

The Influence of Financial Literacy and Use of the QRIS Payment System on the Financial Performance of MSMEs in Tasikmalaya City

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Abstract— The purpose of this research was to analyze the level of understanding of financial literacy, the ability to use QRIS payment system, and financial performance of MSMEs in Tasikmalaya City. Another purpose of this research, apart from those already mentioned to determine the influence of financial literacy and the use of the QRIS payment system on the financial performance of MSMEs in Tasikmalaya City. This research was to use a quantitative approach with descriptive and verification method. This research used non-probability sampling method and the data was collected using questionnaires. By involving 76 MSMEs which have adopted QRIS payment, the data from the questionnaire was analyzed using double linier regression method. The result of this research indicates that there is an influence of financial literacy and the ability to use QRIS payment system to the financial performance of MSMEs in Tasikmalaya City. The level of understanding of financial literacy, the ability to use QRIS payment system, and the financial performance of MSMEs in Tasikmalaya City is in the good category

Keywords— financial literacy, financial performace, QRIS

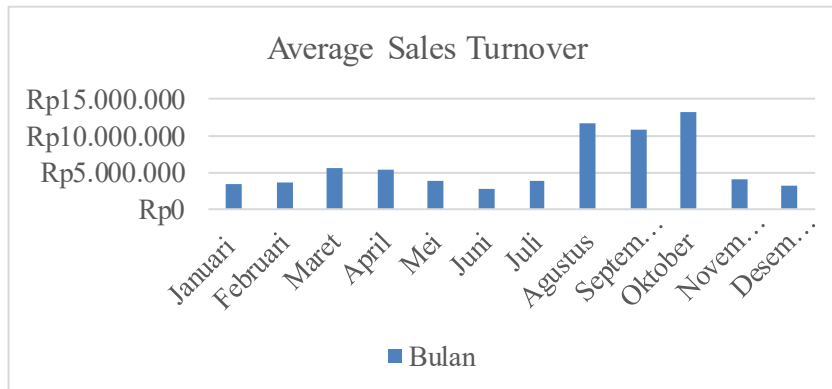
I. INTRODUCTION

MSMEs have a very important role in the Indonesian economy (Ministry of Finance, 2021). MSMEs also have an important role in the regional economy, especially in driving regional economic activity. The Deputy of the Bank Indonesia Representative Office through the opening ceremony of CEF 28/2022 (10) said that these MSMEs have a very strategic role in economic development in West Java with a contribution made to West Java's Gross Regional Domestic Product (GRDP) of 57.14% and he also said that not only were the numbers very large, but the absorption of labor also looked significant. Including Tasikmalaya as part of West Java, through the PKPT-Puspa Kriya 2023 event, Tasikmalaya is known as the center of the East Priangan creative industry. Apart from that, Tasikmalaya City was also selected for the creative Regency/City Development program (KaTa Creative) which is one of the programs of the Ministry of Tourism and Creative Economy/Tourism and Creative Economy Agency (Kemenparekraf/Baparekraf). According to the Ministry of Tourism and Creative Economy, Tasikmalaya is one of the cities in the Creative Category with advantages in

the craft sub-sector which has the potential to go global.

Apart from these advantages, most MSMEs are often faced with various problems that hamper their business performance. There are several factors causing this, namely low productivity because 60% of MSMEs in Indonesia still use traditional technology, low market share, lack of capital, technology, managerial skills, lack of ability to fulfill the requirements for loan assistance from banks, and high dependency towards government assistance (Ardiana et al., 2010). Moreover, the factor causing the above is a lack of skills and knowledge in managing the business they own (Inayah, 2021). According to Ika Inayah, skills and knowledge are needed in business development and in dealing with Covid-19. Financial literacy is the basis of financial skills. Digital skills are something an entrepreneur needs to face Covid-19. For example, online payments such as QRIS.

But the reality in Tasikmalaya, there are still MSMEs who don't know and understand about the financial literacy and when they use QRIS payment system they faced with network problems. Besides that, based on data obtained by researchers from the Department of Cooperatives, UMKM, Industry and Trade, Tasikmalaya City, there is turnover data from 76 MSMEs in Tasikmalaya City for the period January – December 2023. Then the author tried to even out the turnover, as follows:



Graph 1. Average Sales Turnover in 2023

The graph above depicts the average sales turnover during 2023 for the 76 MSMEs that have been verified using QRIS. This data was obtained directly from the Tasikmalaya City Department of Cooperatives, MSMEs, Industry and Trade. Based on this data, it can be said that there is a fluctuating sales turnover and if we look only at August-October, the turnover is very high compared to other months. After the researchers observed, the increase in turnover in these three months was due to events held in the city of Tasikmalaya, such as activities on August 17 and the Tasikmalaya City Anniversary event which fell on October 17, which caused an increase in sales turnover. Apart from that, in other months there was actually a less significant increase or even a decrease in sales turnover. From there, the researchers saw that there was something unique about why in certain months the sales turnover was not that much greater than in months that had an activity event.

Therefore, this research was conducted to determine "The Influence of Financial Literacy and Use of the QRIS Payment System on the Financial Performance of MSMEs in Tasikmalaya City

The purpose of this research are:

1. To find out the understanding of financial literacy, use of the QRIS payment system,

- and financial performance of MSMEs in Tasikmalaya City.
2. To determine the effect of financial literacy on the financial performance of MSMEs in Tasikmalaya City.
 3. To determine the effect of using QRIS on the financial performance of MSMEs in Tasikmalaya City.

II. LITERATURE REVIEW

Financial Management

Management is defined as the science and art of planning, organizing, leading and controlling organizational resources to achieve various targets set effectively and efficiently, while finance is defined as the science and art of managing money (Siswanto, 2021). Good and appropriate financial management will deliver a company or organization to the goals that have been set, whereas poor financial management will hinder the achievement of the goals that have been set by a particular company/organization (Sumardi & Suharyono, 2020).

Financial Behavior

In financial behavior, traits, emotions, preferences and other things inherent in humans as intellectual and social creatures will interact with each other which then gives rise to decisions through actions and these are built from various assumptions and ideas of economic behavior (Rizkiana & Kartini, 2017). Meanwhile, according to (Triawan, Aziz, & P, 2020) financial behavior is defined as a person's ability to manage, treat and use financial resources in terms of decision making.

Financial Literacy

Financial literacy refers to the skills and knowledge a person has that enable that person to make appropriate and effective financial decisions (Kristanto & Gusaptono, 2021). The Indonesian National Financial Literacy Strategy (SLKNI) defines financial literacy as a set of knowledge, skills and beliefs that have an impact on a person's financial attitudes and behavior in order to improve the quality of decision making and financial decisions to achieve prosperity (OJK, 2022).

Financial Technology

Financial Technology (Fintech) is a combination of financial services and technology that changes the form of business from conventional to moderate, with fintech now payments no longer have to be met face to face and bring a certain amount of money, but can be done remotely and in a short time (Bintarto, 2018). Fintech is also defined as financial technology that changes everyone's activities in paying, sending money, borrowing, lending and investing (Raharjo, 2021).

Quick Response Indonesian Standard (QRIS)

Quick Response Indonesian Standard or QRIS (pronounced KRIS) is a combination of various types of QR from various Payment System Service Providers (PJSP) using a QR code. QRIS, which was developed by Bank Indonesia and the Indonesian Payment System Association (ASPI), aims to integrate all non-cash payment methods in Indonesia and all Payment System Service Providers who will use QR Codes are required to implement QRIS (Bank Indonesia, 2020).

Micro, Small and Medium Enterprises (MSMEs)

As regulated in Article 1 of Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), which states that: (1) Micro Business: is a productive business owned by an individual and/or individual business

entity that has the criteria for a micro business as regulated in the Law. (2) Small Business: is a productive economic business that stands alone, carried out by an individual or a business entity that is open as a subsidiary or non-subsidiary company that is owned, controlled or is part, either directly or indirectly, of a medium or large business that meets the criteria for small businesses as intended in the Law. (3) Medium Business: is a stand-alone productive economic business carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of micro businesses, small businesses or businesses. large businesses that meet the criteria for micro businesses as intended in the Law.

Financial Performance

Financial performance is a formal effort carried out to measure a company's success in generating profits, so that the company's prospects, growth and development potential can be seen by relying on existing resources (Hermawan & Toni Nagian, 2021). According to (Wardhani, 2023), MSME actors in general, especially micro businesses, do not pay particular attention to the development of financial performance because there is no awareness among micro businesses regarding the importance of financial management, so that the financial performance indicators for micro businesses are those related to the increase in the number and sales transaction value, as well as quickly knowing daily sales turnover and business turnover, whether daily, monthly or annually. The financial performance indicator used in the focus of this research is sales turnover. Turnover is defined as the amount, while sales is defined as the activity of selling goods to gain profit or income (Jubaedah & Destiana, 2016).

III. RESEARCH METHODS

Research design

This research is aimed at obtaining an in-depth picture of the influence of financial literacy and the use of the QRIS payment system on the financial performance of MSMEs in Tasikmalaya City using a quantitative approach. The methods used in this research are descriptive and verification methods.

Population and Sample

The population in this study is MSMEs in Tasikmalaya City which have been verified as adopting the QRIS payment system, totaling 76 MSMEs. In this study the author determined the sample size using the census method, namely all members of the population were used as samples. The sample used is 76 MSMEs that have adopted the QRIS payment system.

Data Collection Techniques

The data collection techniques in this research is using a questionnaire by distributing questions via Google Form. Furthermore, interviews were carried out with several MSMEs in Tasikmalaya City and with the Head of the Tasikmalaya City Industry and Trade Service. The last is documentary studies are a source of data used to fulfill research, this can be in the form of written sources, films, images/photos, and monumental works, which aim to provide information for research activities (Nilamsari, 2014).

Data Analysis Techniques

Data analysis techniques in this research use validity test, reliability test, descriptive analysis, classic assumption test, multiple linear regression analysis and hypothesis testing. The measuring instrument used is the SPSS program.

IV. RESULTS AND DISCUSSION

RESULTS

Descriptive Analysis of Level of Understanding Financial Literacy. Use of QRIS and Financial Performance

Table 1. Interval Scale

INTERVAL SCALE	
1,00 - 1,80	Very Not Good
1,81 - 2,60	Not Good
2,61 - 3,40	Enough
3,41 - 4,20	Good
4,21 - 5,00	Very Good

The results of the descriptive analysis explain:

1. The financial literacy variable is in the good category with an average value of 3.83 because it is in the 3.40 - 4.19 category.
2. The QRIS usage variable is in the good category with an average value of 4.06 because it is in the 3.40 - 4.19 category.
3. The financial performance variable is in the good category with an average value of 3.84 because it is in the 3.40 - 4.19 category.

Model Feasibility Test (F Test)

Table 2. F test result

ANOVA					
Model		Sum of Squares	df	Mean Square	F Sig.
1	Regression	22.473	2	11.237	19.734 .000b
	Residual	41.566	73	.569	
	Total	64.039	75		
a. Dependent Variable: Kinerja Keuangan					
b. Predictors: (Constant), Sistem Pembayaran QRIS, Literasi Keuangan					

The results of the F test showed that the F test statistical value is 19.734 with a significance of 0.000. The significance value is less than 0.05 (Sig 0.000 < 0.05). So it can be concluded that the estimated regression model is feasible to be used to explain the influence of the independent variables on the dependent variable.

Table 3. T Test

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.775	.947		1.875	.065
Literasi Keuangan	.078	.020	.404	3.823	.000
Sistem Pembayaran QRIS	.081	.030	.288	2.732	.008
a. Dependent Variable: Kinerja Keuangan					

The calculated t value for the variable (X1) is 3.823 with a significance of 0.000. The calculated t value (3.823) is more than the t table value (1.993) and the significance value is less than 0.05 ($\text{Sig } 0.000 < 0.05$). These results provide the conclusion that the financial literacy variable has an influence on the financial performance variable. The calculated t value for the variable (X2) is 2.732 with a significance of 0.008. The calculated t value (2.732) is more than the t table value (1.993) and the significance value is less than 0.05 ($\text{Sig } 0.008 < 0.05$). These results provide the conclusion that the QRIS payment system variable has an influence on financial performance variables.

DISCUSSION

The Influence of Financial Literacy on Financial Performance

The Financial Literacy variable has a significant effect on the Financial Performance variable. This research proves that the knowledge and understanding that MSMEs have in the form of managing business income and expenses, savings and loans, insurance and investment enables business actors to make better decisions. With good financial literacy, business actors can manage their finances well, separate personal and business accounts, and can maximize profits from investments so as to improve business financial performance. However, based on the results of observations made by researchers in the field, there are still MSME actors who do not have the knowledge and understanding of financial literacy. For example, there are still MSME players who do not record business income or expenses, and still combine business and personal finances.

The results of this research are supported by research by Alamsyah (2020), Septiani & Wuryani (2020), Kasendah & Wijayangka (2019), and Wulandari (2019) which states that financial literacy variables have an influence on MSME financial performance variables. This result is in contrast to (Naufal & Purwanto, 2022) which states that financial literacy has no effect on the performance of MSMEs.

The Influence of Using the QRIS Payment System on Financial Performance

The QRIS Payment System variable has a significant effect on the Financial Performance variable. This research shows that knowledge and use of QRIS makes it easier for MSMEs to carry out their transaction activities, as well as making it easier to monitor business finances which can be done in real time. So that it can help MSMEs manage their business finances well so that they can improve their business financial performance.

This research is supported by previous research conducted by Alfira & Susilo (2023), Wardhani (2023), and Kwabena et al (2019) which states that there is an influence of QRIS use variables on MSME financial performance variables.

V. CONCLUSION AND SUGGESTION

Conclusion

Based on the analysis and discussion that has been carried out, it can be concluded as follows:

1. Understanding of Financial Literacy, Use of the QRIS Payment System, and Financial Performance of MSMEs in Tasikmakaya City are in the good category.
2. Financial Literacy has an influence on the financial performance of MSMEs in Tasikmalaya City.
3. The use of the QRIS Payment System has an influence on the financial performance of MSMEs in Tasikmalaya City.

Suggestion

The suggestions that the author can give are as follows:

1. MSMEs

It is hoped that MSME players can increase their knowledge and understanding regarding financial literacy and the use of technology and financial applications, which can be done by participating in various training activities or interactive workshops so that MSME players can directly put into practice the theory they have learned.

2. The Government

The author hopes that the government will be more concerned about the level of financial literacy and use of the QRIS payment system among MSMEs in Tasikmalaya City so that the level of knowledge and understanding of MSMEs regarding financial literacy can fall into a better category and the use of QRIS can be more evenly distributed and increased. again among MSMEs so that they can make a good contribution to the regional economy. Of course, this can be done by regularly holding special training for MSME players so that they can understand more about financial management, budget planning, risk management and others. Apart from that, digital infrastructure can also be developed so that the digital infrastructure of the community in Tasikmalaya City is even stronger.

3. For Further Researchers

In this research, the author evaluated the financial performance of MSME players within one year and the variables studied were financial literacy and the use of QRIS. Therefore, the author hopes that future researchers will be able to evaluate the business financial performance of MSME players for more than one year and that the variables studied will be more diverse, such as financial access or financial inclusion. Apart from that, the author hopes that future researchers can deepen the sources and references related to the problems studied.

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