



Determinants of MSME's Financial Management

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ABSTRAK

This study aims to analyze the influence of financial literacy, financial inclusion, digital transformation, and accounting information systems on the financial management among culinary MSMEs in Semarang City. This study employed a quantitative approach using primary data collected through questionnaires distributed to 99 culinary MSME owners in Semarang City using a purposive sampling technique. The data analysis method used was multiple linear regression analysis with the assistance of IBM SPSS Statistics. The results of the study indicate that financial literacy has a positive and significant effect on the MSME's financial management. Financial inclusion has a positive and significant effect on the MSME's financial management. Digital transformation also has a positive and significant effect on the MSME's financial management. Meanwhile, the accounting information system has a negative and insignificant effect on the MSME's financial management. Future researchers can improve the research model by adding other variables such as: digital payment transformation variables, financial education, or digital financial capabilities. Interview methods can be an alternative to obtain more valid data. MSME's management are expected to improve their financial management skills and utilize digital technology optimally to make business management more effective and efficient. The government and related institutions are expected to increase training, mentoring, and support for access to financing for MSMEs to improve business efficiency and competitiveness.

Introduction

Micro, Small and Medium Enterprises (MSME's) have a very important role in the economic growth of a country (Ariefin et al.,2023). They create jobs, drive innovation, and contribute to national income. However, MSME's often face significant financial challenges in their efforts to survive and grow. Financial problems are one of the main obstacles faced by MSME's (Putri et al., 2023). Financial management of culinary MSME's in Central Java and Yogyakarta shows positive progress toward modernization through the use of digital technology, increased access to funding, and government support in the form of training and mentoring. In Semarang City, the development of food and beverage MSME's has also experienced significant growth, as evidenced by the increasing number of MSME's from year to year, with the culinary MSME population reaching 5,282 business owners. This condition indicates that the efficiency of MSME's financial management is influenced by several factors, namely financial literacy, financial inclusion, digital transformation, and accounting information systems (AIS).

Financial literacy can influence the management of MSME's. Financial literacy is the understanding and skills that owners and managers of micro, small, and medium enterprises must possess to properly manage the financial aspects of their businesses (Putri et al.2023). This literacy is very important because it can help MSME's make wise decisions, manage financial resources effectively, and support sustainable business growth. Similar results were also conveyed by Putri et al.(2023) which confirms that financial literacy has a positive impact on improving financial management skills. Research conducted by Putri et al., (2023); Manurung et al.,(2023)And Muhammad et al. (2024) proves that the higher the level of financial literacy, the better the quality of MSME management. However Bahiyu, ELU, Saerang. IS, & Untu (2021) provides results that financial literacy does not have a significant effect on MSME's financial management.

Financial inclusion is a crucial aspect of MSME's financial management. It also reflects the ease with which MSME's can access financial products that are beneficial, affordable, and relevant to their needs. Ardiansyah et al. (2022) Financial inclusion plays a vital role in improving people's economic well-being by expanding access to various financial products, such as savings, credit, insurance, and investments. Hilmawati & Kusumaningtias (2021) the ability and knowledge of MSME's owners to manage finances efficiently can help avoid the risk of financial management errors. Financial inclusion has been shown to have a positive and significant impact on business performance. This is consistent with research conducted by Ardiansyah et al., (2022); Hilmawati & Kusumaningtias, (2021)AndAriefin et al.,(2023). However, researchBhavesh A. Prabhakar (2023) proves that financial inclusion does not affect financial management. Digital transformation can impact the financial management of MSME's.

Digital transformation is a change that involves the use of digital technology and the development of new business models that can create added value for digital

technology companies. This not only enhances the customer experience but also improves operational processes and strengthens business models so they can provide more value to customers. Komalasari et al. (2025) technological developments and business innovations have changed customer behavior and expectations, driving changes in market dynamics and opening up opportunities for organizations to transform. AIS is a system that functions to collect, record, store and process data to produce relevant and useful information for decision makers. Amalia & Purwanti (2022) This system consists of various elements, including human resources, procedures and instructions, data, software, information technology infrastructure, internal controls, and security policies (Lubis & Samudra, 2025). AIS helps MSME's manage financial data in a more structured, systematic, and real-time manner. Implementing an AIS can improve operational efficiency, speed up transaction recording, reduce human error, and produce more accurate financial reports to support decision-making.

Behavioral finance began to be recognized and developed in the business and academic world in 1990. The development of behavioral finance was pioneered by a person's behavior in the financial decision-making process. Hynes & Olsen (1999) behavioral finance is a pattern of investor reasoning that incorporates emotional processes and their influence into decision-making. Behavioral finance is built on various assumptions and ideas from economic behavior. Emotional involvement, traits, preferences, and various factors inherent in humans as intellectual and social beings interact to produce decisions through action (Gumanti, 2009). Efficiency was first described by Farrell in 1957, defined as a company's ability to optimize resource utilization. Efficiency can be viewed from two approaches: input-oriented, which emphasizes the ability to minimize input usage in producing a given output, and output-oriented, which focuses on the ability to maximize output with existing inputs. Indriyani et al.(2024) understanding the concept of financial management is crucial, especially in the context of micro, small, and medium enterprises (MSME's) to support increased efficiency and performance of MSME's, increased competency in financial management and assistance in formulating more effective and efficient marketing strategies are required (Adolph, 2016).

MSME's financial literacy is the understanding and skills of business actors in managing business finances effectively to support appropriate decision-making and sustainable business growth. Putri et al. (2023) Financial literacy is the basis for someone in making financial decisions. OJK emphasizes that financial literacy is the knowledge, skills, and beliefs that influence a person's attitudes and behavior in improving the quality of decision-making and financial management in order to achieve financial well-being. Muhammad et al. (2024) financial literacy is defined as a series of activities aimed at increasing the knowledge, skills, and confidence of the public and consumers in managing finances. Financial inclusion is the ease of public access to formal financial services and products that are safe, affordable, and appropriate to their needs in order to

improve welfare and reduce economic disparities. Ardiansyah et al. (2022) financial inclusion is a concept that aims to ensure that all levels of society have access to quality, affordable financial services that meet their needs. Putri et al., (2023) inclusive financial services are not only easily accessible, but also provide a pleasant, simple experience, and respect the dignity and honor of individuals. Ardiansyah et al.(2022) defines financial inclusion as a process that ensures easy access, availability, and use of formal financial services for all members of the economy.

Digital transformation is a change in the use of digital technology that affects business models, products, and organizational structures through innovations that can change practices and processes within an organization or industry. Putra et al. (2023) digital transformation itself is a strategic process undertaken by companies or organizations to adapt to technological developments and meet evolving market needs. Gustika et al.(2021) digital transformation is the application of technology aimed at improving a company's performance and reach by changing customer relationships, internal processes, and value propositions (Komalasari et al., 2025). Accounting Information Systems (AIS) is a system consisting of people, hardware, software, data, and networks that are interconnected to collect, process, store, and distribute information to support decision making in business organizations (Ulil et al., 2024). Accounting information system is a system capable of collecting, recording, storing, and processing data to produce useful information for decision-makers. This system encompasses various elements such as people, procedures and instructions, data, software, information technology infrastructure, internal controls, and security policies (Amalia & Purwanti, 2022). This study combines several important factors, namely financial literacy, financial inclusion, digital transformation, and accounting information systems, in analyzing the efficiency of MSME financial management. Furthermore, this study focuses on culinary MSMEs in Semarang City, which are experiencing rapid growth. Therefore, the results are expected to provide a more relevant picture of the current state of MSME's financial management, particularly in the face of digital technology developments and increasing business competition.

Research Methods

The population in this study were MSME's in Semarang City, with a sample of 100 respondents determined using a purposive sampling method. Data collection was conducted through questionnaires distributed using Google Forms. Based on the results of data examination, there was one sample identified as an outlier because it had a Z-score value outside the tolerance limit ($|Z| > 3$), so the data processed in the study became 99 respondents. The use of the purposive sampling method was carried out to ensure the sample used was in accordance with the research objectives and was able to represent the MSME population in Semarang City. To determine the sample, the researcher used an

approach where the selection of the sample requires criteria that must be met, namely minimum age of MSME is 2 years, MSME management has bookkeeping and the business already has information technology.

The data analysis technique used in this study is descriptive analysis technique, classical assumption test includes normality test, multicollinearity test and heteroscedasticity test, data quality test includes reliability test and validity test, model feasibility test includes determination coefficient test and F test, hypothesis testing is conducted using multiple linear regression analysis method. The research model is presented with the following equation:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Information :

- Y =MSME’s financial management
- X1 =Financial Literacy
- X2 =Financial Inclusion
- X3 =Digital transformation
- X4 =Accounting information system
- β_1 - β_4 = Regression coefficient
- α = constant
- e = error

Based on the description, the research framework can be described as follows:

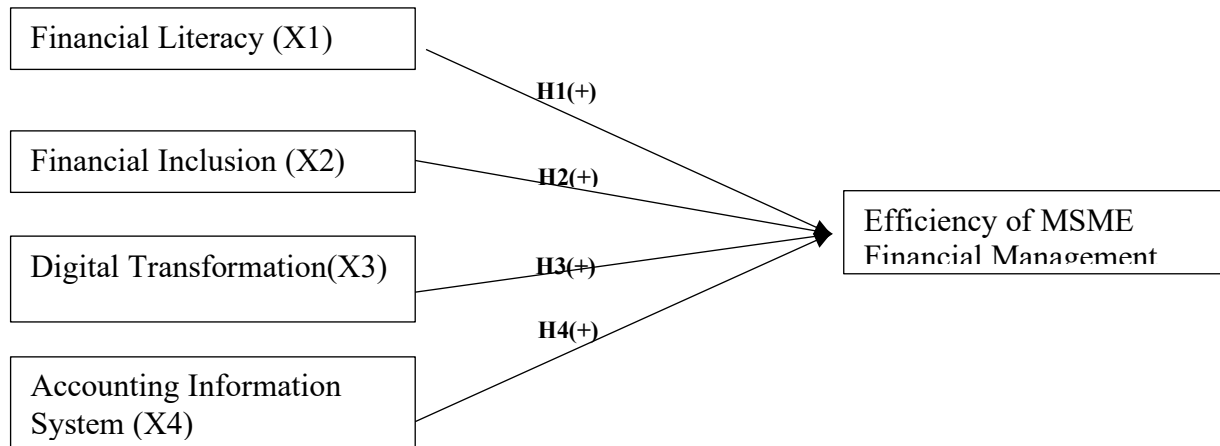


Figure 1. Research Framework

Results and Discussion

The population in this study was culinary MSMEs in Semarang City. The study used a purposive sampling technique, with 100 respondents selected based on the research criteria. Data were collected by distributing questionnaires using Google Forms to MSMEs in Semarang City. Based on the results of data examination using the Z-score, one respondent's data was found to have a value outside the tolerance limit ($|Z| > 3$) and was therefore categorized as an outlier. The presence of this outlier caused the residual distribution to be abnormal and affected the results of the Kolmogorov–Smirnov normality test. Therefore, the outlier data was removed from the study, resulting in a total of 99 respondents.

Table 1. Number Of Questionnaires Distributed

No	MSME actors	Questionnaires distributed	Returned questionnaire	Questionnaire return rate
1	Man	32	32	100%
2	Woman	68	68	100%
	Total	100	100	100%

Source: Processed Primary Data, 2026

From table 2 above, it can be concluded that the questionnaires distributed to MSME actors in the city of Semarang were distributed to actors with 68 females and 32 males. The questionnaires were distributed from the beginning of October to December 2025.

Table 2. Descriptive analysis test

	N	Minimum	Maximum	Mean	Std. Deviation
Financial literacy	100	18	30	23.80	3,665
Financial inclusion	100	13	25	19.37	3,302
Digital transformation	100	12	35	27.87	4,644
Accounting information system	100	20	35	27.32	4,369
MSME's financial management	100	18	30	24.08	3,902
Valid N	100				

Source: Processed Primary Data, 2026

The results of descriptive statistical tests from 100 respondents showed that financial literacy (min 18, max 30, mean 23.80, std. dev. 3.665) was in the fairly high category with moderate variation in answers; financial inclusion (min 13, max 25, mean 19.37, std. dev. 3.302) showed a fairly good level with relatively homogeneous respondent answers; digital transformation (min 12, max 35, mean 27.87, std. dev. 4.644) was classified as high with quite diverse variations in answers; accounting information systems (min 20, max 35, mean 27.32, std. dev. 4.369) showed a high level of implementation with quite diverse differences in understanding between respondents; and financial management (min 18, max 30, mean 24.08, std. dev. 3.902) was in the good category with moderate variations in answers. Overall, respondents had good levels of financial literacy, financial inclusion, digital transformation, and financial management.

Table 3. Validity test result

No	Variable	Variable instruments	R-calculated coefficient	r-table coefficient	Information
1.	Financial literacy	X1.1	0.771	0.197	Valid
		X1.2	0.794	0.197	Valid
		X1.3	0.748	0.197	Valid
		X1.4	0.841	0.197	Valid
		X1.5	0.774	0.197	Valid
		X1.6	0.830	0.197	Valid
2.	Financial Inclusion	X2.1	0.767	0.197	Valid
		X2.2	0.799	0.197	Valid
		X2.3	0.834	0.197	Valid
		X2.4	0.860	0.197	Valid
		X2.5	0.778	0.197	Valid
3.	Digital Transformation	X3.1	0.808	0.197	Valid
		X3.2	0.722	0.197	Valid
		X3.3	0.812	0.197	Valid
		X3.4	0.804	0.197	Valid
		X3.5	0.889	0.197	Valid
		X3.6	0.741	0.197	Valid

No	Variable	Variable instruments	R-calculated coefficient	r-table coefficient	Information
4.	AIS	X3.7	0.812	0.197	Valid
		X4.1	0.817	0.197	Valid
		X4.2	0.801	0.197	Valid
		X4.3	0.819	0.197	Valid
		X4.4	0.714	0.197	Valid
		X4.5	0.619	0.197	Valid
		X4.6	0.758	0.197	Valid
5.	MSME's financial management	X4.7	0.805	0.197	Valid
		Y1	0.865	0.197	Valid
		Y2	0.763	0.197	Valid
		Y3	0.838	0.197	Valid
		Y4	0.889	0.197	Valid
		Y5	0.629	0.197	Valid
		Y6	0.829	0.197	Valid

Source: Processed Primary Data, 2026

Table 4. Reliability test results

No	Research variables	Chronbach alpha coefficient	Information
1.	Financial literacy (X1)	0.882	Reliable
2.	Financial inclusion (X2)	0.867	Reliable
3.	Digital transformation (X3)	0.905	Reliable
4.	SIA (X4)	0.876	Reliable
5.	MSME's financial management (Y)	0.888	Reliable

Source: Processed Primary Data, 2026

Based on the reliability test results, all research variables had Cronbach's Alpha values above 0.70. It can be concluded that all research instruments were reliable and suitable for use as data collection tools in this study. This means that each item in the questionnaire consistently measured the variables.

Table 5. Normality Test Before Outliers

N		100
Normal Parameters ^{a,b}	Mean	0.0000000
	Standard	212678085
	Deviation	
Most Extreme Differences	Absolute	.098
	Positive	.081
	Negative	-.098
Test Statistics		.098
Asymp. Sig. (2-tailed) C		.019
Monte Carlo Sig. (2-tailed)		.017
d Sig.		
	99% Confidence Interval	
	Lower Bound	.013
	Upper Bound	.020

Source: Processed Primary Data, 2026

The test results before outlier removal showed an Asymp. Sig. (2-tailed) value of 0.019 and a Monte Carlo Sig. (2-tailed) of 0.017, where both values are smaller than 0.05 so that the residual data is declared not normally distributed. This condition is caused by the presence of outlier data in sample number 56 which has a Z-score value outside the tolerance limit ($|Z| > 3$), so it is necessary to remove outliers so that the data distribution becomes more normal and the analysis can be carried out more accurately.

Table 6. Post-Outlier Normality Test

N		99
Normal Parameters ^{a,b}	Mean	2060790
	Standard	1.57720655
	Deviation	
Most Extreme Differences	Absolute	.077
	Positive	.057
	Negative	-.077
Test Statistics		.077
Asymp. Sig. (2-tailed) C		.155
Monte Carlo Sig. (2-tailed)		.154
d Sig.		

N	99
99% Confidence Interval	Lower Bound .145 Upper Bound .164

Source: Processed Primary Data, 2026

The results of the One-Sample Kolmogorov–Smirnov test show a significance value (Asymp. Sig. = 0.155 > 0.05), indicating that the residual data is normally distributed. Thus, the normality assumption is met and the data is suitable for parametric statistical analysis. It can be concluded that the variables of financial literacy, financial inclusion, digital transformation, AIS, and financial management efficiency are normally distributed. This test is aimed at examining and confirming the existence or absence of a relationship between independent variables at a high level. One example of this test is the Variance Inflation Factor (VIF) indicator. Multicollinearity occurs when the VIF is >10. Conversely, multicollinearity does not occur when the VIF is <10. (Ghozali 2021).

Table 7. Multicollinearity test result

No	Information	Collinity statistics		Information
		Tolerance	VIF	
1.	Financial literacy	0.277	3,613	Not occur Multicollinearity
2.	Financial inclusion	0.427	2,343	Not occur Multicollinearity
3.	Financial transformation	0.271	3,695	Not occur Multicollinearity
4.	AIS	0.235	4255	Not occur Multicollinearity

Source: Processed Primary Data, 2026

Furthermore, from the multicollinearity test, all independent variables have a Tolerance value > 0.10 and a VIF value < 10. The financial literacy variable has a Tolerance value of 0.277 and a VIF of 3.613, financial inclusion of 0.427 and 2.343, digital transformation of 0.271 and 3.695, and accounting information systems of 0.235 and 4.255. These results indicate that all independent variables in this study do not experience symptoms of multicollinearity, so the regression model is suitable for further analysis.

The heteroscedasticity test is conducted to examine whether there are differences in the residual variables of one observation from another in a regression model. If the residuals differ from one observation to another, it is called heteroscedasticity. The heteroscedasticity test in this study uses the Spearman rank. If the sig value is > 0.05, it

can be said that there is no heteroscedasticity. If the sig value is < 0.05, the data is said to have heteroscedasticity(Ghozali, 2021). The following are the results of the heteroscedasticity test, namely:

Table 8. Heteroscedasticity Test result

Variables	Sig.(2-tailed)
1 (constant)	
Financial literacy	.370
Financial inclusion	.621
Digital transformation	.241
AIS	.181

Source: Processed Primary Data, 2026

Based on the heteroscedasticity test results, the financial literacy variable had a significance value of 0.370, financial inclusion 0.621, digital transformation 0.241, and accounting information systems 0.181. All significance values were greater than 0.05, thus concluding that this study did not exhibit heteroscedasticity and was suitable for further analysis.

Table 10. Linear regression analysis results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	0.653	1,450	
Financial literacy	.350	.107	.326
Financial inclusion	.239	.096	.196
Digital transformation	.443	.090	.495
AIS	-.072	.097	-.080

Source: Processed Primary Data, 2026

The results of the linear regression analysis obtained the following regression equation:

$$Y = 0.653 + 0.350 \text{ FL} + 0.239 \text{ FI} + 0.443 \text{ DT} - 0.072 \text{ AIS} + \varepsilon$$

Information

Y = MSME's financial management

FL = Financial literacy

FI = Financial inclusion
 DT = Digital transformation
 AIS= Accounting information system
 e = error

The results of the equation indicate that the variables Financial Literacy, Financial Inclusion, and Digital Transformation have a positive influence on the MSME's financial management. Digital transformation is the most dominant variable because it has the largest coefficient value, namely 0.443. Meanwhile, the Accounting information system (AIS) has a negative coefficient of -0.072, indicating that an increase in AIS is not always followed by an increase in the dependent variable. The constant value of 0.653 indicates that there are other factors outside the research that also influence MSME's financial management.

A model that demonstrates feasibility in a study can be tested by looking at the F test. The F test is conducted to determine the extent to which the independent variables can influence the dependent variable. If the sig. value is <0.05, then the independent variables simultaneously influence the dependent variable. However, if the sig. value is >0.05, then the independent variables have no effect on the dependent variable.(Ghozali, 2021).

Table 10. F test results

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1119,333	4	279,833	67,996	.000b
	Residual	386,849	94	4.115		
	Total	1506.182	98			

Source: Processed Primary Data, 2026

Based on the F test results, the calculated F value was 67.996, which was greater than the F table value of 2.47, with a significance value of $0.000 < 0.05$. This indicates that H0 is rejected and H1 is accepted, so that the variables of financial literacy, financial inclusion, digital transformation, and accounting information systems simultaneously have a significant effect on financial management.

The coefficient of determination test is conducted to show the extent of the relationship between the independent variable and the dependent variable. The coefficient of determination test is conducted by looking at the R2 value in the summary model of the regression analysis. If the R2 value approaches 1, it can be interpreted as indicating a stronger contribution of the independent variable in influencing the dependent variable. Conversely, if the R2 value is 0, the regression model is not good

(Ghozali, 2021). The following is a table of the results of the coefficient of determination test as follows:

Table 11. Results of the Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.862a	.743	.732	2,029

Source: Processed Primary Data, 2026

The results of the determination coefficient test obtained an R Square value of 0.743 and an Adjusted R Square of 0.732. This indicates that the variables of financial literacy, financial inclusion, digital transformation, and accounting information systems (AIS) are able to explain variations in financial management by 73.2%, while the remaining 26.8% is influenced by other variables outside the study.

Hypothesis testing is conducted to determine the extent of significant influence between independent variables on the dependent variable. The hypothesis test uses the t-test, if the significance value is <0.05 then it can be said that H_0 is rejected meaning there is a significant influence between the independent variable and the dependent variable, conversely if the significance value is >0.05 then it can be said that H_0 is accepted meaning there is no significant influence between the independent variable and the dependent variable.

Table 12. Hypothesis test results

Dependent variable	Independent variables	Beta (coefficient)	t count	T Table	Sig	Information
Model 1						
MSME's financial management	Financial literacy	0.326	3,281	1,986	0.001	Ha accepted
	Financial inclusion	0.198	2,480	1,986	0.015	Ha accepted
	Financial transformation	0.495	4,929	1,986	0.001	Ha accepted
	Accounting information system	-0.080	-	1,986	0.458	Ha rejected
			0.745			

Source: Processed Primary Data, 2026

Based on the test results, the variables of financial literacy (X1), financial inclusion (X2), and digital transformation (X3) each showed a positive and significant influence on the MSME's financial management, which was indicated by a calculated t value greater than the t table (1.986) and a significance value smaller than 0.05, so that all hypotheses (Ha) on the three variables were accepted. Meanwhile, the accounting information system variable (X4) had a calculated t value smaller than the t table and a significance value greater than 0.05, so it did not have a significant effect, although the beta coefficient showed a negative direction; thus the hypothesis (Ha) for this variable was rejected.

Discussion

The Influence of Financial Literacy on MSME's financial management

Based on the test results using SPSS, it shows that the financial literacy variable has a positive and significant effect on MSME's financial management. This shows that the higher the financial literacy of MSMEs, the better their ability to manage business finances, make the right decisions, and create effective, efficient, and sustainable financial management. Previous research results from Bahiyu, ELU, Saerang, IS, & Untu, (2021) and Ardiansyah et al., (2022) consistently states that financial literacy has a positive impact on the performance and sustainability of MSMEs. Thus, it can be emphasized that financial literacy is not merely theoretical knowledge, but is the main foundation for creating efficient business financial management. However, this research is inconsistent with research Rezkyamelya et al., (2024) and Arianti & Azzahra, (2020) which states that literacy has no significant influence on financial management.

The Influence of Financial Inclusion on MSME's financial management

Based on the test results, it shows that the financial inclusion variable has a positive and significant effect on MSME's financial management. This shows that the easier it is for MSMEs to access formal financial services, the better their business financial management will be because it can support financing, transactions, recording, and financial supervision more effectively and efficiently. Previous research presented by Hilmawati & Kusumaningtias, (2021) and Asmoro et al., (2025) also shows that MSMEs with access to formal financial institutions tend to have more orderly and stable financial management than those without. Thus, financial inclusion acts as an external factor supporting efficiency by providing systems and facilities that help business actors manage their finances more professionally. However, this research is inconsistent with

Banyuwangi et al., (2025) and Sari et al. (2022) which states that the financial inclusion variable does not have a significant effect on MSME's financial management.

The Impact of Digital Transformation on MSME's Financial Management

Based on the test results, it shows that the digital transformation variable has a positive and significant effect on MSME's financial management. This demonstrates that digital transformation plays a crucial role in improving MSME financial management through the use of technology that facilitates automated recording, reduces errors, and provides fast, accurate, and real-time financial information. Previous research conducted Komalasari et al., (2025) and Nurdaya et al., (2023) also concluded that business digitalization has a positive impact on improving the performance and operational efficiency of MSMEs. Therefore, the results of this study reinforce the theory that digital transformation is a strategic capability capable of increasing the effectiveness and efficiency of financial management through a more modern and integrated system. However, this study is inconsistent with Mahasa & Nawangsari (2025) and Wahyudiono (2024) which states that the digital transformation variable has no significant effect on MSME's financial management.

The Influence of Accounting Information Systems on MSME's Financial Management

Based on the test results, it shows that the accounting information system does not have a significant effect on MSME's financial management, indicating a negative relationship. These results indicate that the implementation of accounting information systems in MSMEs has not significantly impacted financial management due to limited user understanding and training. Furthermore, the use of an AIS that is not matched by user capabilities can lead to inefficiencies, necessitating increased technological literacy and training in optimal AIS use. The results of this study are in line with previous research by Grasiona et al. (2025); Sulistiyowati & As'adi, (2023) and Arista & Muzakki (2024) which states that accounting information systems do not have a significant impact on financial management, especially in MSMEs that are not yet fully ready to adopt technology. However, this research is not in line with Lubis & Samudra, (2025) and Nazhirah et al. (2025) which states that the implementation of AIS can improve the efficiency and quality of financial management, especially in businesses that already have an integrated system and adequate resources.

Conclusion

This research concludes that financial literacy, financial inclusion, and digital transformation have a positive and significant impact on MSME's financial management. The better financial understanding, access to financial services, and utilization of digital technology, the more efficient business financial management. Conversely, accounting information systems showed a negative but insignificant impact, indicating that their implementation is suboptimal due to limited understanding and ability of MSMEs to use them. This study also has several limitations, including its limited scope to MSMEs in Semarang City, the use of a questionnaire method that could potentially introduce subjective bias, and differences in respondents' understanding of the research variables. Furthermore, the variables used are limited to four main factors, thus not fully reflecting all aspects influencing financial management efficiency. Measuring variables solely based on questionnaires also fails to provide an in-depth picture of actual conditions on the ground. This study shows that financial literacy, financial inclusion, and digital transformation play a significant role in improving the MSME's financial management. The better the level of financial understanding, access to financial services, and utilization of digital technology, the more effective and efficient the financial management of MSMEs will be. Meanwhile, the accounting information system has not had a significant impact because it is still influenced by the ability of business actors to understand and optimally utilize the system in daily business activities. Based on the results of this study, future researchers are advised to add other variables related to MSME financial management, such as digital payment transformation, financial education, and digital financial capabilities. Furthermore, future research is also expected to use interview methods to obtain better data. MSMEs are expected to improve their ability to manage their business finances through financial planning, transaction recording, budgeting, and regular financial evaluations, as well as optimally utilizing financial services and digital technology. The government and related institutions are also expected to improve education programs, training, mentoring, and provide easy access to financing and digital technology support so that MSMEs can improve the efficiency of their financial management and business competitiveness

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