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Financial Attitude as a Mediating Variable for Financial Inclusion and Financial Literacy on The Financial Performance of MSMEs

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Financial attitude, Financial inclusion, Financial literacy, Financial performance, and MSMEs.

Abtract

This study aims to examine financial inclusion, financial literacy and financial attitudes towards the financial performance of MSMEs. Problems faced by MSMEs regarding financial management. Factors that affect the financial performance of MSMEs include financial inclusion knowledge, financial literacy, and financial attitudes. The population of this research is MSMEs in Bekasi Regency. The research sample used a non-probability sampling method, namely quota sampling. Data processing techniques using PLS. The results showed that directly, financial inclusion and financial literacy had a significant positive effect on financial performance. However, financial attitudes have no effect on financial performance, besides that financial attitudes cannot mediate the effect of financial inclusion and financial literacy on financial performance. Financial literacy on financial performance.

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1. Introduction

After the monetary crisis that hit the Indonesian economy in 1997–1998, micro, small, and medium enterprises (MSMEs) grew rapidly. Through job creation, MSMEs are considered to help reduce poverty. When large enterprises collapsed, MSMEs were considered the backbone of the economy (Rahman et al., 2016; Nurpramitha & Prabowo, 2019; Gherghina et al., 2020; Tumiwa & Nagy, 2021; and Sari & Gunardi, 2023). This is a good thing, as small and medium enterprises (MSMEs) can serve as a measure of regional economic growth. With independent enterprises opening up more businesses and reducing poverty, MSMEs are considered the solution to developing a populist economy. According to the Coordinating Ministry for the Economy of the Republic of Indonesia, the role of MSMEs, which account for 99% of total business units pada tahun 2022, is crucial to the country's economic growth and is even considered to contribute the most to labour absorption compared to the large business sector. In addition, the contribution of MSMEs to GDP is 60.5%, and the contribution to labour absorption is 96.9% of the total (Limanseto, 2022).

There are several factors that determine the economic success and prosperity of MSMEs, and one of them is access to capital. The development of access to funds and information in the financial sector needs to be expanded because it has an impact on increasing economic growth. The ability to manage funds competently is an important factor in the success and prosperity of MSMEs. For this reason, MSME actors need to be knowledgeable about financial inclusion. Financial inclusion is an important component to reduce economic inequality. MSMEs still experience obstacles and barriers in the development of their businesses, one of which is the high requirements from banks, which are sometimes hard for business actors to fulfil. Other than that, high fees for microcredit loans, the absence of MSME management capacity and limited distribution channels for financial channels. This condition making financial considerations important to implement (Yang & Zhang, 2020; Gherghina et al., 2020; Setiawan & Saputra, 2021; Zayed et al., 2022; Khémiri et al., 2023; and Rumtutuly & Atahau, 2023).

In the financial performance of MSMEs, there are other factors that influence, namely financial literacy. One way that can be used to develop good outcomes is to enrich the knowledge of MSME participants in terms of financial literacy so that their management and accountability can be better reported (Ambarwati et al., 2020; Seraj et al., 2022; and Widyastuti et al., 2023). The National Survey on Financial Literacy and Inclusion (SNLIK) 2022 shows that the financial literacy index of the Indonesian people is 49.68%, up from 38.03% in 2019. Meanwhile, the financial inclusion index in 2022 reached 85.10%, an increase compared to the previous SNLIK period in 2019 of 76.19%. These results show that the gap between the level of literacy and the level of inclusion is decreasing from 38.16% in 2019 to 35.42% in 2022 (OJK, 2022). The following is a comparison of the Financial Literacy and Inclusion Index in 2019 and 2022.

Table 1. Comparison of Literacy and Financial Inclusion indices

	2019	2022
Financial Literacy	38.03%	49.68%
Financial Inclusion	76.19%	85.10%
Variance	38.16%	35.42%

Source: OJK, 2022.

The survey shows that Indonesians do not have a sufficient level of knowledge in making the most of money for more valuable activities (Yahya et al., 2023). Based on table 1, it can be explained that the financial literacy level is at a value of 49.68% or falls into the low category. Referred (Kartini & Mashudi, 2022), if the value is greater than 80%, the financial literacy level falls into the high category, while the medium category is between 60% and 79%; if the value is less than 60%, the financial literacy level falls into the low category. A high level of financial literacy makes it easy for people to select the best financial services for their needs. In order to reduce unnecessary risks like fraud, they can use financial services and products that are appropriate for their needs and skill level. Consequently, MSME players must take financial inclusion and literacy seriously if they hope to have a long-term and beneficial influence on their business development from their operations.

Financial inclusion affects the financial performance of MSMEs as increasing financial inclusion will have a good impact on the financial performance of MSMEs (Sari & Kautsar, 2020; Septiani & Wuryani, 2020; Wahyuni & Sara, 2020; Susan, 2020; Pinem & Mardiatmi, 2021; and Wahyono & Hutahayan, 2021). However, Kusuma et al., (2022) research findings show that financial in-clusion does not affect financial performance

The issue of financial inclusion in small and medium enterprises (SMEs) is a significant focal point for policymakers, academics, and entrepreneurs globally. It revolves around ensuring access to essential banking services for entrepreneurs who are economically marginalised (Togun et al., 2022). Financial businesses, consumers and the public not only know and understand financial services, but can also improve the ability to make financial decisions and change perspectives and behaviour in managing finances so as to improve welfare.

To improve business performance and enable MSMEs to take on business expansion, entrepreneurs need to be aware of financial data. Even though it's currently required to comprehend business actors' level of financial literacy, particularly for the preparation of their corporate financial statements in order to obtain funding from the various financial services offered, the MSME community will still have difficulty in managing their financial conditions without financial literacy. Because, financial literacy is closely related to the understanding of each community in managing their financial conditions (Kasendah & Wijayangka, 2019). The way someone views financial circumstances affects their ability to make strategic financial decisions and improves business owners' management (Dahmen & Rodríguez, 2014; Wahyono & Hutahayan, 2021; and Anshika & Singla, 2022).

It's true that business profitability and continuity greatly depend on an owner's ability to handle their funds (Nurjanah et al., 2022). This is in line with research Kasendah & Wijayangka (2019), Kusuma et al. (2022) which states that increased financial literacy leads to more frequent individuals to make their business financial reports. In his research found that entrepreneurs who more often produce better financial reports will have a high level of profitability from loan repayments and for the continuity of their business will be higher. A different opinion conveyed by Aprayuda et al. (2022) which states that financial literacy has no effect on financial performance for MSME actors in Jember that many of the business actors lack financial knowledge.

Financial management conduct can also be influenced by personality traits and financial attitudes in addition to financial knowledge. Financial attitude is defined as a state of mind, opinion, and financial evaluation, while personality means what hypnotises a person's behaviour in doing or controlling something in everyday life. The various problems faced by MSME participants reflect the low financial knowledge and financial attitudes of MSME participants which affect their financial management behaviour. A good financial attitude will also have an impact on the financial performance of MSMEs (Cahya et al., 2021; and Setiawan & Saputra, 2021).

The financial performance of MSMEs has been widely studied, including by Sari & Kautsar (2020); and Nurjanah et al. (2022) examining financial inclusion and literacy using indicators of gender, age, education. Then, Cahya et al. (2021) using criteria, attitudes and financial behaviour. Meanwhile, Akhmad et al. (2021) uses indicators of financial knowledge, demographics and beliefs. This study aims to examine financial inclusion, financial literacy and financial attitudes towards the financial performance of MSMEs

2. Hyphotesis Development

Financial Inclusion in Financial Performance MSMEs

Financial performance is the determination of certain measures that can measure the progress of the organisation in creating profits. Financial performance is a consequence of effective supervision of resources in a certain period by the administration of a certain period. Financial Performance is the main task of the organisation to find out, assess the level of progress of an organisation in seeing the financial implementation that has been carried out (Octavina & Rita, 2021). MSME Financial Performance is all activities or business implementation in creating profits (Nurjanah et al., 2022). Financial performance is part of financial management, Financial management is crucial for SMEs to achieve their overall goals and manage assets effectively (Sari et al., 2020); and (Harmadji & Sunardi, 2023).

MSMEs have grown significantly in revenue and quantity, contributing significantly to the state budget. However, their contribution rate is not high enough, indicating potential sector development. This is due to inefficiency in business performance and weak competitive advantage, as SMEs primarily produce domestically (Nguyen et al., 2021). One of the primary objectives of SMEs is profit. These have implemented various strategies to boost earnings, such as enhancing their financial edge.

In theory, financial management involves managing funding sources, leveraging money in business, people, marketing, production and investment choices, and the overall success of an organisation (Athia et al., 2023). The degree to which an organization's goals, objectives, vision, and mission as stated in its strategic planning are realised through the execution of a programme of actions or policies is referred to as MSME performance (Jumady et al., 2022).

A good understanding of finance allows MSME actors to carry out their businesses in accordance with the programmes that have been set. Financial management may boost MSME performance, which leads to business growth, and reduce costs compared to before the epidemic (Nurhayati & Nurodin, 2019)

H_1: Financial inclusion has a significant positive effect on MSME financial performance

Financial Inclusion on Financial Attitude

People with limited incomes and those with the greatest risk are said to be heavily affected by financial exclusion. Physical hurdles, the World Bank (2017) has classified financial access challenges into four main categories: inadequate documentation, affordability, lack of appropriate products and services, and lack of documentation (Mdasha et al., 2018). Through the ability of the weaker and more marginalised segments of society to actively participate in development and safeguard themselves against socioeconomic shocks, financial inclusion ensures simple access to financial services (Ibor et al., 2017).

Financial inclusion is defined by the Centre for Financial Inclusion as having access to suitable financial products, such as credit, insurance, savings, and payments, as well as having quality access, which includes convenience, affordability, suitability, and due consideration for consumer protection, available to everyone (Kusuma et al., 2022). Financial inclusion, according to Indonesia's National Financial Literacy Strategy (SNLKI), is having access to financial services and products that are practical and reasonably priced for addressing the needs of the community and its businesses in terms of payments, transactions, credit savings, and insurance that is used sustainably and responsibly (Otoritas Jasa Keuangan, 2021). To achieve this, financial institutions need to focus on their financial health strategy, focusing on meeting the needs and aspirations of the community. This includes considering a variety of factors such as age, gender, occupation, income status, physical and mental health, and emotional characteristics. By developing products, services and financial knowledge that are personalized and responsive to the needs and preferences of the community, financial institutions can create more meaningful change in their lives.

It can accomplish this by combining efforts from the public sector, financial institutions, non-financial institutions, and other interested parties (Mdasha et al., 2018). So in light of the above financial inclusion is a condition that enables everyone to be able to approach exploiting financial items or administrations, such as making credit, having protection, reserve funds, or utilising digital transactions. Such as m-banking or electronic money. In addition, access, availability of financial products and services, utilisation, and quality are factors that affect financial inclusion.

The usage of financial products and services by low-income households in developing countries is influenced by their attitudes, shaped by their trust in financial institutions and products. Insufficient awareness of the necessity of designing mechanisms to foster consumer trust and protection, including savings insurance, can result in reduced demand for financial products by poor households (Cuandra & Anjela, 2021).

H_2: Financial inclusion has a positive effect on the financial attitude

Financial Literacy on Financial Performance

It is believed that increasing financial literacy will enable the development of MSMEs. With an understanding of financial literacy, MSMEs better understand the concept of financial products, undertake better financial planning and management, and can opt for financial inclusion for business development (Lusardi, 2019). Better ability to cope with contingencies and income shocks is also linked to financial literacy. The Otoritas Jasa Keuangan Nomor 76/POJK.07/2017 highlights the need for financial literacy and inclusion. This includes improving the quality of financial decision-making, developing the mentality and behaviour of financial managers to improve efficiency, and ensuring government support for financial management. OJK highlights the importance of financial literacy in promoting financial literacy and reducing poverty.

Financial decision-making relies on universal concepts such as numeracy, understanding inflation, and risk diversification. These concepts apply to all contexts and economic environments, ensuring accurate interest rate calculations, understanding inflation, and risk management. Financial literacy is a combination of awareness, knowledge, skills, attitudes and behaviours that a person needs to have in order to make sound financial decisions and ultimately achieve individual financial well-being (Sugiharti & Maula, 2019).

H_3: Financial literacy has a positive effect on the financial performance of MSMEs

Financial Literacy on Financial Attitude

The term 'financial attitude' is used to describe the beliefs and values that individuals hold with regard to various concepts of personal finance (Dewi et al., 2020; Yeo et al., 2023; and Ratnawati et al., 2023). These values and beliefs can influence financial behaviour, including the ability to exercise self-control, demonstrate patience, adopt a long-term perspective, and solve financial problems. The concept of financial attitude is concerned with the capacity to regulate one's own actions, guided by a set of beliefs that are considered beneficial in the context of finance. These beliefs may include the importance of saving money, the formulation of financial plans, the ability to remain patient in the face of financial challenges, and the identification of strategies to cope with such challenges. Additionally, financial attitude encompasses the capacity to tolerate risk and to perceive the relationship between risk and return.

Financial literacy has a significant impact on an individual's ability to manage their finances effectively and to cope with financial challenges. It also influences their capacity to make informed decisions about their personal finances, including investments, financial risk tolerance, saving, borrowing, and lifestyle choices (Dewi, et. al., 2020; and Korkmaz et al., 2021)

H_4: Financial literacy has a positive effect on the financial attitude

Financial Attitude in Financial Performance

Financial attitude is a state of mind that describes a person when making financial decisions about direct or indirect financial resources (Dai et al., 2021). A person's disposition that affects their intention to reach particular financial objectives is referred to as their financial attitude (Rahayu et al., 2023). The financial attitude of a business owner or manager is determined by their behaviour, age, gender and experience (Razak & Amin, 2020). Men are typically better at managing their investments, while women are more focused on their relationships. With this understanding, it can be interpreted as a person's financial success and failure according to his financial attitude. A financial mindset can help a person manage finances. When the financial mindset is good, a person is also able to make decisions and manage finances. or vice versa, if a person's financial attitude is not good, he can loosen decisions and financial management becomes bad.

Financial attitudes as a person's attitude towards money matters. It can be considered as a set of thoughts, feelings and knowledge that significantly influence a person's ability to respond positively. A person's financial attitudes have a significant impact on his or her behavioural intentions in various financial areas such as borrowing, saving, taking risks and experiencing adverse financial situations (Sahid & Kamel, 2021; Atmadja et al., 2021; and (Sara et al., 2023). The ability to make sound financial decisions for oneself improves; this is more advanced than financial management in terms of changing one's mindset and behaviour (Sari et al., 2020).

H_5: Financial attitudes have a positive effect on MSMEs financial performance

Financial Attitude mediated Financial Inclusion and Financial Literacy in Financial Performance

Financial attitude is a state of thinking about, obtaining/ obtaining, and assessing one's own financial condition which is applied by treating finances in the form of attitudes (Rusnawati et al., 2022). Financial attitudes are one of the factors that have a significant impact on financial management practices. With a good financial attitude, it will be easier for so-meone to run their business. Financial attitude has a significant effect on the financial perfor-mance of MSMEs (Fitria et al., 2021; Rusnawati et al., 2022).

Positive financial attitudes and good financial inclusion can directly improve MSME performance. Efforts to improve financial inclusion and provide financial education to MSME owners can be a strategic step in supporting the growth and sustainability of MSMEs (Kusumaningrum et al., 2023).

The financial literacy and financial attitudes of MSME owners can have a direct impact on the performance of their businesses. MSME owners who possess a deeper understanding of financial management and a more positive outlook towards risk are more likely to achieve long-term success (Hanasri et al., 2023).

H_6: Financial attitudes mediate the effect of financial inclusion on MSMEs financial performance

H_7: Financial attitudes mediate the effect of financial literacy on MSMEs financial performance

3. Data and Methods

This study uses a quantitative descriptive method that aims to explain the independent variable of the dependent variable using numerical data. The dependent variable is financial performance of MSMEs while financial inclusion, financial literacy are independent variables and financial attitudes are mediating variables. The population in this study is MSMEs in the district of Bekasi.

The Lemeshow method, which establishes an unknown or infinite population, is referred to as sampling. The sample size for 100 respondents was found by applying the formula (n = (Z1-α/2P(1-P))/d2) to compute the sample size. Every assessment item used in this study was modified from previous research on the issues being considered. The Sugiyono (2019) technique was utilised in the creation of research items. The same 5-Likert scale, with 1 denoting severely disagree, 2 disagree, 3 slightly agree, 4 strongly agree, and 5 denoting very agree, was used for all items. Sample data collection and processing started from November 2023 – January 2024.

The analysis used the partial least square (PLS) method, which is a methodology for relating a number of independent variables to a number of dependent variables without making many assumptions. In particular, the assumptions of PLS have nothing to do with hypothe-sis testing; they are only relevant for structural modelling. By comparing the R^2 value obtained from the model with the magnitudes of the estimated and observed parameters, the appropriateness of the internal model was demonstrated.

4. Result

Based on Table 2, all constructs had cronchbach alpha's > 0.60, all composite reliability values > 0.70, and AVE value > 0,5. Thus, the indicators used in this study were found to be valid, reliable.

Table 2. Composite Reliability Result

Variable	Cronbach Alpha's	Composite Reliability	AVE
Financial Inclusion (X_1)	0.778	0.871	0.693
Financial Literacy (X_2)	0.719	0.840	0.637
Financial Attitude (Y)	0.723	0.844	0.644
Financial Performance (Z)	0.853	0.891	0.578

The results of the outer model test showed that there was no multicollinearity among the indicators and that all items or indicators satisfied the requirements for validity and reliability. Subsequently, the inner model was analysed to assess the degree of relevance and correlation with the suggested hypotheses.

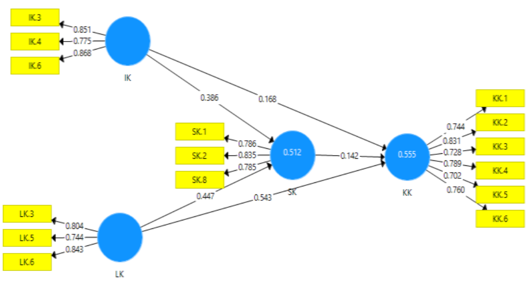

Figure 1. Interprestation of the Inner Model

Figure 1 provides an in-depth look at the relationships between latent variables in a system and helps test hypotheses related to these constructs. Evaluation of the inner model is an important step in understanding the extent to which the model fits the data and concepts being tested. The path coefficient in Figure 1 provides information about how much change in one latent variable can be attributed to changes in other latent variables. Path coefficient for the variables financial inclusion, financial literacy, financial attitudes towards the financial performance of MSMEs. The probability values shown in table 3, explained that the direct effect of financial inclusion, and financial literacy on financial attitudes and financial performance showed accepted hypotheses (H_1, H_2, H_3, H_4). While the hypothesis on the effect of financial attitudes on financial performance (H_5) is rejected. For the financial attitude variable as moderation between the effect of financial inclusion on financial performance (H_6) is rejected. Likewise, the mediation of financial attitudes on the effect of financial literacy on financial performance (H_7) is rejected.

Table 3. Path Analysis

Path Analysis	T Statistics (O/STDEV)	P Value	Note
$X_1 \rightarrow Z$	2.090	0.037	Accepted
$X_1 \rightarrow Y$	4.715	0.000	Accepted
$X_2 \rightarrow Z$	6.274	0.000	Accepted
$X_2 \rightarrow Y$	5.331	0.000	Accepted
$Y \rightarrow Z$	1.322	0.187	Rejected
$X_1 \rightarrow Y \rightarrow Z$	1.212	0.226	Rejected
$X_2 \rightarrow Y \rightarrow Z$	1.266	0.206	Rejected

Table 4. Coefficient of Determination

Variable	R^2	$R^2_{Adjusted}$
Financial Performance	0.555	0.541
Financial Attitude	0.512	0.502

Table 4 shows that the variables financial inclusion, financial literacy and financial attitudes can explain the financial performance variable of MSMEs by 55.5%. Meanwhile, financial attitude can explain the financial performance of MSMEs by 51.2%.

5. Discusssion

The effect of financial inclusion on financial performance MSMEs

The financial inclusion variable have a significant on performance. Financial inclusion is indicated by ease of access, satisfaction, and utilization of financial institution services by MSMEs. The results show that financial inclusion has a positive and significant effect on the financial performance of MSMEs. This result illustrates that the higher the ability of MSMEs to access financial services, the higher the performance of MSMEs in Bekasi Regency. Financial inclusion can directly improve the performance of MSMEs in Bekasi Regency.

This indicates that financial inclusion will enable MSMEs to access more affordable financial services, so as to improve MSME performance through sufficient funding to finance the long-term assets of the company so as to facilitate business growth. This is reinforced by the results of the loading factor which shows that financial inclusion is reflected in the financial access dimension of finance which includes the suitability and benefits of loan products provided by banks, the results of the study are in line with (Ibor et al., 2017; Mdasha et al., 2018; Togun et al., 2022). In general, good financial inclusion has great potential to create high financial performance.

In other words, financial inclusion increases the likelihood of MSMEs moving up to the growing and most developed business groups rather than placing them in the least developed group of firms. (Fomum & Opperman, 2023). The availability of mobile platforms to enable access and use of simple financial services, along with low-cost and secure financial techniques, is a financial inclusion strategy. Financial inclusion offers a number of benefits to small and medium-sized enterprises (SMEs), including investment in corporate planning, increased market expansion, and business growth and profitability. The main barriers facing financial inclusion initiatives are the lack of connection between personal goals and strategies, an unstable financial system, unanticipated shifts in the market, and insufficient awareness raising (Mdasha et al., 2018) .

The effect of financial inclusion on financial attitude

These results prove that financial inclusion has a positive and significant effect on financial attitudes. The existence of access to financial products and services provided to MSME actors can provide convenience for MSME actors in transactions. The convenience received can be in the form of obtaining credit, saving money, and other financial transactions. Financial inclusion is often accompanied by financial education efforts to improve financial literacy among the community. With better financial knowledge, MSME actors can make more informed and informed financial decisions (Ali & Siddiqui, 2021). This can lead to a more positive attitude towards financial planning and risk management. The results of the study are in line with (Adam et al., 2021) which states that financial inclusion has a positive and significant effect on financial attitudes. This proves that the initial stage in improving financial attitudes is through financial literacy and inclusion.

The effect of financial literacy on financial performance MSMEs

Financial Literacy variables have a significant positive effect on the financial performance of MSMEs. The research that has been conducted proves that Financial Literacy has a major contribution in supporting the improvement of the financial performance of MSMEs where the better the level of financial literacy, the better the financial management behaviour in the business being run. The study's findings are consistent with previous research (Athia et al., 2023; Nurjanah et al., 2022; Rahmawati et al., 2023) that shows how financial literacy affects MSMEs' performance. Specifically, the better an MSMEs' financial performance, the more financial literacy they possess. This is supported by knowledge of basic financial management, credit management, savings and investment management, risk management, and financial recording literacy. Results conflict with research Maghfiroh & Biduri (2022) which claims that the financial performance of MSMEs is unaffected by financial literacy. As a result, MSME participants need to be provided with advice on responsible financial management. The knowledge and comprehension of finance that MSME actors possess is also necessary, as their knowledge and comprehension of finance affects or influences the expansion and sustainability of MSME financial performance.

The effect of financial literacy on financial attitude

The results showed that financial literacy affects financial attitude. Financial literacy helps individuals to understand financial concepts and mechanisms. This understanding can form the basis for developing a positive attitude towards finance. Financially literate individuals are more likely to have a better awareness of the importance of good financial management. Individuals who have good financial literacy often have higher confidence in managing personal finances. This confidence can create a more positive attitude towards one's own ability to make wise financial decisions. Financially literate individuals are more likely to adopt a proactive attitude towards solving financial problems and seek better solutions.

The effect of financial attitude on financial performance MSMEs

The financial attitude variable has no significant effect on the financial performance of MSMEs. The results show that financial attitudes do not affect the financial performance of MSMEs in Bekasi Regency. Some MSMEs with good financial attitudes may be able to manage their finances more effectively, but that in itself does not guarantee success or good financial performance for those MSMEs. The research results are in line with (Putri & Bandi, 2023) which states that financial attitudes have no effect on the financial performance of MSMEs. Similar to research conducted Fitriyah et al. (2023) which highlights the growth of MSMEs where financial attitudes have no impact on increasing the growth of MSMEs. This indicates that the factors that influence the financial performance of MSMEs are not only seen from the financial attitudes of business owners, but other factors that also influence including risk management, innovation, marketing strategies, and competitive advantage. So, a good financial attitude is not the only factor that determines the financial performance of MSMEs, including risk management, innovation, marketing strategies, and competitive advantage. So, a good financial attitude is not the only factor that determines the financial performance of MSMEs.

Some MSME players still have difficulties in managing their company's finances. This is because business owners still manage the resources they have to fulfill their daily needs by combining personal funds and business funds. Capitalization, product promotion, managing the company's finances so that they do not decline, and late payments from customers are usually the biggest problems faced by MSMEs.

In contrast to the research conducted by Atmadja et al. (2021), Nurjanah et al. (2022), which states that financial attitudes have a positive impact on financial management. A person who has a financial attitude will also determine his actions and behavior in financial matters, both in the habit of managing his finances by budgeting, having a feeling of security with the financial management he does, being able to manage his finances without the help of the environment, the habit of having unexpected funds or savings funds, and having a good perception of money.

The effect of financial inclusion mediated by financial attitude on MSME financial performance

Financial attitudes cannot mediate the effect of financial inclusion on MSME financial performance. Providing access to safe, convenient and affordable financial services to disadvantaged communities and other vulnerable groups, including low-income communities, rural communities and undocumented communities that are unserved or at risk from the formal financial sector. A sound financial attitude will improve the financial performance of the MSMEs. Individuals' financial attitudes can influence how they utilise financial services, so individuals with positive attitudes towards investment may be more likely to allocate their funds to financial instruments that can improve financial performance. Financial inclusion can increase accessibility to financial products and services, such as savings, loans and investments. This can help individuals or businesses better manage their finances.

The effect of financial literacy mediated by financial attitude on MSME financial performance

Financial attitudes cannot mediate the effect of financial literacy on the financial performance of MSMEs. These results indicate that financial attitudes cannot be used as mediation in this study regarding the effect of financial literacy on financial performance. These results can be interpreted that the presence or absence of a good financial attitude cannot be used as a basis for good financial performance. In theory, a good financial attitude will be able to improve financial performance, especially for MSME players who have good financial literacy. The research results are not in line with Razak & Amin (2020) which states that a good attitude, improved money management skills, and the capacity to explain their planned finan-cial skills to their employees so that the latter can carry out their responsibilities effectively. As a whole, the study's findings indicated that managers could grow their companies by encouraging SMEs to have sound financial literacy and developing accelerator programmes. Financial literacy provides the knowledge base, while financial attitudes act as a driver in applying that knowledge in everyday financial decisions and actions. The combination of sound financial literacy and positive financial attitudes can improve the financial performance of SMEs through improved operational efficiency, good risk management, and sound financial decision-making.

6. Conclusion and Suggestion

Conclusion

The results showed that financial inclusion affects financial performance and attitudes. Financial literacy has a significant positive effect on the financial performance and financial attitudes of MSMEs. Financial attitudes have no significant effect on the financial performance of MSMEs. Financial attitudes cannot mediate the effect of financial inclusion on the financial performance of MSMEs. Financial attitudes cannot mediate the effect of financial literacy on the financial performance of MSMEs.

Suggestion

The limitation of the research is that it only focuses on MSME actors in the Bekasi district area. Research variables can be developed such as business resilience, debt management, operational efficiency, financial stability and other variables besides the variables that have been researched in influencing the financial performance of MSMEs

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