

MEASURING THE ROOTS OF PERFORMANCE DETERMINANTS OF CREATIVE SMALL INDUSTRY FINANCIAL ACCESS BASED

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ABSTRAK

Tujuan penelitian yaitu untuk menguji pengaruh akses keuangan terhadap kinerja keuangan dengan literasi keuangan sebagai variabel moderasi pada industri kecil kreatif di Semarang. Sampel penelitian sebanyak 103 orang yang diperoleh dengan teknik pengambilan sampelnya purposive sampling, yaitu responden yang mengambil kredit wibawa program Pemerintah Kota Semarang. Data dianalisis menggunakan analisis MRA (*Moderated Regression Analysis*). Hasil penelitian yaitu akses keuangan berpengaruh terhadap kinerja keuangan. Literasi keuangan mampu memoderasi pengaruh akses keuangan terhadap kinerja keuangan pada industri kecil kreatif di Semarang.

Kata Kunci : Akses, literasi, keuangn, kinerja, Industri Kreatif

ABSTRACT

The purpose of this study is to examine the effect of financial access on financial performance with financial literacy as moderating variables in small creative industries in Semarang. The research sample was 103 people who were obtained by purposive sampling technique, namely respondents who took credit for the authority of the Semarang City Government program. Data were analyzed using MRA (Moderated Regression Analysis) analysis. The result of this research is that financial access has an effect on financial performance. Financial literacy are able to moderate the effect of financial access on financial performance in small creative industries in Semarang.

Keywords: Access, literacy, finance, performance, Creative Industry

INTRODUCTION

In today world economy, the creative industry is one of the fastest growing industrial sectors (UNCTAD, 2011; UNESCO, 2012). These industries make a significant contribution to the creation of world income, employment and export earnings (UNESCO, 2012). In addition to these contributions, creative and cultural businesses are unique. In contrast to other economic sectors where individuals are primarily governed by economic logic, entrepreneurs in creative industries practice both economic and artistic logic (Bourdieu, 1990; Eikhof & Haunschild, 2007). Firm performance is directly dependent on access to long-term and short-term performance (Sbanda et al, 2018). Availability of funds is very important. Milanzi (2012),

limited access to finance significantly affects the export behavior of SMEs. Bellone et al. (2010) found that SMEs with better financial access are more likely to venture into international markets as opposed to those with poor financial health. Many factors affect performance, including access to finance (Aqida & Fitria, 2019).

Access to finance is needed to create an economic environment that allows companies to grow and develop (OECD, 2006; IFC, 2010). The results of previous research from Aqida & Fitria (2019); Sibanda et al. (2018) stated that financial access has an effect on performance. However, the results of this study contradict Bali moune & Lutz (2017) which state that financial access has no effect on performance. Due to poor access to finance, SMEs find it difficult to meet their performance results (Karedza et al. 2014).

If the influence of a variable on other variables is still ambiguous, then the next researcher can enter a moderating variable, where the moderating variable must have been tested previously as an independent variable on the dependent variable (Sekaran, 2006). Simeyo et al., (2011) who revealed that financial literacy among micro-enterprises has a positive and significant influence on the performance of SMEs. Related to Sekaran (2006) statement and the research results of Simeyo et al., (2011) as well as the different results of previous studies on the results of the research on the effect of financial access on performance above, the researchers included a new variable as a moderating variable, namely financial literacy.

Moving on to the description above, this research will integrate the effect of financial access on performance with financial literacy moderation. The purpose of this study is to examine the effect of financial access on financial performance with financial literacy as a moderating variable in small creative industries in Semarang.

Financial literacy is identified as one of the critical managerial competencies in SME and development companies in developing countries (Geradi et al., 2021). Lusardi & Tufano (2009) stated that financial literacy helps SME managers in developing countries to gain knowledge, skills, and abilities to formulate financial strategies for their financial decisions and choices. Bosma & Harding (2006), many SMEs in developing countries fail due to lack of financial literacy and they have inadequate business acumen, thereby reducing entrepreneurial activity. Oseifuh (2010) states that entrepreneurs, regardless of age, are consistently involved in decision-making activities regarding the procurement, allocation, and utilization of resources. Such activities always have financial consequences, therefore, to be effective, entrepreneurs in developing countries must be financially literate. Moreover, it also provides greater control and more effective use of financial products and services, and reduces vulnerability to overzealous and fraudulent schemes. Greenspan (2002) argues that financial literacy helps SME owners to acquire the necessary financial knowledge to make business plans, initiate savings plans, and make strategic investment decisions. Simeyo et al., (2011) who revealed that financial literacy training among micro-enterprises in Kenya has a positive and significant impact on the performance of SMEs. Financial literacy has no significant effect on the development of small and medium-sized enterprises Owusu et al

(2019) revealed that financial literacy has proven to be a moderator of the availability of financial resources towards increasing MSME growth in Ghana.

Conceptual Framework

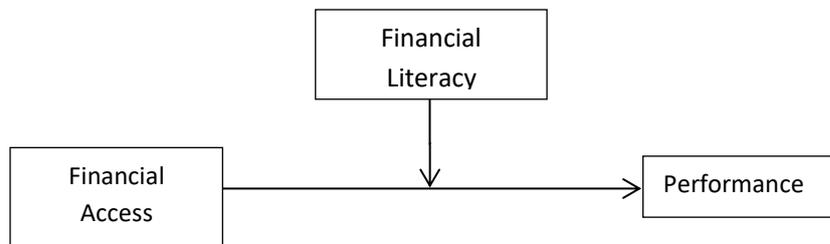


Figure 1. Creative Industry Research Model

RESEARCH METHODS

Data source

The research data is primary data sourced from direct answers from small creative industry entrepreneurs who take credit for the authority of the Semarang City Government program.

Population and Sample

The population of this study were all small industrial entrepreneurs totaling 395 people, while the number of samples used in the study was 103 people (based on the Slovin formula). The sample selection method was purposive sampling, with the criteria of small creative industry entrepreneurs taking credit for the authority of the Semarang City Government program, which was the first time taking Wibawa credit.

Analysis Method

The analysis used to determine the dependence of a dependent variable with one or more independent variables, namely Moderated Regression Analysis (MRA) or interaction test, which is a special application of multiple linear regression where the regression equation contains elements of interaction.

Equation 1:

$$Y = \alpha + \beta_1 X + e$$

Equation 2:

$$Y = \alpha + \beta_1 X + \beta_2 (ABSX * Z) + e$$

Information:

X	= Financial Access
Z Moderation	= Financial Literacy
Y	= Performance
α	= Constant variable
e	= Standard error

The value of X and Z, the second equation is the standardized score (Zscore), (ABSX*Z) is the interaction value measured by the difference between the absolute values of X and Z,

Multicollinearity Test

This test aims to test whether the regression model found a correlation between the independent variables with the criteria if the VIF is less than 10 then there is no multicollinearity.

Hypothesis Test (t test statistic)

The t-statistical test basically shows how far one independent variable individually explains the dependent variable. This test is carried out using a significant level of 0.05. Acceptance or rejection of the hypothesis is done with the following criteria: (1) If the value is significant > 0.05 then the hypothesis is rejected (regression coefficient is not significant). This means that partially the independent variable does not have a significant effect on the dependent variable. (2) If the significant value is 0.05 then the hypothesis is accepted (significant regression coefficient). This means that partially the independent variable has a significant influence on the dependent variable.

RESEARCH RESULTPerformance

Descriptive Statistics Results

Table 1. Descriptive Statistics

	Mean	Std. Deviation	N
Performance	8.0582	7.25401	103
Financial Literacy	5.6793	2.74683	103
Financial Access	1.9472	1.51164	103

The table 1, the results of descriptive statistical data can be explained, namely: the average value of kinerja is 8,0582 and the standard deviation value = 7,25401 < 8,0582 (mean value) which means that there is no data deviation. The average value of the Literasi keuangan is 5,6793 and the standard deviation value = 2.746823 < 5.6793 (mean value) which means that there is no data deviation. The average value of akses keuangan is 1.9472 and the standard deviation value = 1.51164 < 1.9472

(mean value) which means that there is no data deviation.

Coefficient of Determination

Table 2. Coefficient of Determination test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.958 ^a	.836	.729	5.15947

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The table 2, it is known that the results of the coefficient of determination (Adjusted R Square) of 0.729 means that the independent variables (akses keuangan, akses keuangan*kinerja, akses keuangan*literasi keuangan) are able to explain 72,8 % of the variation of the dependent variable (behavior). while the remaining 27,2 % is explained by other variables that are not included in this research model, such as: promotion, lokasi, orientasi pasar.

Multicollinearity Test Results

Table 3. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
1		
	(Constant)	
	Financial Access	.245 9.296
	Moderat-I	.154 6.144

The table 3, the regression model is free from multicollinearity because the tolerance value of the independent variables (0.245; 0,154 and 0.227) is above 0.1 and the VIF value of the independent variable (9.296, 6.144 and 5 4.966) is below 10.

Hypothesis Test Results

Table 4. t test results

Model	Standardized Coefficients		
	Beta	t	Sig.
1			
	(Constant)	8.681	.001
	Financial Access	3.389 9.292	.000
	Moderat-I	1.562 7.649	.000

DISCUSSION

The Effect of Access to Finance on Performance

The first hypothesis states that access to finance has an effect on performance. The table above shows that financial access has a t-value of 9,292 with a significance level of $0.000 < 0.05$. Thus H1 is accepted. The results of this study indicate that access to finance is able to influence on performance, so that access to finance affects the performance of small entrepreneurs

Based on these results, it can be stated that the stronger access to finance, the performance will increase. Therefore, financial access has a significant effect on

performance. The results of this study are in agreement with the research of Aqida & Fitria (2019). However, the results of this study contradict Balamoune & Lutz (2017) which state that financial access has no effect on performance. Due to poor access to finance, SMEs find it difficult to meet their performance results (Karedza et al. 2014).

The Effect of Access to Finance on Performance with Financial Literacy as Moderation

The second hypothesis states that financial literacy is able to moderate the influence of financial access on performance. The table above shows that financial literacy has a t-value of 7,649 with a significance level of $0.000 < 0.05$. Thus H2 is accepted. The results of this study indicate that financial literacy can moderate the influence of financial access on performance, so that financial literacy also strengthens financial access roles in influencing the performance of small entrepreneurs.

Aiken & West (1991) stated that two variables interact if a certain combination of these variables leads to an unanticipated result on the basis of the main effect of these variables. Geriadi et al. (2021) argue that financial literacy is identified as one of the critical managerial competencies in SME and development companies in developing countries. Oseifuh (2010) states that entrepreneurs, regardless of age, are consistently involved in decision-making activities regarding the procurement, allocation, and utilization of resources. Such activities always have financial consequences, therefore, to be effective, entrepreneurs in developing countries must be financially literate. In addition, it also provides greater control and more effective use of financial products and services, and reduces vulnerability to overzealous and fraudulent schemes. Zindiye (2008), because of adequate access to finance, SMEs with financial literacy can manage their business by producing quality goods and services that comply with international standards and are expected to compete in the global market. Greenspan (2002) argues that financial literacy helps SME owners to acquire the necessary financial knowledge to make business plans, initiate savings plans, and make strategic investment decisions. However, the results of this study contradict Aqida & Fitria (2019) which states that financial literacy does not moderate the effect of financial access on performance.

CONCLUSION

Access to finance partially has a positive and significant effect on the performance of small creative industries in the city of Semarang. Increasing the ease of access to finance will have an impact on improving the performance of small creative industries in the city of Semarang. Financial literacy are able to moderate the effect of financial access on the performance of small creative industries in Semarang City. This has an understanding that the effect of financial access on the performance of creative small industries is significantly strengthened by the interaction of financial literacy variables so that financial literacy and are moderating variables. in the interaction between financial access to the performance of small creative industries in Semarang City. The interaction between financial literacy and

social norms causes an increase in the performance of small creative industries in Semarang City. The existence of financial literacy in this interaction is a pure moderator.

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