for MSME actors to seek loans from financial institutions. However, in this modern era, there are still many people who seek loans from non-financial institutions, such as moneylenders, due to a lack of financial literacy. The 3rd National Survey of Financial Literacy and Inclusion conducted by Indonesia's Financial Services Authority (Indonesian: *Otoritas Jasa*

Keuangan (OJK)) in 2019 showed that the financial literacy index of Indonesian people reached 38.03%, while the financial inclusion index was 76.19% (OJK, 2020). The Financial Services Authority highlighted the low level of financial literacy of the Indonesian people. This is inversely proportional to the level of financial inclusion which is almost twice as large as the percentage of the literacy factor so that there are certainly many vulnerabilities.

All forms of business, including MSMEs engaged in tourism and creative economy, need a strong company with maximum and good performance to face global competition. Many previous researchers have examined the obstacles to the performance of MSMEs by considering their internal and external factors, namely financial factors, managerial factors, and the lack of business networks possessed by MSMEs (Adawiyah, 2013). One of the reasons for the low performance of MSMEs in Indonesia is the lack of access to capital. This can be caused by the lack of knowledge and understanding of MSMEs regarding the presence of financial institutions (Djuwita & Yusuf, 2018).

This concern is reinforced by the challenges faced by MSMEs in Nigeria in the financial context that financial literacy has become one of the many elements responsible for the lack of proper knowledge or information about financial decision making (Eniola & Entebang, 2015). A study conducted by Manurung (2012) indicates that MSMEs in the creative industry tend to have a short-term orientation in making decisions for their business. This can be seen from the absence of the concept of continuous innovation and inconsistent core business activities. In the end, the development for the long-term performance of MSMEs engaged in the creative industry tends to be stagnant and not well-directed.

Likewise, a study conducted by Anderson (2015) confirms that difficulties in accessing finance, accessing the market, policy support, and entrepreneurial cultures are the main problems and obstacles for the development of entrepreneurship in Africa and have very strong implications for financial literacy on the continent, especially for Micro, Small, and Medium Enterprises. Other important issues are unfavorable investment climate, lack of entrepreneurship training programs, unfriendly investment business environment, gender gap, and lack of value chains in the entrepreneurial ecosystem. Many works of literature have confirmed that the company's ability to recognize and access financial resources will have an impact on the company's growth rate (Binks, 1996; Adomoko, 2016; Aribawa, 2016). For this reason, strategic efforts are highly needed to improve the performance and sustainability of MSMEs. One way that can be conducted is by enriching the knowledge of MSME actors on financial knowledge so that their management and accountability can be better like a big company.

2. Theory Review and Hypothesis Development

For the concept of intention to improve the performance and sustainability of MSMEs, the researchers refer to the Theory of Planned Behavior (TPB) as a prediction of behavioral intentions. There are three main focuses that influence an individual's intention to perform a behavior that arises because of being controlled by internal and external factors, namely attitude toward behavior, subjective norm, and perceived behavioral control (Ajzen, 1991).

The topic investigated in this study is similar to research conducted to find out the problems faced by MSMEs in Iraq in their efforts to access finance to carry out various activities, such as general business

operations or carrying out expansion projects, aiming at creating jobs and helping to reduce poverty. There are financial institutions willing to provide funds but Iraqi MSMEs are unable to meet the requirements of these financial institutions. One of these key requirements is the issue of guarantees, which most MSMEs cannot provide (Harash *et al.*, 2014). Meanwhile, a study conducted by Agyei extends its literature on financial literacy and cultural beliefs (catholic or protestant) to the performance of MSMEs in developing economic settings. The result is that the relationship between financial literacy and MSME growth depends on the cultural context. The study recommends that (1) religious bodies should embed financial education in their teachings, (2) financial literacy training programs for MSME owners must be tailored to their needs, and (3) the cultural beliefs of MSME owners should be the main consideration in designing financial literacy programs (Agyei, 2018).

In another study, Idawati & Pratama attempted to analyze the effect of financial literacy on the performance and sustainability of MSMEs in Denpasar, Bali, Indonesia. The results show that financial literacy has a significant effect on the performance and sustainability of MSMEs in Denpasar (Idawati & Pratama, 2020). It is in line with the results of a study conducted by Ye & Kulathunga, showing a direct positive effect of financial literacy, access to finance, and financial risk attitudes on the sustainability of MSMEs. Financial literacy has also emerged as a predictor for access to finance and financial risk attitudes. In addition, access to finance and financial risk attitudes are found to be partial mediators for the relationship between financial literacy and MSME sustainability (Ye & Kulathunga, 2019).

A study conducted by Aribawa (2016) explains that financial literacy has an

influence on the performance and sustainability of MSMEs in the sector of the creative economy in Central Java. With a tendency to overcome their limitations, MSME actors have cooperative characteristics in running their business to complement each other's limitations and gain specific competitive advantages to compete in the global environment. Furthermore, a study conducted by Mabula & Ping indicates a significant relationship between corporate technology use and bookkeeping practices & performance. In addition, they also found a significant positive relationship between financial literacy and corporate risk management practices. However, this study also found a non-significant relationship between financial literacy and corporate bookkeeping practices, offering a dual practical role of financial literacy and the use of technology to improve the financial practices of MSMEs in developing countries (Mabula & Ping, 2018). Furthermore, a study conducted by Yang (2019) aims at explaining the differences in perceptions between CEOs and employees and to derive a performance improvement plan using the theory of planned behavior (TPB) for improving the competitiveness of MSMEs that have faced various difficulties. The results suggest that CEOs need to accept the pluralism of their members for MSME development. In addition, they need to be a consensus on ethical responsibility activities carried out by companies by supporting diverse strategies and member participation in management decision-making (Yang, 2019).

In contrast, a study conducted by Djuwita shows that only the length of business and the number of employees have a significant effect on financial knowledge. All demographic variables (location, age, gender, education, type of business, length of business, initial capital, source of capital, income, and the number of employees) do

not affect the financial behavior and financial attitudes of street vendors. Only financial behavior affects the business development of street vendors, while financial knowledge and financial attitudes do not affect business development (Djuwita & Yusuf, 2018).

Hypothesis Development

The Influence of Financial Literacy on Attitudes Toward Behavior, Subjective Norm, and Perceived Behavioral Control

The financial aspect is one of the important aspects in business activities so that it is expected that business actors have a good understanding of financial management. Financial management will have various impacts depending on the understanding of business actors. The ability of MSMEs to manage financial problems effectively is called financial literacy. Many practitioners and researchers have proven the importance of financial literacy in determining the success and failure of company management, especially among MSMEs (Ripain *et al.*, 2017). By adjusting to the Theory of Planned Behavior in Islamic financial decisions among MSMEs, Al Balushi *et al.* argues that non-financial factors, such as MSME owner-manager attitudes, subjective norms, perceived behavioral control, and behavioral intentions, largely influence MSMEs' financial decisions (Al Balushi, Locke, & Boulanouar, 2018). In general, the hypotheses examined in this study were as follows.

- H_{1a}:** Financial literacy has a significant influence on attitudes toward behavior.
- H_{1b}:** Financial literacy has a significant influence on subjective norms.
- H_{1c}:** Financial literacy has a significant influence on perceived behavioral control.

The Influence of Attitude Toward Behavior, Subjective Norm, and Perceived Behavioral Control on Intentions to Improve MSME Performance

Ajzen argues that attitude towards behavior is a function based on beliefs, namely regarding the positive and or negative consequences that will be obtained by individuals from performing a behavior (salient outcome beliefs). In general, the individuals, who are more exposed to the argument that behavior will produce positive consequences, will tend to be favorable towards the behavior. On the contrary, the individuals, who are more exposed to the argument that behavior will produce negative consequences, will tend to be unfavorable towards the behavior. Subjective norm is a function based on beliefs called normative beliefs. It is the agreement and/or disagreement of a person or group of people, that is important for individuals toward a behavior (salient referent beliefs).

Ajzen added that, in some behaviors, social references that are considered important also include social references from parents, spouses, friends, lecturers, and friends on campus and other references related to behavior. Perceived behavioral control is a function based on beliefs called control beliefs. It is individual beliefs about supporting and/or inhibiting factors to perform a behavior based on the individual's previous experience of behavior, information held by individuals about behavior that obtained by observing the knowledge possessed by oneself and other people known by the individual, and various other factors that can increase or decrease individual feelings about the level of difficulty in carrying out a behavior (Ajzen & Fishbein, 2005).

A study by Solikah concerning the effect of the Theory of Planned Behavior on

intention shows that attitudes towards behavior affect intentions to pursue a career as certified public accountants (CPA) based on profits in career advancement as an accountant. In other words, the subjective norm affects the intention to pursue a career as a CPA. Meanwhile, perceived behavioral control is determined by the total set of control beliefs that exist. In other words, perceived behavioral control influences intention. In combination, attitudes toward behavior, subjective norms, and perceived behavioral control lead to the formation of behavioral intentions. As a general rule, the more favorable the subjective attitudes and norms are and the greater the perceived control is, the stronger one's intention to pursue a career as a CPA will be (Solikhah, 2014). There are several studies having similar conclusions, such as those conducted by Seni & Ratnadi (2017), McLaughlin & Stephens (2019), and Sudiartana *et al.* (2018).

H_{2a}: Attitude toward behavior has a significant influence on the intention to improve MSME performance during the COVID-19 pandemic.

H_{2b}: Subjective norm has a significant influence on the intention to improve MSME performance during the COVID-19 pandemic.

H_{2c}: Perceived behavioral control has a significant influence on the intention to improve MSME performance during the COVID-19 pandemic.

The Influence of Attitude Toward Behavior, Subjective Norm, and Perceived Behavioral Control on Intentions to Improve MSME Performance

Ajzen argues that attitude toward behaviors is a function based on beliefs regarding the positive and/or negative consequences that will be obtained by individuals from performing a behavior

(salient outcome beliefs). In general, the individuals, who are more exposed by the argument that behavior will produce positive consequences, will tend to be favorable towards the behavior. On the contrary, the individuals, who are more exposed by the argument that behavior will produce negative consequences, will tend to be unfavorable towards the behavior. Subjective norm is a function based on beliefs called normative beliefs. It is the agreement and/or disagreement of a person or group of people, that is important for individuals toward a behavior (salient referent beliefs). Ajzen added that, in some behaviors, social references that are considered important also include social references from parents, spouses, friends, lecturers, and friends on campus and other references related to behavior. Perceived behavioral control is a function based on beliefs called control beliefs. It is individual beliefs about supporting and/or inhibiting factors to perform a behavior based on the individual's previous experience of behavior, information held by individuals about behavior that obtained by observing the knowledge possessed by oneself and other people known by the individual, and various other factors that can increase or decrease individual feelings about the level of difficulty in carrying out a behavior (Ajzen & Fishbein, 2005).

A study by Solikhah concerning the effect of the Theory of Planned Behavior on intention shows that attitudes towards behavior affect intentions to pursue a career as certified public accountants (CPA) based on profits in career advancement as an accountant. In other words, the subjective norm affects the intention to pursue a career as a CPA. Meanwhile, perceived behavioral control is determined by the total set of control beliefs that exist. In other words, perceived behavioral control influences intention. In combination, attitudes toward

behavior, subjective norms, and perceived behavioral control lead to the formation of behavioral intentions. As a general rule, the more favorable the subjective attitudes and norms are and the greater the perceived control is, the stronger one's intention to pursue a career as a CPA will be (Solikhah, 2014). There are several studies having similar conclusions, such as those conducted by Seni & Ratnadi (2017), McLaughlin & Stephens (2019), and Sudiartana *et al.* (2018).

H_{3a}: Attitude toward behavior has a significant influence on the intention for the sustainability of MSMEs during the COVID-19 pandemic.

H_{3b}: Subjective norm has a significant influence on the intention for the sustainability of MSMEs during the COVID-19 pandemic.

H_{3c}: Perceived behavioral control has a significant influence on the intention for the sustainability of MSMEs during the COVID-19 pandemic.

The model of this study can be seen in the following figure.

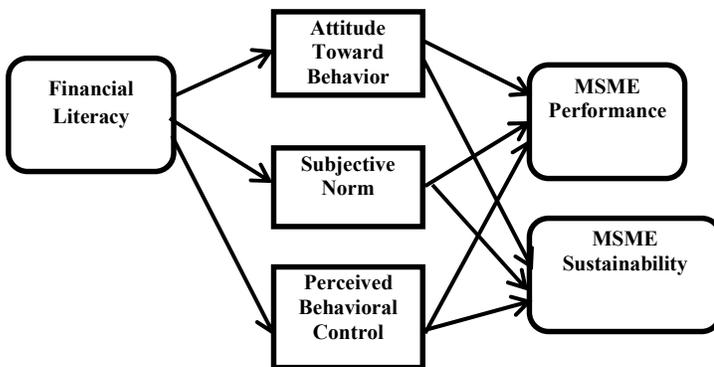


Figure 1. Research Model

Source: Processed by Researchers (2021)

3. Methods

This study was conducted in Bulukumba, South Sulawesi, Indonesia. The

population of this study was MSMEs engaged in the culinary and handicraft industries and registered at the Department of Cooperatives and MSMEs (Indonesian: *Dinas Koperasi dan UMKM*) of Bulukumba. Data were collected using a quantitative design with the explanatory survey. The employed data collection instrument was a questionnaire containing demographic questions and structured questions that must be responded to or answered by the respondents. Structured questions consisted of two categories. The first was a quiz modified from the Basic Indonesian Financial Literacy Index to determine the financial literacy of MSMEs (Definit, OJK, & USAID, 2013). Meanwhile, the second as a questionnaire modified from Hudson *et al.* (2001) who conducted performance measurements based on perception with a modified Likert-type with a measurement scale of strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5). Meanwhile, business sustainability was observed from the ability to innovate, the management of employees & customers, and the return on initial capital. The questionnaire was addressed to the owners of MSMEs engaged in the culinary and handicraft industries. The employed technique of data analysis was a structural equation modeling-partial least square (SEM-PLS) using SmartPLS 3.0 software.

Table 1. Research Variables and Indicators

Variables	Definition	Indicators
Financial Literacy	The Association of Chartered Certified Accountants (2014) formulated the concept of financial literacy which includes knowledge of financial concepts, the ability to understand communication about financial concepts, skills to	<ol style="list-style-type: none"> 1. Account ownership in the name of the company 2. Company identification when opening an account 3. Minimum deposit when opening an account 4. Knowledge of savings guarantees 5. Understanding of the potential return on savings in one year 6. Understanding of the

	manage personal/company finances, and the ability to make financial decisions in certain situations.	<p>potential return on multi-year savings</p> <ol style="list-style-type: none"> 7. Understanding of the calculation of loan interest per year 8. Knowledge of the premium between the two product options 9. Knowledge of the effect of inflation on the value of money 10. Knowledge of the time value of money 11. Understanding of the effect of inflation on company growth
Attitude Toward Behavior	Attitude is a person's response and belief to something favorable or unfavorable to carry out the behavior to be determined (Ajzen & Fishbein, 2005).	<ol style="list-style-type: none"> 1. Giving advantage rather than loss 2. Deepening knowledge about financial literacy 3. Having sufficient knowledge and experience 4. Understanding that financial literacy provides satisfaction 5. Having training options (Amalia <i>et al.</i>, 2021)
Subjective Norm	Subjective norm is defined as the influence or pressure that provides references to individuals to show a certain behavior (Ajzen & Fishbein, 2005).	<ol style="list-style-type: none"> 1. Encouragement to understand financial literacy 2. Supportive spouse & family 3. Supportive friends 4. Supportive workers (Amalia <i>et al.</i>, 2021)
Perceived Behavioral Control	Perceived behavioral control is the ease or difficulty of performing a behavior (Ajzen & Fishbein, 2005). This variable assumes that perceived behavioral control has implications for intentions to improve business performance and sustainability.	<ol style="list-style-type: none"> 1. Belief to be successful 2. Understanding that financial literacy is easy 3. Benefit from the knowledge 4. Skills 5. Chance of success 6. Decision (Amalia <i>et al.</i>, 2021)
Business Performance		<ol style="list-style-type: none"> 1. The presence of work that is planned and goes according to the work plan 2. The presence of frequent work errors that cause repetition 3. The presence of sales growth 4. The presence of a decrease in fixed costs 5. The presence of the ability to anticipate production if demand

		<p>increases</p> <ol style="list-style-type: none"> 6. The presence of timeliness guarantee to customers 7. The conformity of the product with the specifications offered
Business Sustainability		<ol style="list-style-type: none"> 1. Having been achieving BEP 2. Having a customer satisfaction tracking system 3. Having an employee/manager satisfaction tracking system

Sumber: Data Diolah Sendiri (2021)

4. Results & Discussion

The results of the entire model and hypothesis causality test are described and discussed in the following.

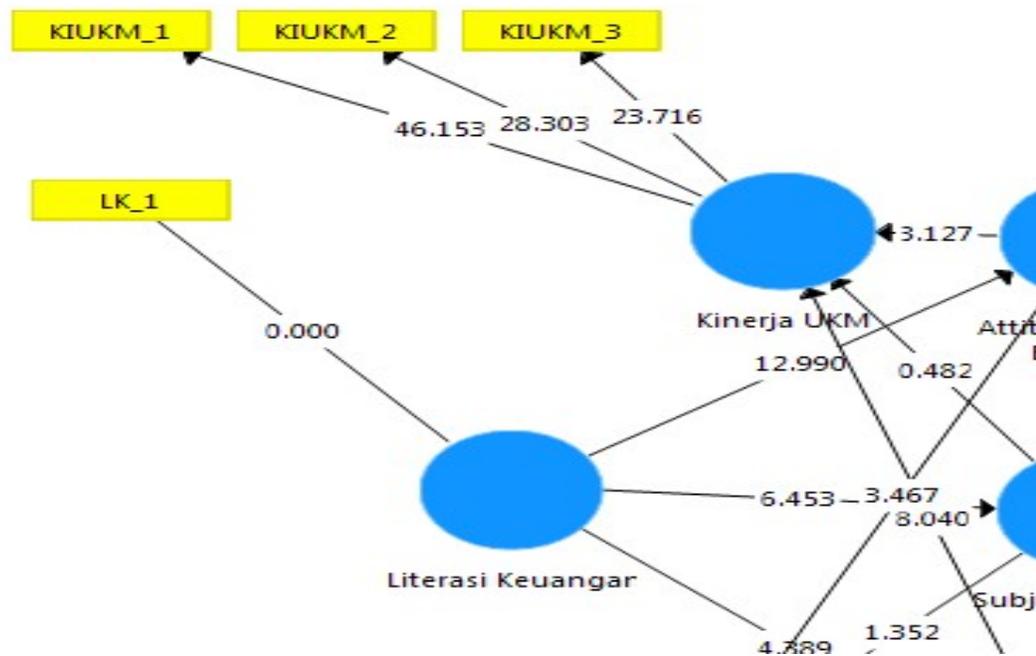


Figure 1. PLS Bootstrapping Method
 Source: Primary Data Processed by Researchers (2021)

Table 2. Values of Path Coefficients (Mean, STDEV, T-values, P-values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P-Value
Financial Literacy -> Attitude Toward Behavior	0.659	0.664	0.051	12.990	0.000
Financial Literacy -> Perceived Behavioral Control	0.359	0.362	0.082	4.389	0.000
Financial Literacy -> Subjective Norm	0.448	0.466	0.069	6.453	0.000
Attitude Toward Behavior -> MSME Sustainability	0.283	0.288	0.082	3.467	0.001
Attitude Toward Behavior -> MSME Performance	0.301	0.301	0.096	3.127	0.002
Perceived Behavioral Control -> MSME Sustainability	0.577	0.582	0.058	9.999	0.000
Perceived Behavioral Control -> MSME Performance	0.566	0.563	0.070	8.040	0.000
Subjective Norm -> MSME Sustainability	-0.106	-0.099	0.078	1.352	0.179
Subjective Norm -> MSME Performance	-0.038	-0.035	0.078	0.482	0.631

Source: Primary Data Processed by Researchers (2021)

The elaboration of the table and figure above regarding financial literacy, attitude toward behavior, perceived behavioral control, subjective norm, performance, and sustainability of the MSMEs is discussed in the following. The results show that

financial literacy has an influence on attitude toward behavior because the value of the T count is 12.990 (> 1.96). This indicates that financial literacy can influence the attitude toward behaviors of MSMEs in improving business performance and sustainability. The

higher the level of a person's financial literacy understanding is, the more the person has an attitude towards behavior to improve the performance and sustainability of his/her business. In other words, the MSME actors in Bulukumba will have the intention to behave better if they have the belief and consider the behavior to be beneficial for them. Many practitioners and researchers have proven the importance of financial literacy in determining the success and failure of company management, especially for MSMEs (Ripain *et al.*, 2017). This is in line with the results of studies conducted by Aribawa (2016), Agyei (2018), Idawati & Pratama (2020), and Ye & Kulathunga (2019) that financial literacy has an influence on the performance and sustainability of MSMEs.

In addition, the results show that financial literacy has an influence on subjective norms because the value of the T count is 6.453 (> 1.96). This indicates that studying financial literacy can improve social relations and is expected to be able to make adjustments. In other words, during learning financial literacy, MSME actors are required to develop emotional bonds with fellow MSME actors and teachers. If MSME actors have a positive emotional bond with their fellow MSME actors and teachers during learning financial literacy, it will increase the role of social referents to provide advice, input, and social support even though it is relatively small in improving the performance and sustainability of their MSMEs.

Furthermore, the results show that financial literacy has an influence on perceived behavioral control because the value of the T count is 4.389 (> 1.96). This indicates that financial literacy affects the perceived behavioral control of MSME actors so that they can improve their business performance and sustainability. Control beliefs are individual beliefs about

supporting and/or inhibiting factors to perform a behavior based on the individual's previous experience of behavior, which means that MSME actors must have confidence in financial literacy as one of the supporting factors to improve business performance and sustainability. This is in line with the results of studies conducted by Aribawa (2016), Agyei (2018), Idawati & Pratama (2020), and Ye & Kulathunga (2019) that financial literacy has an influence on the performance and sustainability of MSMEs.

Apart from that, attitude toward behavior has an influence on the performance of MSMEs. It can be seen from the value of the T count, which is 3.127 (> 1.96). This indicates that the intentions of MSMEs as measured by attitude toward behavior tend to affect the performance of MSMEs in Bulukumba. Furthermore, the MSMEs in Bulukumba will have the intention to behave if they have the belief and consider the behavior to be beneficial for them.

In contrast, the subjective norm has no influence on the performance of MSMEs because the value of the T count is 0.482 (> 1.96). This indicates that the intentions of MSMEs as measured by subjective norm do not affect the performance of MSMEs in Bulukumba. In other words, financial literacy can directly affect the performance of MSMEs in Bulukumba even without being mediated by the subjective norm in the intentions of MSME actors.

Furthermore, perceived behavioral control has an influence on the performance of MSMEs because the value of T count is 8.040 (> 1.96). This indicates that the intentions of MSMEs as measured by perceived behavioral control tend to affect the performance of MSMEs in Bulukumba. In addition, the belief of MSMEs to improve their performance is influenced by financial literacy as long as they can access the

needed resources in the form of adequate equipment, facilities, competencies, and opportunities that can support them. The higher the individual's belief in the resources they have is, the stronger the individual's perception of the control of his behavior will be and the stronger the influence on his intention to behave will be.

Likewise, attitude toward behavior has an influence on the sustainability of MSMEs because the value of the T count is 3.467 (> 1.96). This indicates the intentions of the MSMEs as measured by attitudes towards behavior on the performance of MSMEs in Bulukumba. The MSMEs in Bulukumba will have the intention to behave better if they have the belief and consider the behavior to be beneficial for them.

In contrast to the previous results, the subjective norm has no effect on the sustainability of MSMEs because the value of the T count is 1.352 (< 1.96). This indicates intentions as measured by the subjective norm. Its interpretation is that financial literacy can directly affect the sustainability of MSMEs in Bulukumba even without being mediated by the subjective norm in the intentions of MSMEs. Apart from that, perceived behavioral control has an effect on the sustainability of MSMEs because the value of the T count is 9.999 (> 1.96). This indicates the intention as measured by the individual perception on perceived behavioral control, meaning that the belief of MSMEs to maintain MSME sustainability is influenced by financial literacy as long as they can access the needed resources in the form of adequate equipment, facilities, competencies, and opportunities that can support them. The higher the individual's belief in the resources they have is, the stronger the individual's perception of the control of his behavior will be and the stronger the influence on his intention to behave will be.

During the current COVID-19 pandemic, it takes intentions (attitude toward behavior, subjective norm, and perceived behavioral control) from within so that behavioral attitudes may arise that seek to improve the performance and sustainability of MSMEs in Bulukumba. A person's intention is certainly influenced by several supporting factors. One of them is financial literacy. According to Adamoko (2019), if MSME actors have adequate financial literacy skills, the business and financial decisions will lead to improved development from time to time, increase the ability of businesses to survive in the midst of a crisis, and, in the end, make the business have long term sustainability. By adjusting to the Theory of Planned Behavior, Al Balushi *et al.* argue that non-financial factors, such as MSME owner-manager attitudes, subjective norms, perceived behavioral control, and behavioral intentions, largely influence MSMEs' financial decisions (Al Balushi, Locke, & Boulanouar, 2018). Knowledge sharing to MSMEs occurs not only from the government, academicians, or big businesses but also between MSMEs, which can be the main key to the success of MSMEs in the era of global trade. Therefore, it is important to realize that intra-MSME cooperation is highly needed to achieve complementary capabilities.

5. Conclusions

The purpose of this study is to analyze the effect of financial literacy on intentions to improve the performance and sustainability of MSMEs specifically engaged in the culinary and handicraft industries during the COVID-19 pandemic in Bulukumba, South Sulawesi, Indonesia. In this study, the researchers utilized the Theory of Planned Behavior to determine intentions to improve the performance and sustainability of MSMEs. Results indicated

that financial literacy has an effect on intentions (attitude toward behavior, perceived behavioral control, and subjective norm). Furthermore, the researchers found that strong intentions (attitude toward behavior and perceived behavioral control) within MSME actors can result in attitudes for improving the performance and sustainability of MSMEs in Bulukumba. However, the intention specifically on the variable of the subjective norm has no effect on the performance and sustainability of MSMEs. The following is a table presenting the research results.

HYPOTHESES		RESULTS	NOTE
H1	Financial literacy has a significant influence on attitudes toward behavior.	Beta coef = 0.659 T count = 12.990 P-value = 0.000	Accepted
H2	Financial literacy has a significant influence on subjective norms.	Beta coef = 0.448 T count = 6.453 P-value = 0.000	Accepted
H3	Financial literacy has a significant influence on perceived behavioral control.	Beta coef = 0.359 T count = 4.389 P-value = 0.000	Accepted
H4	Attitude toward behavior has a significant influence on the intention to improve MSME performance during the COVID-19 pandemic in Bulukumba.	Beta coef = 0.301 T count = 3.127 P-value = 0.002	Accepted
H5	Subjective norm has a significant influence on the intention to improve MSME performance during the COVID-19 pandemic in Bulukumba.	Beta coef = 0.038 T count = 0.482 P-value = 0.631	Rejected
H6	Perceived behavioral control has a significant influence on the intention to improve MSME performance during the COVID-19 pandemic in Bulukumba.	Beta coef = 0.566 T count = 8.040 P-value = 0.000	Accepted
H7	Attitude toward behavior has a significant influence on the intention to maintain the sustainability of MSMEs during the COVID-19 pandemic in Bulukumba.	Beta coef = 0.283 T count = 3.467 P-value = 0.001	Accepted

H8	Subjective norm has a significant influence on the intention to maintain the sustainability of MSMEs during the COVID-19 pandemic in Bulukumba.	Beta coef = 0.106 T count = 1.352 P-value = 0.179	Rejected
H9	Perceived behavioral control has a significant influence on the intention to maintain the sustainability of MSMEs during the COVID-19 pandemic in Bulukumba.	Beta coef = 0.577 T count = 9.999 P-value = 0.000	Accepted

REFERENCES

- Adawiyah, W. (2013). Faktor Penghambat Pertumbuhan Usaha Mikro Kecil Menengah (UMKM) : Studi di Kabupaten Banyumas. *Sustainable Competitive Advantage*, 1(1).
- Adomoko, S. D. (2016). The Moderating Influence Of Financial Literacy on The Relationship Between Access to Finance and Firm Growth in Ghana. *Venture Capital*, 18(1). 43 - 61.
- Agyei, S. K. (2018). Culture, Financial Literacy, and SME performance in Ghana. *Cogent Economics and Finance*, 6(1). <https://doi.org/10.1080/23322039.2018.1463813>
- Ajzen, I. &. (2005). Theory Based Behavior Change Interventions: Comments on Hobbs and Sutton. *Journal of Health Psychology*, 27-31.
- Al Balushi, Y., Locke, S., & Boulanouar, Z. (2018). Islamic financial decision-making among SMEs in the Sultanate of Oman: An adaption of the theory of planned behaviour. *Journal of Behavioral and Experimental Finance*, Vol.20, 30-38, <https://doi.org/10.1016/j.jbef.2018.06.001>.
- Anderson, B. B. (2015). Entrepreneurship Development and Financial Literacy

- in Africa. *World Journal of Entrepreneurship, Management and Sustainable Development*, 11(1), 64–70.
- Aribawa, D. (2016). Pengaruh Literasi Keuangan Terhadap Kinerja Dan Keberlangsungan UMKM Di Jawa Tengah. *Siasat Bisnis*, Vol 2 No. 1, 1 - 13.
- Definit, O. &. (2013). *Developing Indonesian Financial Literacy Index*. Jakarta: USAID.
- Djuwita, D., & Yusuf, A. A. (2018). Tingkat Literasi Keuangan Syariah Di Kalangan UMKM Dan Dampaknya Terhadap Perkembangan Usaha. *Al-Amwal: Jurnal Ekonomi Dan Perbankan Syari'ah*, 10(1), 105. <https://doi.org/10.24235/amwal.v10i1.2837>
- Eniola, A. A., & Entebang, H. (2015). Financial Literacy and SME Firm Performance. *International Journal of Research Studies in Management*, 5(1). <https://doi.org/10.5861/ijrsm.2015.1304>
- Harash, E., Al-timimi, S., & Alsaadi, J. (2014). The Influence of Finance on Performance of Small and Medium Enterprises (SMES). *International Journal of Engineering and Innovative Technology*, 4(3), 161–167.
- Hudson, M. A. (2001). Theory and Practice in SME Performance Measurement Systems. *International Journal of Operations & Production Management*, 21(8), 1096 - 1115.
- Idawati, I. A. A., & Pratama, I. G. S. (2020). Pengaruh Literasi Keuangan Terhadap Kinerja dan Keberlangsungan UMKM di Kota Denpasar. *Warmadewa Management and Business Journal (WMBJ)*, 2(1), 1–9. <https://doi.org/10.22225/wmbj.2.1.1644.1-9>
- Kompas.com. (2020, Mei 06). *Bantuan untuk UMKM Pariwisata dan Ekonomi Kreatif Disiapkan Selama Corona*. Dipetik Februari 2021, 2021, dari www.KOMPAS.com: <https://travel.kompas.com/read/2020/05/06/111500727/bantuan-untuk-umkm-pariwisata-dan-ekonomi-kreatif-disiapkan-selama-corona?page=all>
- Mabula, J. B., & Ping, H. D. (2018). Use Of Technology And Financial Literacy On SME's Practices And Performance In Developing Economies. *International Journal of Advanced Computer Science and Applications*, 9(6), 74–82. <https://doi.org/10.14569/IJACSA.2018.090611>
- Manurung, E. B. (2012). From small to significant: Innovation Process In Small-Medium Creative Businesses. *International Journal of Innovation, Management and Technology*, 3(6). 788 - 792.
- McLaughlin, C., & Stephens, S. (2019). The theory of planned behavior: the social media intentions of SMEs. *Irish Academy of Management, January*, 1–30. https://www.researchgate.net/publication/330412288_The_theory_of_planned_behavior_the_social_media_intentions_of_SMEs
- OJK. (2020, Desember 01). *Survei Nasional Literasi dan Inklusi Keuangan 2019*. Dipetik Februari 07, 2021, dari www.ojk.go.id: <https://www.ojk.go.id/id/berita-dan-kegiatan/publikasi/Pages/Survei-Nasional-Literasi-dan-Inklusi-Kuangan-2019.aspx>
- Ripain, N., Amirul, S. M., & Mail, R. (2017). Financial Literacy and

- SMEs' Potential Entrepreneurs: The case of Malaysia. *Journal of Administrative and Business Studies*, 3(2), 60–68. <https://doi.org/10.20474/jabs-3.2.1>
- Seni, N. N. A., & Ratnadi, N. M. D. (2017). Theory of Planned Behavior Untuk Memprediksi Niat Berinvestasi. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 12, 4043. <https://doi.org/10.24843/eeb.2017.v06.i12.p01>
- Solikhah, B. (2014). An Application of Theory of Planned Behavior Towards CPA Career in Indonesia. *International Conference on Accounting Studies (ICAS)* (hal. 164 (2014) 397-402). Kuala Lumpur, Malaysia: Procedia - Social and Behavioral Sciences.
- Sudiartana, M., Putu, N., & Mendra, Y. (2018). *Taxpayer Compliance in SMEs Sector : A Theory of Planned Behavior*. 22(2), 219–230.
- Ye, J., & Kulathunga, K. M. M. C. B. (2019). How Does Financial Literacy Promote Sustainability in SMEs? A Developing Country Perspective. *Sustainability (Switzerland)*, 11(10), 1–21. <https://doi.org/10.3390/su11102990>
- Wardyah, N. S. (2020, Oktober 09). *Derita dan Asa Nelayan Sulsel di Tengah Pandemi COVID-19 (bagian 1)*. Dipetik Februari 10, 2021, dari www.mongabay.co.id: <https://www.mongabay.co.id/2020/10/09/derita-dan-asa-nelayan-sulsel-di-tengah-pandemi-covid-19-bagian-1/>