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The Role Of Financial Management Knowledge In Mediating Financial Technology, Financial Literacy And Self-Efficacy On The Performance Of Culinary UMKM In Kediri City

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Abstract

This research aims to find out that financial technology, self-efficacy, and financial literacy can influence the performance of culinary micro, small, and medium units (MSMEs) and to find out the role of financial management knowledge in mediating this. The research design used quantitative methods. The subjects of this research are culinary MSME entrepreneurs who have used financial technology in their business transactions. This research used questionnaires that were distributed directly as data collection material. The sample in this study was 90 respondents, who were analyzed using SmartPLS. The results of this study show that financial technology, financial literacy and self-efficacy do not have a direct positive effect on the performance of culinary MSMEs. The results of this research also show that financial technology and financial literacy do not have a direct positive effect on financial management knowledge. But efficacy can have a direct positive effect on financial management knowledge. The results of this research also illustrate that Financial Management Knowledge is unable to mediate Financial Technology, Financial Literacy, and Self-Efficacy on MSME Performance.

Keywords: Financial Technology, Financial Literacy, Self-Efficacy, Financial Management Knowledge, Culinary MSME Performance

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INTRODUCTION

In today's digital world, people's activities cannot be separated from the use of technology. Technology seems to be a primary need for society because technology makes it very easy for people to carry out activities or work. With that, technology can be said to be a resource that society needs. The utilization of technology as a resource makes community activities easier and more efficient. The use of the internet is one of the uses of technology in modern life. The role of the internet can be likened to a book that is a window to the world. So the existence of the internet is a very important form of breakthrough in the digital era.

The development of information and technology also greatly influences the progress of a country's vital sectors. One of them is in the economic sector, the economy is one of the benchmarks for whether a country can be said to be a developed country or not, and so on. In the economy, finance is an assessment of a company which can be said to be good or not. A quality company must also have a quality financial system. Like MSMEs, Small and Medium Enterprises or MSMEs are a form of economic integration that has the ability, potential, and strategic position to build a more advanced, fair, and balanced economic structure (Yuli Rahmini Suci, 2008). MSMEs are also a sector that supports a country's economy, where the MSME sector has an important role in the national economy. The impact is, if an MSME business uses digital technology to support its business, the benefits will not only be felt by consumers, but business actors will also feel the benefits of innovation from developments in information and technology in the digital era. Moreover, the country and its people will really feel the impact when MSMEs advance.

Talking about digital technology as supporting people's needs, where food is a basic need that must be met in order to survive, quite a lot of culinary business actors are using digital technology to support their businesses to make them more advanced. But in reality, according to data from Bank Indonesia of approximately 65 million MSMEs in Indonesia, only 17.25% million or around 26.5% of MSMEs are connected to the digital ecosystem (Bank Indonesia, 2022). Especially in big cities which are the centers of the economy, MSMEs in the culinary sector in Kediri City are considered to still be lacking in using digital technology as a form of demand from society's needs in the digital era, in addition to supporting their businesses to make them more advanced.

Indonesia is a country that has the highest number of MSMEs in the world according to the International Financial Corporation (IFC) (Anisyah et al., 2021). If we look at the comparison of the number of MSMEs in ASEAN countries, Indonesia is far ahead

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of other ASEAN countries. Where Indonesia has a total of 65,465,500 MSMEs, Thailand 3,134,400, Malaysia 1,226,000, the Philippines 996,700, Vietnam 651,100, Cambodia 512,900, Singapore 279,000, Laos 133,700, and Myanmar 72,700 (Databoks., 2022). This indicates that MSMEs in Indonesia have a very important role, namely as a source of economic strength for the country. MSMEs also increased their employment sector from 96.99% to 97.22% in the same year (Hamzah, 2019). However, if we look at data from the Manpower Service in February 2021, unemployment in Indonesia was 8.75 million people. Meanwhile, the total population of Indonesia is 205.36 million people (Effrisanti, 2022). So the large population in Indonesia is not matched by a sufficient number of jobs. Therefore, why the MSME sector has a big influence on the country's economy is because MSMEs absorb unemployment and will create social welfare. The explanation above shows how important the role of the MSME sector is.

In this digital era, digital technology has become a breakthrough in digital service facilities, where financial technology was created as an innovation to make it easier for people to carry out activities related to financial transactions. The rapid development and expansion of the internet has also given rise to extraordinary innovations, especially in the field of financial technology which will serve people's needs, from providing access to financial services to transaction processes (Rahma, 2018). Therefore, financial technology has become a form or concrete manifestation of innovation in meeting society's needs and welcoming the development of information and technology in the digital era. Financial technology is a combination of technology and financial services, or can be said to be financial industry innovation supported by contemporary technology (Hamzah, 2019).

Financial system Technology in general is actually the same as banks, but fintech can be said to be easier and more efficient in terms of payments. Financial technology is also not a substitute for the role of banks, but financial technology is present as a complement or support for banks as an existing financial system, because financial technology in the payment system does not require face to face contact, let alone use real money or paper money as payment instruments. Means of payment. So that financial technology saves more time and energy, then financial technology can minimize fraudulent payments using counterfeit money. With sufficient knowledge, business people can choose and implement fintech solutions that suit their business needs, such as digital payment applications, online loans, or investment platforms.

The development of MSMEs seen from business actors who use financial technology is quite rapid. Where MSME business actors have soared from year to year,

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reaching 78% to date, whereas in the previous period it only reached 9%. It can be seen that the development of MSMEs based on financial technology is experiencing rapid development. This is inseparable from the shift to the digital era which has made people turn to financial technology as a form of meeting life's needs. So, from this data there are still many MSMEs that have not used financial technology to support their business because one of the reasons is low financial literacy. The definition of financial literacy according to Financial Services Authority Regulation (POJK) Number 76/POJK/07/2016 financial literacy is a form of knowledge, skills and beliefs that have the power to influence or change behaviour, attitudes and behaviour in order to increase the effectiveness of financial management and decision making in order to achieve prosperity (Yayuk Mustikasari, 2020)

Financial technology is a use of the development of technology and information to increase services in the financial industry as well as the implications for MSME business actors in improving and optimizing understanding in business so as to create good MSME performance. This is supported by research results (Putri et al., 2022), Reza Wulan Sari, (2016) and Fitriasandy & Anam, (2022) which show the results that financial technology has a positive effect on the performance of MSMEs. However, this is different from research conducted by Putranto, (2021) which shows that financial technology does not have a positive effect on the performance of MSMEs.

Low financial literacy will have an impact on the slow development of MSMEs and will also have an impact on decreasing community welfare (Hamzah, 2019). Therefore, financial literacy is considered a provision in building a business so that the business can be managed well. Then, a person's mindset in dealing with financial conditions and making strategic and appropriate decisions is influenced by financial literacy, and also has an impact on better business management. A person's ability to manage a business for business actors is considered very important because it is for the sake of business performance and the sustainability of the business. Therefore, it is important for business actors to understand financial knowledge through financial literacy so that their business performance can be better and the potential for MSMEs to experience business growth (Stephani Kasendah & Candra Wijayangka, 2019). So increasing financial literacy is something that must be done for business actors. Where this not only has an impact on individual business actors and consumers, but also has an impact on the country of Indonesia.

Financial literacy is one of the success factors for business people in the current digital era. Financial literacy is also included in the non-financial factors of failure of MSME

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business actors. This is because financial literacy influences decision making, including financial management. Financial literacy is also a solution for business actors in overcoming limited knowledge regarding accounting. Therefore, when the financial literacy of business actors is high, it makes it easier for business actors to manage their business which consists of budget management, planning to save business funds, as well as basic financial knowledge in achieving goals (Astuti, 2022).

Financial literacy is an activity process which includes activities to increase knowledge, skills and confidence in managing finances better which has an influence on the performance of MSMEs more broadly. This is in line with research results from Baby Stephani Kasendah & Candra Wijayangka (2019), Idawati & Pratama, (2020) and Aribawa, (2016) which show that financial literacy has a positive effect on the performance of MSMEs. However, this is inversely proportional to research conducted by Kumalasari & Asandimitra, (2019) which shows that financial literacy does not have a positive effect on the performance of MSMEs.

Apart from that, business actors are also required to equip themselves with self-efficacy or confidence in them regarding their capacity when organizing and initiating an action or course of action to achieve a planned goal (Atikah, 2021). The desired or planned goal is definitely the success of the business, where the success of the business must be followed by good entrepreneurial behavior by maintaining the consistency of the business. Likewise, if someone's entrepreneurial behavior is not good then the entrepreneur is lacking or even unable to maintain the consistency of his business (Murnasih., 2013). Therefore, it is important for business actors to be aware of how to manage their business well with good entrepreneurial behavior. The meaning of good entrepreneurial behavior is that business actors must have the capacity to take the right actions and make the right decisions. This capacity is supported by extensive knowledge and insight in entrepreneurship. Therefore, it is important to develop oneself in entrepreneurship externally, namely knowledge and insight, and internally, namely self-efficacy or confidence in oneself in managing one's business well.

Self-efficacy is a person's self-confidence in their capacity to complete a task, so that it will motivate them and the person is confident that they can achieve their goals even with no matter how difficult the task is in running their business. This self-efficacy will influence the success of business management and influence the performance of MSMEs. The statement above is the same as previous research from Laila, (2022) which shows that self-efficacy has a positive effect on the performance of MSMEs. However, this is different from research conducted by (Astuti, 2022)and Ambarwati & Fitriasari,

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(2021) which said that self-efficacy does not have a positive effect on the performance of MSMEs.

Financial technology, financial literacy and self-efficacy can support the performance of MSMEs, as explained above, that these MSMEs have a positive influence on the country's economy. Apart from that, when MSMEs in Indonesia develop, they will be able to reduce poverty and minimize unemployment. This is a problem that has not been resolved properly in the past. In this study, researchers preferred culinary MSMEs because apart from Indonesian society being quite consumptive, culinary MSMEs have quite good support in the realm of publication, which can be seen from the large number of posts on social media and delivery applications. Also, from the past until now, culinary delights have always grown and developed or are dynamic and have great potential.

Financial management knowledge also helps reduce the risk of uncontrolled use of fintech. With a good understanding of concepts such as risk management, MSME entrepreneurs can evaluate the potential risks associated with the use of new financial technologies and take necessary preventive measures. This helps maintain the financial stability of businesses and prevents problems that could disrupt their performance. The importance of financial management knowledge in mediating the relationship between fintech, financial literacy, and self-efficacy on MSME performance is also reflected in its ability to increase access to needed financial resources. With a good understanding of financial management, MSME entrepreneurs can attract the interest of investors and gain access to the financial resources necessary for the growth and expansion of their business. Apart from that, financial management knowledge also allows MSME entrepreneurs to understand the long-term implications of using fintech on their business performance. By considering factors such as the costs, risks, and benefits of using financial technology, they can make better decisions in choosing the fintech solution that best suits their business needs.

Thus, the role of financial management knowledge in mediating the relationship between fintech, financial literacy, and self-efficacy on MSME performance cannot be underestimated. It helps create a conducive environment for the growth and sustainability of MSMEs in this digital era, by providing the necessary understanding of effective financial management, implementation of innovative technology solutions, and development of strong self-confidence among business people. The aim of this research is to determine the level of knowledge and insight regarding financial literacy, in this case the use of financial technology for culinary MSME entrepreneurs. Then, the decision making of culinary MSME business actors, in this case, is self-efficacy which is marked

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by the decision of culinary MSME business actors to use financial technology to support their business. Apart from the above objectives, this research is also to find out the role of financial management knowledge in mediating.

LITERATURE REVIEW

MSME performance

According to the 2008 Micro, Small and Medium Enterprises Law, productive businesses owned by individuals and/or business entities founded by individuals who meet the requirements for micro businesses, such as having a net worth of a maximum of IDR 50,000,000.00 excluding land and buildings where the business is located is located, or has sales of a maximum of IDR 300,000,000.00 is considered a micro business. According to (Cicik Harini dan SB Handayani., 2019) performance, it is a process or description of a company that shows the level of work results of a company achieved through the activities or efforts it carries out. Performance is a process or description of an individual or company in carrying out tasks that can be assessed from the effort and skills they possess as a form of responsibility carried out or assigned to them in reaping the work results that have been previously expected.

Financial Technology

Financial technology is a combination of technology with financial services, or it can be said that finance is moving away from traditional business models and towards online business models. While payments were once made in person and with cash, now they can be made remotely and quickly (Winarto, 2020). Financial technology is an alternative form of investment that provides many choices and can access financial services practically, efficiently, comfortably and economically. The combination of effectiveness and technology has a positive impact on society and can influence people's economic lifestyles ojk.go.id., 2018). Financial technology is a combination of technology and financial services that provides digital-based financial products and can be used practically, safely, efficiently, comfortably and economically. Has a positive impact on the lifestyle of the economic community.

Financial technology (fintech) has become an important catalyst in improving the performance of Micro, Small and Medium Enterprises (MSMEs) throughout the world. Through technological innovation, fintech enables MSMEs to access financial services that were previously difficult to reach, such as alternative financing, digital payments and efficient financial management. A study by the Asian Development Bank (ADB) in 2020

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found that fintech adoption can help MSMEs improve access to capital and increase productivity, which in turn contributes to local economic growth. Apart from that, fintech also helps MSMEs overcome some of the main challenges they face, including barriers to financial access and complicated banking bureaucracy. With services such as peer-to-peer lending and crowd funding, MSMEs can gain access to capital without having to rely on traditional financial institutions. A study by the International Finance Corporation (IFC) in 2019 showed that fintech has opened the door for millions of MSMEs in developing countries to access financing that was previously difficult to obtain.

H1: Financial Technology has a positive effect on MSME Performance

Financial technology (fintech) has a close relationship with financial management knowledge, where fintech plays a role as a factor that influences and expands understanding of new ways of managing finances. Fintech provides easier and faster access to various financial services, such as digital payments, online loans and investments without going through traditional intermediaries. With the adoption of fintech, individuals and organizations can increase their understanding of modern financial concepts, including risk management strategies, portfolio diversification, and the use of financial analysis tools. Therefore, the influence of fintech on financial management knowledge not only facilitates access to innovative financial services, but also inspires learning and increased competence in managing finances effectively

H2: Financial Technology has a positive effect on Financial Management Knowledge

Financial Literacy

Financial literacy is something related to an individual's abilities and skills in managing personal or business finances (Dolan et al., 2022). According to Blue et al. (2014) define financial literacy as the application of knowledge, understanding, skills and values in consumer and financial contexts and related decisions that impact the self, others, society and the environment. Financial literacy is a person's ability and skills to influence financial behavior and activities related to business and financial knowledge, financial abilities, financial management, and financial planning to improve the welfare of their financial resources. Financial literacy involves a combination of knowledge, skills and attitudes towards finance. Through financial literacy, individuals can improve their ability to manage finances, understand how to manage finances effectively, make wise decisions, and plan finances for the future. As well as considering financial aspects when

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making big decisions, such as buying a house or starting a business and investment. Thus, financial literacy is an important key in achieving financial stability and improving financial well-being.

A number of studies show that individuals with higher levels of financial literacy have greater confidence in managing their own finances, including in the context of starting a business. Financial literacy refers to an individual's understanding of financial concepts and practices, including money management, investments, and financial risks. Individuals with a higher level of financial literacy tend to have better knowledge and skills in managing their own finances, which can influence their intention to start a business (Klapper, 2015). A high level of financial literacy can increase individuals' confidence in managing their own finances, including in context of starting a business. Individuals who feel more confident in understanding financial concepts, such as financial planning, cash management, and investment analysis, may be more inclined to take the risks associated with starting a business (Lusardi & Mitchell, 2011). A good one can also help individuals identify suitable business opportunities and plan appropriate financial strategies to start and develop their businesses. With a better understanding of financial concepts, individuals can make more informed and intelligent decisions in managing capital, set a budget, and evaluate the potential risks and rewards of starting a business (Huang, 2017).

H3: Financial Literacy has a positive effect on MSME Performance

The relationship between financial literacy and financial management knowledge is very close, where financial literacy acts as an important foundation in building a strong understanding of financial management concepts and practices. Individuals who have a high level of financial literacy tend to be better able to understand various aspects of finance, including budget management, investment, financial planning, and making wise financial decisions. With a solid knowledge of basic financial concepts, individuals can more effectively manage risk, select appropriate financial products, and plan their long-term financial goals. Therefore, financial literacy not only expands knowledge of financial concepts, but also allows individuals to apply this knowledge in real-life situations, improving their ability to manage finances effectively and sustainably.

H4: Financial Literacy has a positive effect on Financial Management Knowledge

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Self-Efficacy

Individuals' self-efficacy is related to their ability to mobilize the motivation, cognitive abilities, and work-related skills necessary to complete tasks. The researchers concluded that a person's ability to determine their own ceiling is influenced by their beliefs (Sienatra, 2020). Individuals with high levels of self-efficiency enjoy facing challenges, while individuals with low levels of self-efficiency will not be bothered by minor setbacks and may even be unwilling to accept defeat. Self-strength increases one's desire for success, while weakness weakens it. More accurate than a person's effectiveness, the level of self-efficacy is an indicator that uses the skills or education they had before work or work. Therefore, there is a strong connection between self-awareness and self-acceptance (Ahmed, 2021). Additional learning from self (Schmutzler, 2019)-efficacy according to it is a reflection or view of one's own characteristics regarding how a person can function according to the situation being faced. In general, personal effectiveness has nothing to do with a person's mental or psychological traits (Azis, 2020). There are two factors that can influence a person's effectiveness: internal and external factors. Internal factors are factors that originate from the individual himself, such as motivation and self-esteem. External factors, on the other hand, refer to external factors that originate from outside the individual and include the social environment, family environment, tolerance for risk, and strong external influences that serve as a means of enlisting the help of others in order. to carry out tasks successfully. When more people experience intense external symptoms, self-efficacy will increase (Ulya, 2022).

A person can exercise control over his daily life by choosing and applying his living environment. They still ignore activities or situations beyond their capabilities, but they are still present. In carrying out activities that strengthen and foster social networks that are vulnerable to weaknesses. In this environment, perceived social cues can reveal the direction of personal growth through values, interests, and skills. It would be considered possible and the better the pedagogical preparation for the various job requirements, the stronger the confidence in one's own ability to excel. People often underestimate their own abilities because they believe they do not have the qualities assigned to them, even though they do have those qualities. In contrast to impressions, self-will is more self-(Kumar, 2022)doubting

H5: Self-efficacy has a positive effect on MSME performance

The relationship between self-efficacy and financial management knowledge greatly influences a person's ability to manage finances effectively. Self-efficacy, or an

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individual's belief in their ability to achieve financial goals, plays an important role in motivating individuals to acquire and apply knowledge about financial management. Individuals with high levels of self-efficacy tend to be more motivated to learn about financial concepts, take risks in financial management, and face financial challenges with a proactive attitude. Conversely, individuals with low levels of self-efficacy may tend to be reluctant to learn about finances or even feel unable to manage their finances well. Therefore, self-efficacy influences the process of seeking knowledge, receiving information, and implementing financial management practices, which in turn contributes to the level of financial management knowledge and skills possessed by individuals.

H6: Self-efficacy has a positive effect on Financial Management Knowledge
Business Financial Management Knowledge

According to (Puspita, 2019), financial knowledge is defined as an individual's knowledge of his or her own financial situation resulting from understanding financial concepts and treating them as a prerequisite for making effective financial decisions. This condition shows that individual financial knowledge is not only limited to understanding the income and expenses that occur but there are other financial elements that can influence individual decisions in managing their finances. A person with inadequate financial knowledge will hinder making appropriate decisions in managing their finances, both in investment, consumption and savings activities. On the other hand, someone with good financial knowledge will have a stronger perception of making decisions in a wise and responsible manner as a result of more adequate learning in the past.

Knowledge in financial management has a close relationship with the performance of Micro, Small and Medium Enterprises (MSMEs). Research conducted by Beck et al. (2014) found that MSMEs that have a good understanding of financial management tend to have better performance. Strong knowledge of financial aspects such as budget planning, cash management and risk management helps MSMEs to manage their financial resources effectively, increase liquidity and reduce the risk of bankruptcy. In addition, good knowledge in financial management also allows MSMEs to make more appropriate investment decisions and optimize the use of capital for long-term business growth. Therefore, it can be concluded that financial management knowledge plays a crucial role in improving the performance and sustainability of MSMEs.

H 7: Financial Management Knowledge has a positive effect on MSME Performance

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Financial management knowledge plays an important role as a mediator in the relationship between financial technology, financial literacy, and self-efficacy on the performance of culinary MSMEs in Kediri City. By understanding the principles of financial management, MSMEs can be more effective in implementing financial technology, managing their finances better according to their level of financial literacy, and using self-efficacy to make the right financial decisions. Financial management knowledge enables MSMEs to optimize their financial resources and improve their overall business performance.

H8: Financial Management Knowledge is able to mediate Financial Technology, Financial Literacy, and Self-Efficacy on MSME Performance

RESEARCH METHODOLOGY

The type of research used in this research is quantitative. Quantitative research is the study of data that is analysed through the use of statistical methods and presented with numbers as symbols of events or happenings (Creswell, 2017). This research uses primary data obtained directly from the original source using a survey method of SMEs in the Kediri City area. Respondents were selected using purposive sampling with the criteria of MSME business actors operating in the culinary sector and using financial technology in business transactions. The sample in the research was 90 business actors. The data analysis technique used in this research is SMART PLS Analysis. This technique is used to determine the influence between independent variables and dependent variables and to test the role of a mediating variable.

DISCUSSION

Before carrying out structural relationship analysis, validity tests and reliability tests must be checked to ensure that all question items are proven valid and all variables have a high level of reliability. This can be proven by looking at the table below:

Table 1. The Results of Measurement Models

Construct	Loading	Cronbach Alpha	Djikstra-Henseler Rho (ρA)	Composite Reliability	Variance Extracted
X1.1	0.957	0.964	0.976	0.971	0.808
X1.2	0.989				

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X1.3	0.953				
X1.4	0.968				
X1.5	0.706				
X1.6	0.726				
X1.7	0.968				
X1.8	0.875				
X2.1	0.698	0.874	0.911	0.907	0.623
X2.2	0.934				
X2.3	0.692				
X2.4	0.837				
X2.5	0.639				
X2.6	0.888				
X3.1	0.865	0.873	0.904	0.904	0.577
X3.2	0.731				
X3.3	0.750				
X3.4	0.639				
X3.5	0.945				
X3.6	0.713				
X3.7	0.621				
Y.1	0.953	0.960	0.966	0.967	0.787
Y.2	0.946				
Y.3	0.878				
Y.4	0.855				
Y.5	0.861				
Y.6	0.693				
Y.7	0.956				
Y.8	0.924				
Z.1	0.623	0.887	0.896	0.915	0.644
Z.2	0.786				
Z.3	0.863				
Z.4	0.822				
Z.5	0.876				
Z.6	0.819				

Source: Data Processing Results from SmartPLS, 2024

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In evaluating the measurement model, the reliability of the loading scale must be greater than 0.708 (Hair, 2019). If the Loading scale value is greater than 0.708, it can be ensured that all question items from each variable are proven to be valid. Based on the result of measurement model table above, it shows that each question item on the variables Financial Technology (X1), Financial Literacy (X2), Self-Efficacy (X3), MSME Performance (Y), and Financial Management Knowledge (Z) produces a Cross value. Loading > 0.708. This shows that all question items in each variable were proven to be valid.

In measuring reliability tests, relying on the Cronbach Alpha value with reflective measurement involves examining the loading indicators with the condition that the value is > 0.708 (Hair, 2019). These assigned values indicate that the construct explains more than 50% of the indicator variance, thus providing acceptable item reliability. Based on the results of the measurement model table above, the indicator values obtained for each Financial Technology variable are 0.964 > 0.708, Financial Literacy 0.874 > 0.708, Self-Efficacy 0.873 > 0.708, Financial Management Knowledge 0.887 > 0.708 and MSME Performance 0.960 > 0.708 . This shows that all variables have met the Cronbach Alpha value requirements so it can be concluded that all variables have a high level of reliability.

Average Variance Extracted (AVE) must be greater than 0.50. This shows that the construct explaining 50 percent or more of the item variance can establish good validity (Hair, 2019). Based on the table presented above, it is known that the AVE value of the Financial Technology variable is 0.808 > 0.5, the AVE value of the Financial Literacy variable is 0.623 > 0.5, the AVE value of the Self Efficacy variable is 0.577 > 0.5, the AVE value of the variable Financial Management Knowledge is 0.644 > 0.5, and the AVE value of the MSME Performance variable is 0.787 > 0.5. This shows that all variables have discriminant validity which meets the requirements for an AVE value above 0.5 and this shows that their discriminant validity is good. To strengthen the discriminant validity value, see table 2 below:

Table 2 Discriminant Validity

		X1	X2	X3	Y	Z
Fornell-Larcker criterion	X1	0.899				
	X2	0.954	0.789			
	X3	0.946	0.909	0.760		
	Y	0.937	0.924	0.926	0.887	
	Z	0.917	0.892	0.907	0.933	0.803

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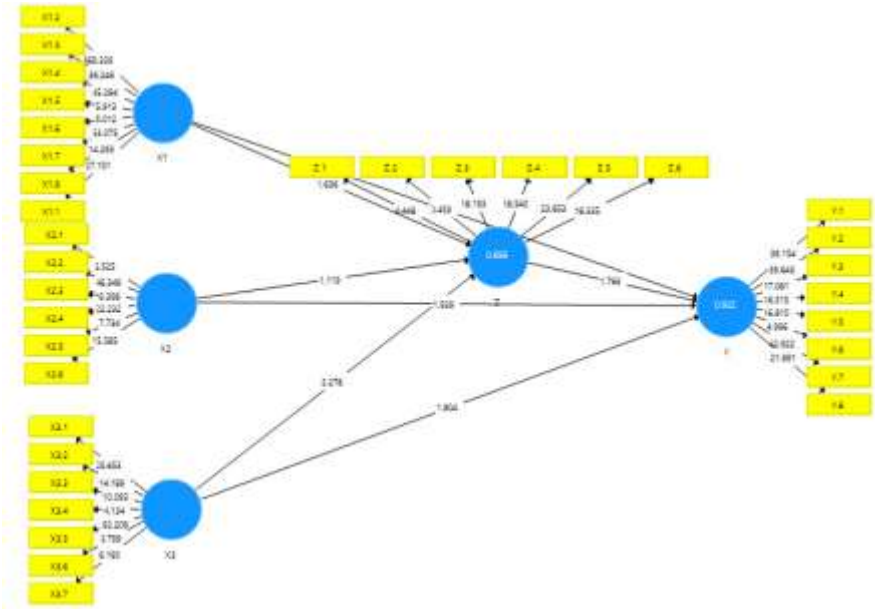
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Heterotrait-monotrait (HTMT) ratio	X1					
	X2	1,024				
	X3	1,015	1,010			
	Y	0.966	0.987	0.994		
	Z	0.990	0.998	1,019		

Source: Data Processing Results from SmartPLS, 2024

In measuring discriminant validity you can also use the Fornell-Lacker criteria. This criterion is not capable of performing well, especially when the indicator loadings on the construct are only slightly different from the correlations between latent variables, for example, all indicator loadings are between 0.65 and 0.85 (Henseler et al, 2015). Based on the discriminant validity table above, the values for each variable appear to be spread beyond 0.65 and 0.85. This shows that the discriminant validity value of this research data performs well.

The discriminant validity value is also measured by looking at the performance of the Heterotrait-Monotrait (HTMT) ratio. In such a setting, it is not expected that the HTMT value is above 0.90. But when the constructs are conceptually different, lower, more conservative, threshold values are recommended, such as 0.85 (Henseler et al., 2015). Based on the table presented above, the value of each variable is above 0.90. This does not match HTMT's expectations so that the value is not above 0.90.



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Based on Figure on researcher identify mark validity convergent every variable. Testing validity convergent aim for measure validity every variable to indicator in latent variables that can ensure that indicators usedin study this truly capable understood with both by respondents so that respondents No experience misunderstanding to indicators used. Based on criteria standard, variable is said to be valid if every indicator own loading factor value >= 0.70.

Researcher identify mark validity discriminant every variable. Testing validity discriminant with compare square root of Average Variance Extracted (AVE) value each construct with correlation between construct other in models. If the AVE values of the construct bigger from correlation with all over construct other so said has good discriminant validity. Based on criteria standard, variable is said to be valid if every indicator own loading factor value > = 0.50.

Table 3 Results of Hypotheses Testing

HYPOTHESIS	B	T Value	Confidence Interval (97.5%)	P-Values	Supported
H1 = Financial Technology ► MSME performance	0.159	0.453	[- 0.3 35 ; 0 , 771]	0.651	No
H 2 = Financial Technology ► Financial Management Knowledge	0.414	1,636	[- 0, 161 ; 0 , 823]	0, 102	No
H 3 = Financial Literacy ► MSME performance	0.238	1,939	[0, 038 ; 0,492]	0.053	No
H 4 = Financial Literacy ► Financial Management Knowledge	0.165	1,119	[- 0.050 ; 0,527]	0.264	No
H 5 = Self-Efficacy ► MSME performance	0.216	1,904	[0, 026 ; 0,454]	0.058	No

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H 6 = Self-Efficacy ► Financial Management Knowledge	0.366	2,278	[0, 048 ; 0,659]	0.023	Yes
H 7 = Financial Management Knowledge ► MSME performance	0.378	1,783	[0, 042 ; 0.775]	0.075	No

Source: Data Processing Results from SmartPLS, 2024

Based on the table above, it can be concluded that Financial Technology does not have a direct, positive and significant effect on MSME performance in Kediri City culinary MSMEs. This statement can be proven by the positive Beta value of 0.159 and P Values 0.651 > 0.05. This illustrates that Financial Technology cannot boost the performance of culinary MSMEs in Kediri City; business actors still do not have adequate awareness or access to fintech solutions, so they cannot take full advantage of them. Financial technology will influence the performance of MSMEs if business actors have adequate awareness or access to fintech solutions, so they can take full advantage of them. The application of fintech to MSMEs can increase the number of sales so that it has an impact on their performance. Besides, business actors can experience many benefits and conveniences, especially in managing their business well, and with the existence of financial technology, they can minimize the risks of working as an entrepreneur. Research on financial technology on the performance of MSMEs was also conducted by Hamzah & Suhardi, (2019) stating that financial technology has a positive influence on culinary MSME business actors. According to Yayuk Mustikasari & Andrian Noviardy, financial technology (2020) also has a significant influence on the performance of culinary MSMEs.

Financial technology does not have a direct positive and significant effect on Financial Management Knowledge in culinary MSMEs in Kediri City. This statement is proven by the positive Beta value of 0.414 and P Values 0.102 > 0.05. This also illustrates that financial technology cannot support culinary MSMEs to improve financial management knowledge. The application of financial management knowledge in MSMEs can enable better financial planning, more efficient cash management, funding optimization, wise debt management, financial performance analysis, better decision making, and compliance with financial obligations. However, if MSME players apply

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fintech with financial management knowledge, it can be used as a strategy to increase sales for the sustainability of their business.

Based on the table above, it can be concluded that financial literacy does not have a direct, positive and significant effect on MSME performance in Kediri City culinary MSMEs. This statement can be proven by the positive Beta value of 0.238 and P Values 0.053 > 0.05. This illustrates that financial literacy cannot boost the performance of culinary MSMEs in Kediri City, business actors still lack understanding about financial management which results in them experiencing difficulties in managing their finances which can hamper their performance. Financial literacy will influence the performance of MSMEs if business actors have a good understanding of the basics of financial management such as; budget planning, cash management, and financial performance analysis, so as to improve performance. The application of financial literacy to MSMEs can improve their performance if business actors have good financial knowledge, good financial management and planning, and the presence of savings and loans will improve business performance and finance unexpected expenses. Apart from that, it is necessary to insure the business and carry out an investment program to minimize undesirable things and achieve future goals. Besides, business actors can experience many benefits and conveniences, especially in managing their business well, and with the existence of financial technology, they can minimize the risks of working as an entrepreneur. Research on financial technology on the performance of MSMEs was also carried out by Reza Wulan Sari, (2016) and (Hamzah, 2019)stated that financial literacy had a positive effect on the performance of MSMEs. According to (Putri et al., 2022) and Baby Stephani Kasendah & Candra Wijayangka, (2019) financial literacy also significantly influences the financial performance of culinary MSMEs. Meanwhile, according to(Atikah, 2021) Financial literacy has a positive and significant effect on the behavior of culinary MSMEs.

Financial literacy does not have a direct positive and significant effect on Financial Management Knowledge in culinary MSMEs in Kediri City. This statement is proven by the positive Beta value of 0.165 and P Values 0.264 > 0.05. This also illustrates that financial literacy cannot improve financial management knowledge. Applying financial literacy to MSMEs can provide many benefits, including a better understanding of financial management, making more appropriate financial decisions, increasing financial access, reducing financial risk, optimizing the use of financial technology, and increasing the confidence of investors and business partners. However, if MSME players apply financial literacy with financial management knowledge, it can be used as a strategy to improve their performance for the sustainability of their business.

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Based on the table above, it can be concluded that self- efficacy does not have a direct, positive and significant effect on MSME performance in Kediri City culinary MSMEs. This statement can be proven by the positive Beta value of 0.216 and P Values 0.058 > 0.05. This illustrates that financial literacy is not able to encourage the performance of culinary MSMEs in Kediri City, business actors still lack confidence and lack knowledge, which can influence inaccurate decision making in resolving large and small problems or issues. Financial literacy will influence the performance of MSMEs if business actors have confidence in themselves that they can work hard, be persistent and diligent in running their business and have sufficient financial knowledge and are able to motivate themselves to solve any existing problems. The application of financial literacy to MSMEs can improve their performance if business actors pay attention to and develop their level of self-efficacy through various strategies such as education, training, social support, and coaching to help improve their business performance. Research on self-efficacy on the performance of MSMEs was also conducted by Ambarwati & Fitriasari, (2021) who stated that self-efficacy had a positive, although not significant, effect on the performance of culinary MSMEs.

Self-efficacy has a direct, positive and significant effect on Financial Management Knowledge in culinary MSMEs in Kediri City. This statement is proven by the positive Beta value of 0.366 and P Values 0.023 < 0.05. This illustrates that self-efficacy can increase financial management knowledge. Applying self-efficacy to MSMEs can provide many benefits, including a better understanding of financial management, making more appropriate financial decisions, increasing financial access, reducing financial risk, optimizing the use of financial technology, and increasing the confidence of investors and business partners. A high level of self-efficacy can help individuals become more confident in managing their finances and improve their ability to make good financial decisions. On the other hand, better financial management knowledge can also strengthen a person's self-efficacy in financial matters.

It is described that knowledge of financial management does not have a direct positive and significant effect on MSME performance in Kediri City culinary MSMEs. This statement can be proven by the positive Beta value of 0.378 and P Values 0.075 > 0.05. This illustrates that knowledge of financial management is not able to encourage the performance of culinary MSMEs in Kediri City, business actors are still lacking in implementing their knowledge about financial management, lack of awareness and limited resources which have an impact on inaccurate decision making. Financial management knowledge will influence the performance of MSMEs if business actors have

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knowledge of financial management which is followed by proper implementation, adjusted to external conditions, and combined with non-financial factors and a positive attitude from business owners to really encourage MSME performance. Research on financial management knowledge on MSME performance was carried out by Khaled Al-Shatti (2018) in Kuwait and aimed to explore the relationship between financial management practices and MSME financial performance. Research findings show that good financial management practices have a positive impact on the financial performance of MSMEs.

Based on the explanation above and based on table 3, financial management knowledge is unable to mediate the relationship between financial technology, financial literacy, and self-efficacy on the performance of culinary MSMEs in Kediri City. Although financial management knowledge is important, other factors such as appropriate financial technology skills, an adequate level of financial literacy, and a high level of self-efficacy also greatly influence the performance of MSMEs. Financial management knowledge may not be able to fully compensate for deficiencies in these factors, and therefore cannot directly mediate the relationship between these factors and MSME performance.

CONCLUSION

Financial Technology does not have a direct positive and significant effect on MSME Performance in Culinary MSMEs in Kediri City. Financial Technology does not have a direct positive and significant effect on Financial Management Knowledge in Culinary MSMEs in Kediri City. Financial Literacy does not have a direct, positive and significant effect on the performance of MSMEs in Culinary MSMEs in Kediri City. Financial Literacy does not have a direct positive and significant effect on Financial Management Knowledge in Culinary MSMEs in Kediri City. Self-Efficacy does not have a positive and significant direct effect on MSME Performance in Culinary MSMEs in Kediri City. Self-Efficacy has a direct, positive and significant effect on Financial Management Knowledge in Culinary MSMEs in Kediri City. Financial Management Knowledge is unable to mediate Financial Technology, Financial Literacy, and Self-Efficacy on MSME Performance in Culinary MSMEs in Kediri City

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