

The Effect of Financial Literacy, Financial Access and Growth on Micro Business Financial Management on Batam City

Tiara Milenia¹ and Diah Amalia, S.E., M.Ak., Ak²

tiaramilena5@gmail.com¹ and diahamalia@polibatam.ac.id²

Batam State Polytechnic, Ahmad Yani Street, Batam City^{1,2}

Abstract. This research aims to test the influence of financial literacy, financial access and growth on the financial management of Micro Enterprises in Batam City. This research uses a descriptive Quantitative method. The object of this study is Micro Enterprises registered with the Office of Cooperatives and Micro Enterprises in 2017 - 2021. The data collection technique in this study was by distributing questionnaires, namely by determining samples using probability sampling techniques. The results of this study are that the variables of financial literacy and growth have a significant effect on the financial management of Micro Enterprises in Batam City while the variables of financial access do not have a significant effect on the financial management of Micro Enterprises in Batam City.

Keywords: Financial Literacy, Financial Access, Growth, Micro Enterprises, Financial Management.

Introduction

An important role in improving a country's economy is from Micro¹. Micro Enterprises are one of the big roles in the national economy, where Micro Enterprises can provide monetary development, create jobs for the community, and can develop market share. With its contribution to the development of the national economy, micro-enterprises still have fundamental problems related to financial management, as stated by Schiffer, Weder, Cressy, and Beck that micro-enterprises still have limitations regarding access to financial services, especially with formal financial institutions². Thus, efforts are needed to improve the financial literacy of business owners or financial managers so that the growth of Micro Enterprises in Indonesia can be achieved.

Financial literacy is a very important factor for business actors, especially Micro Enterprises because understanding financial literacy will be a determinant in the success of the business being run. If financial literacy is low, it can cause harm in recording business finances. Thus, to improve performance in the sustainability of Micro Enterprises, strategic

¹ Abidin, F. what-only-the-role-of-msme-for-the-economy-indonesia. www.idxchannel.com. IDX Channel.

² Okello, G.C.B, Ntayi, J. M., Munene, J. C., & Malinga, C. A. "The Relationship between Access to Finance and Growth of SMEs in Developing Economies: Financial Literacy as a Moderator", *Review of International Business and Strategy*, 2017, 26(1).

efforts are needed, one of which is by providing knowledge about financial literacy for business actors, especially Micro Enterprises so that their financial management can run well in accordance with accounting standards. With financial literacy, while running a business, they can get business welfare. Financial literacy, can also help Micro Businesses in the use of good financial service products, and have budget planning so that Micro Business actors can make good decisions related to their business³.

The problem faced by Micro Enterprises is not only in financial literacy, but also in business capital, where it is difficult to access finance to banks. So that when they want to develop their business, the lack of capital makes the business not move forward. Micro Enterprises have contributed highly to the national economy but this is not supported by access to banking⁴.

Batam City is a city that continues to grow in the business and commercial fields, but there are many problems regarding financial management in business. Many business actors don't understand and ignore the existence of financial management which often results in losses to their business⁵. Financial literacy is very important because financial literacy makes it very easy for business actors to manage finances properly and correctly and can also minimize losses that can occur. Financial Literacy helps business actors in managing their finances such as budgets in business and also doing bookkeeping⁶.

Data obtained from the Batam City Office of Cooperatives and Micro Enterprises that, in 2017 the total Number of Assisted Micro Enterprises in Batam City was 166 Micro Enterprises, in 2018 the total Assisted Micro Enterprises in Batam City decreased by 94 Micro Enterprises, in 2019 the total Assisted Micro Enterprises in Batam City decreased by 63 Micro Enterprises, in 2020 the total number of Assisted Micro Enterprises in Batam City has increased by 232 Micro Enterprises, and in 2021 as of October the number of Assisted Micro Enterprises in Batam city was 139 Micro Enterprises so that the number of Micro Enterprises in Batam City was 694 Micro Enterprises⁷. A significant development from year to year for Micro Enterprises in Batam City.

This development still has problems for Micro Enterprises in Batam City. Many business actors are unable to manage their finances properly due to a lack of expertise in planning, managing, recording, and reporting financially on the business being run⁸. With significant business growth but some problems occur in Micro Enterprises, namely not understanding how to manage finances well and also low management quality, thus making it difficult for Micro Enterprises to develop due to limited Human Resources, limited market share, thus making it difficult for Micro Enterprises to compete with large companies⁹. Business actors who have good financial knowledge, then the implementation of decisions about their business

³ Putri, W.E. "The Effect of Financial Literacy on MSME Financial Management in Medan Marelan District", *Journal of Urban Development*, 2020, 8(1), 45–50.

⁴ Aqida, M. S., & Fitria, S. "The Effect Of Financial Access On The Growth Of Msme's By Moderation Of Financial Literacy In The City Of Semarang", *Diponegoro Journal of Management*, 2019, 8, 1–15.

⁵ Khadijah, K., & Purba, N. M. B. "Analysis of Financial Management on MSMEs in Batam City" 2021, 5(1), 51–59.

⁶ Anggraeni, D. B. "Effect of Business Owner's Financial Literacy Level on Financial Management", *Indonesian Vocational Journal*, 2015, 3(1), 22–30.

⁷ Cooperatives, D., & Usaha, D. A. N. "Micro Business Data", 2021, (Issue 1, p. 8290549).

⁸ Khadijah, K., & Purba, N. M. B. *Loc. Cit.*

⁹ Sabilla, S. O., & Wijayangka, C. "The influence of financial literacy on business growth in MSMEs", *Journal of Management And Business*, 2019, 3(1), 145–152.

will also be good. Thus, from the background that has been explained above, the author is interested in knowing or analyzing "the importance of financial literacy, financial access, and growth in the financial management of Micro Enterprises in Batam City".

LITERATURE REVIEW

Theory of Planned Behavior (TBP)

The Theory of Planned Behavior (TBP) is largely demonstrated to predict the intentions that individuals want. So that the main focus of this theory is to influence the intention of individuals to carry out behaviors that arise because they are controlled by internal and external factors such as attitudes towards behavior, subjective norms, and perceived behavioral control. This theory explains every behavior that requires planning, so it is very suitable for entrepreneurs¹⁰.

Theory of Resource Based View (RBV)

In the Theory of Resource Based View (RBV), companies acquire valuable resources that can achieve performance and competitive advantage and have valuable capabilities that cannot be replicated. This theory puts forward if tangible and intangible resources in an enterprise can encourage the company to develop a strategy to achieve a competitive advantage. This theory explains that internal resources, namely contained in financial literacy and financial access, have value and potential in business continuity to achieve excellence in competition and also in sustainable performance growth¹¹.

Financial Literacy

Financial Literacy is very important for business actors and the public to manage finances by Accounting Standards, judging from a person's behavior in improving financial management decisions to achieve welfare¹². Indicators in Financial Literacy are:

- 1) *Financial Knowledge* is knowledge related to formal financial service institutions, such as financial products and services.
- 2) *Financial Behavior*, namely, assessing a person's financial behavior in terms of a person's ability to manage cash, debt, savings, and other expenses.
- 3) *Financial Attitude*, namely, personal financial goals and planning.
- 4) *Financial Skills*, namely, the ability to calculate savings and loans interest, investment returns, costs, and fines.
- 5) *Confidence*, Knowledge of financial institutions and services.

Financial Access

Banking as a service provider as well as access to finance, plays a role related to the affordability of financial resources that enable Micro Enterprises to carry out roles in the smoke of developing countries. Financial access is measured from outputs related to the level of welfare, acquisition of banking products, and the quality of financial products provided according to the needs of the business being carried out¹³. When Micro Business actors get easy access to banking to the needs of business actors, business actors never feel difficulties related to finances and also allow the business being run to experience significant financial growth.

¹⁰ Fishbein, M., & Ajzen, I. "Theory-based behavior change interventions: Comments on Hobbis and Sutton" *Journal of Health Psychology*, 2005, 10(1), 27–31.

¹¹ Barney, J. "Firm Resources and Sustained Competitive Advantage", 1991, (pp. 99–120).

¹² Financial Services Authority. "Financial Services Authority Regulation number 76/POJK.07/2016", *Financial Services Authority Regulations*, 2016, 53(9), 1689–1699.

¹³ Okello, G. C. B., *Op.Cit.*

Growth

Business growth refers to the increasing scale of the company's operations. Where growth indicators can be seen in, production, sales, and profits, an increasing number of employees, and an increased number of customers. Growth in Micro Enterprises can be a solution to poverty in Indonesia because Micro Enterprises have a high contribution to employment¹⁴. Micro Enterprises are part of the economy so they must further increase competitiveness by innovating.

Micro

Businesses carried out by individuals or business entities that meet the Micro Business Criteria regulated in Law Number 20 of 2008¹⁵, namely:

- 1) Assets excluding land and buildings are a maximum of IDR 50,000,000 for business purposes.
- 2) The maximum turnover is IDR 300,000,000.

In general, the contribution of Micro Enterprises to the Indonesian economy has three functions¹⁶ :

- 1) As a means of equalizing the economic level for the small people. Micro Enterprises are spread in various places and play an important role in equalizing the economic level of the people and also Micro Enterprises can reach remote areas.
- 2) As a means to reduce poverty. Micro Enterprises have a high level of labor and play a role in reducing poverty.
- 3) As a means of income for the country's foreign exchange, because the market share of Micro Enterprises is not only domestic but also foreign.

Financial Management

Financial management is a person's daily ability to make planning, budgeting, managing, and storing funds¹⁷. The functions of Financial Management are¹⁸ :

- 1) The activity of finding funds is an investment decision that aims to generate benefits.
- 2) Fund allocation activities are designed to regulate the use of funds in the activities of the enterprise.

Thus, the owner of the company as the leader of the business group must have the knowledge to manage finances so that business activities can run as much as possible.

From the explanation above, the hypothesis in this study is:

H₁ : Financial literacy has a significant effect on Financial Management.

H₂ : Financial Access has a significant effect on Financial Management.

H₃ : The growth of Micro Enterprises has a significant effect on Financial Management.

From the explanation of the hypothesis above that, the research model in this study is described as follows:

¹⁴ Suci, Y. R. "The Development Of Msmes (Micro, Small And Medium Enterprises) In Indonesia", *Scientific Journal of Cano Ekonomos*, 2017, 6(1), 51–58.

¹⁵ Rahmat, D., "Law of the Republic of Indonesia Number 20 of 2008", 2008, 1.

¹⁶ Abidin, F, *Op.Cit.*

¹⁷ Gadi Djou, L. "Analysis of the Effect of Financial Literacy, Financial Attitudes and Personality on Msme Management Behavior in Ende District" *Journal Mag(2)*, 2019, 61–72.

¹⁸ Sabiq Hilal Al Falih, M., Rizqi, R. M., & Adhitya Ananda, N. "Financial Management and Business Development in Micro, Small and Medium Enterprises (Case Study on MsMEs of Sumbawa Sustainable Forest Honey)", *Journal of Management And Business*, 2019, 2(1).

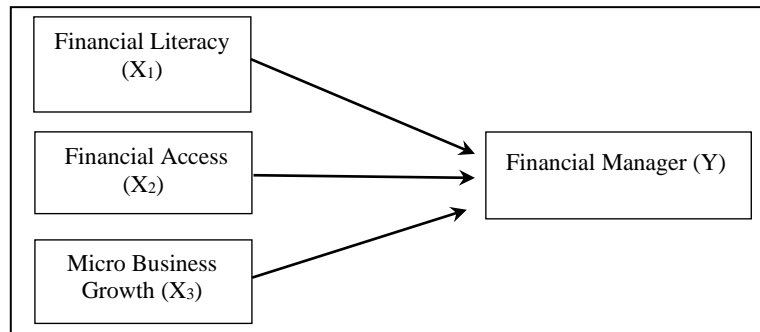


Fig. 1. Research Model

RESEARCH METHODS

This study uses a descriptive quantitative method in the form of data processing and dissemination of questionnaires and surveys to see the relationship between one variable and another. The source of data in this study is primary data taken from the distribution of questionnaires to Micro Business actors in Batam City, to find out literacy, financial access, and growth in the financial management of Micro Business actors. This study used a likert scale whose answer level was 1 (strongly disagree) to 5 (strongly agree).

The population in this study is Micro Enterprises registered with the Office of Cooperatives and Micro Enterprises in 2017 - 2021 as of October, namely 694 Micro Enterprises. The sampling technique in this study was to use Cluster Sampling, namely in the Batam Center District area of 138 business actors.

RESULTS AND DISCUSSION

Descriptive Statistics

a. Age

The characteristics of respondents based on age, are :

Table 1. Test respondents' Characteristics by age

| | Frequenc y | Percent |
|-----------------|-----------------------|----------------|
| 26-30 years | 21 | 15,2 |
| 31-35 years | 52 | 37,7 |
| 36-40 years | 50 | 36,2 |
| 41-45 years old | 13 | 9,4 |
| 46-50 years | 2 | 1,4 |
| Total | 138 | 100,0 |

Source : IBM SPSS 26, 2022.

The results of the test of respondents' characteristics are based on age from the results of the distribution of questionnaires with a total of 138 respondents. The results of the test showed that there were 21 people aged 26-30 years, there were 52 people aged 31-35 years, there were 50 people aged 36-40 years, there were 13 people aged 41-45 years, and there were 2 people aged 46-50 years. From the results of the test, the most vulnerable people are vulnerable to micro-enterprises, namely the aged 31-35 years, which is 52 people.

b. Gender

The characteristics of respondents based on gender, are :

Table 2. Test respondents' characteristics by gender

| | Frequency | Percent |
|-------|-----------|---------|
| Man | 35 | 25,4 |
| Woman | 103 | 74,6 |
| Total | 138 | 100,0 |

Source : IBM SPSS 26, 2022.

The results of the respondent characteristics test based on gender from the results of the distribution of questionnaires with a total of 138 respondents. The results of the test showed that the number of men was 35 people and the number of women was 103 people. From the results of the test, the most women who did business were 103 people.

c. Business Field

The characteristics of respondents based on the field of business, are :

Table 3. Test the Characteristics of respondents based on the field of business

| | Frequency | Percent |
|---------------------|-----------|---------|
| Food/Beverage | 86 | 62,3 |
| Craft | 26 | 18,8 |
| Service | 5 | 3,6 |
| Trade | 1 | 0,7 |
| Cosmetics/Medicines | 4 | 2,9 |
| Food Management | 15 | 10,9 |
| Other | 1 | 0,7 |
| Total | 138 | 100,0 |

Source : IBM SPSS 26, 2022.

The results of the respondent's characteristic test based on the field of business from the results of the distribution of questionnaires with a total of 138 respondents. The results of the test showed that in the food/beverage business sector as many as 86 businesses, in the craft/craft business sector as many as 26 businesses, in the service business sector as many as 5 businesses, and in the trading business sector as many as 1 business, in the cosmetics/drug business sector as many as 4 businesses, in the food management business sector as many as 15 businesses. From the results of the test, the most women who do business in the field of business that is most carried out by micro-businesses in Batam City are in the food/beverage business sector as many as 86 businesses.

Descriptive Analysis Test

The results of the Descriptive Analysis are:

Table 4. Descriptive Analysis Test

| Descriptive Statistics | | | | | | |
|------------------------|-----|-----|-----|-------|----------|---------|
| | N | Min | Max | Mean | Std. Dev | Variant |
| X1 | 138 | 8 | 23 | 15.39 | 3.012 | 9.072 |
| X2 | 138 | 7 | 20 | 13.94 | 2.560 | 6.551 |
| X3 | 138 | 7 | 17 | 13.88 | 2.316 | 5.364 |
| Y | 138 | 10 | 21 | 15.77 | 3.613 | 13.055 |
| Valid N | 138 | | | | | |

Source: IBM SPSS 26, 2022.

Descriptive Statistical Analysis Test Results from the results of the distribution of questionnaires with a total of 138 respondents. The test results of the Financial Literacy variable (X1) have a minimum value of 8, a maximum value of 23, an average value (Mean) of 15.39, and a standard deviation of 3.012. Financial Access variable test results (X2) have a minimum value of 7, a maximum value of 20, an average value (Mean) of 13.94, and a standard deviation of 2.560. The test results of the Growth variable (X3) have a minimum value of 7, a maximum value of 17, an average value (Mean) of 13.88, and a standard deviation of 2.316. The results of the Financial Management variable test (Y) have a minimum value of 10, a maximum value of 21, an average value (Mean) of 15.77, and a standard deviation of 3.613.

Validity Test

a. Financial Literacy (X₁)

The results of the financial literacy variable test (X₁), are:

Table 5. Financial Literacy Validity Test (X₁)

| Items | R _{count} | R _{table} | Information |
|-------|--------------------|--------------------|-------------|
| 1 | 0.724 | 0.1672 | Valid |
| 2 | 0.628 | 0.1672 | Valid |
| 3 | 0.428 | 0.1672 | Valid |
| 4 | 0.605 | 0.1672 | Valid |
| 5 | 0.775 | 0.1672 | Valid |

Source : IBM SPSS 26, 2022.

The results of the test can be seen from the $r_{count} > r_{table}$ so that, all items on this variable can be said to be valid.

b. Financial Access (X₂)

The validity test results on the Financial Access variable test (X₂), are:

Table 6. Financial Access Validity Test (X₂)

| Items | R _{count} | R _{table} | Information |
|-------|--------------------|--------------------|-------------|
| 1 | 0.914 | 0.1672 | Valid |
| 2 | 0.945 | 0.1672 | Valid |
| 3 | 0.385 | 0.1672 | Valid |
| 4 | 0.897 | 0.1672 | Valid |

Source : IBM SPSS 26, 2022.

The results of the test can be seen from the $r_{count} > r_{table}$ so that, all items on this variable can be said to be valid.

c. Micro Business Growth (X₃)

The validity test results on the Micro Business Growth variable test (X₃), are:

Table 7. Micro Business Growth Validity Test (X₃)

| Items | R _{count} | R _{table} | Information |
|-------|--------------------|--------------------|-------------|
| 1 | 0.611 | 0.1672 | Valid |
| 2 | 0.871 | 0.1672 | Valid |
| 3 | 0.876 | 0.1672 | Valid |
| 4 | 0.839 | 0.1672 | Valid |

Source : IMB SPSS 26, 2022.

The results of the test can be seen from the $r_{\text{count}} > r_{\text{table}}$ so that, all items on this variable can be said to be valid.

d. Financial Management (Y)

The results of the Validity Test on the Financial Management test (Y) variable, are:

Table 8. Financial Management Validity Test (Y)

| Items | R _{count} | R _{table} | Information |
|-------|--------------------|--------------------|-------------|
| 1 | 0.799 | 0.1672 | Valid |
| 2 | 0.918 | 0.1672 | Valid |
| 3 | 0.912 | 0.1672 | Valid |
| 4 | 0.691 | 0.1672 | Valid |
| 5 | 0.709 | 0.1672 | Valid |

Source : IMB SPSS 26, 2022.

The results of the test can be seen from the $r_{\text{count}} > r_{\text{table}}$ so that, all items on this variable can be said to be valid.

Reliability Test

The results of the reliability test are:

Table 9. Reliability Test

| Variable | Cronbach Alpha | R _{Table} | Information |
|---|----------------|--------------------|-------------|
| Financial Literacy (X ₁) | 0.616 | 0.60 | Reliable |
| Financial Access (X ₂) | 0.825 | 0.60 | Reliable |
| Micro Business Growth (X ₃) | 0.771 | 0.60 | Reliable |
| Financial Management (Y) | 0.864 | 0.60 | Reliable |

Source : IMB SPSS 26, 2022.

The test results have a Cronbach Alpha value of > 0.60 from all Dependent and Independent variables in this study so that it can be said to be reliable.

Multiple Linear Regression Analysis Test

The results of the Multiple Linear Regression Analysis Test are:

Table 10. Multiple linear regression analysis test

| Type | Unstandardized Coefficients |
|---|-----------------------------|
| Constant | 1.393 |
| Financial Literacy (X ₁) | 0.876 |
| Financial Access (X ₂) | -0.465 |
| Micro Business Growth (X ₃) | 0.531 |

Source : IMB SPSS 26, 2022.

According to the results of regression analysis, therefore the equation can be known, namely:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots + b_nX_n \tag{1}$$

Information:

- Y : Financial Management
- a : Constant (Fixed Value)
- b_1, b_2, b_3 : Regression Coefficient (Estimation Value)
- X_1 : Financial Literacy
- X_2 : Financial Access
- X_3 : Growth

From the formula above, it can be processed as follows:

$$Y = 1.393 + 0.876 + (-0.465) + 0.531$$

From the results of the analysis of this study are:

- 1) A constant of 1.393, this indicates that X_1 , X_2 and X_3 have no increase in the value of the variabel .
- 2) Based on the test results, the variable X_1 has a positive regression coefficient with a value of $b = 0.876$, if there is an increase in the value of the variable X_1 by 1 unit, therefore, the variable Y will increase by 0.876.
- 3) Based on the test results, the variable X_2 has a negative regression coefficient with a value of $b = -0.465$, if there is a decrease in the value of the variable X_2 by 1 unit, therefore, the variable Y will decrease by -0.465.
- 4) Based on the test results, the variable X_3 has a positive regression coefficient with a value of $b = 0.531$, if there is an increase in the value of the variable X_3 by 1 unit, therefore, the variable Y will increase by 0.531.

Test of Classical Assumptions

Normality Test

The results of the normality test are:

Table 11. Normality Test

| One-Sample Kolmogorov-Smirnov Test | |
|------------------------------------|------|
| Asymp. Sig. (2-tailed) | .200 |

Source : IMB SPSS 26, 2022.

According to the test above, it can be seen that the significance value (2-tailed) is $0.200 > 0.05$, therefore the data is normally distributed.

Heterokedasticity Test

The results of the Heterokedasticity test are:

Table 12. Heterochemedasticity Test

| Variable | Sig. |
|---------------------------------|-------|
| Financial Literacy (X_1) | 0.578 |
| Financial Access (X_2) | 0.557 |
| Micro Business Growth (X_3) | 0.580 |

Source : IMB SPSS 26, 2022.

According to the test, it can be seen that the significance values of X_1 (0.578), X_2 (0.557), and X_3 (0.580) means that the significance value > 0.05 , so there is no problem with Heterokedasticity.

Multicollinearity test

The results of the Multicollinearity test are:

Table 13. Multicollinearity Test

| Variable | Tolerance | Vif | Information |
|---|-----------|-------|----------------------|
| Financial Literacy (X ₁) | 0.678 | 1.474 | No Multicollinearity |
| Financial Access (X ₂) | 0.693 | 1.443 | No Multicollinearity |
| Micro Business Growth (X ₃) | 0.973 | 1.028 | No Multicollinearity |

Source : IMB SPSS 26, 2022.

According to the test, it can be seen that the significance values of X₁ (0.678), X₂ (0.693), X₃ (0.973) > 0.100 while the values of *Vif* X₁ (1.474), X₂ (1.443), X₃ (1.028) < 10.00 then it can be concluded that there are no symptoms of multicollinearity.

Hypothesis Test

T test (partial)

The results of the t test (partial) are:

Table 14. T test (partial)

| Variable | t _{count} | t _{table} | sig t | α |
|---|--------------------|--------------------|-------|------|
| Financial Literacy (X ₁) | 10.448 | 1.977 | 0.000 | 0.05 |
| Financial Access (X ₂) | -4.758 | 1.977 | 0.000 | 0.05 |
| Micro Business Growth (X ₃) | 5.826 | 1.977 | 0.000 | 0.05 |

Source : IMB SPSS 26, 2022.

According to these results, a calculated t_{count} of 10.448 > t_{table} 1.977 and sig of 0.000 < of 0.05 were obtained, therefore H₁ Financial literacy has a significant effect on Financial Management.

According to these results, a calculated t_{count} of -4.758 < t_{table} is 1.977 and sig of 0.000 < 0.05 is obtained, therefore H₂ Financial access has a significant effect on Financial Management.

According to these results, a calculated t_{count} 5.826 > t_{table} of 1.977 and sig of 0.000 < 0.05 were obtained, therefore H₃ Growth of Micro Enterprises had a significant effect on Financial Management.

Coefficient of Determination Test

The results of the Coefficient of Determination Test are:

Table 15. Coefficient of Determination Test

| Adjusted R Square |
|-------------------|
| 0.546 |

Source : IMB SPSS 26, 2022.

According to the results of the test, the percentage of diversity of variable in the amount of Financial Management (Y) which can be explained by the variables Financial Literacy (X₁), Financial Access (X₂), Micro Business Growth (X₃) is 54.6% while the remaining 45.4% are explained other variables outside the variable model in this study.

Data Analysis

The Influence of Financial Literacy affects Financial Management

Based on the results of the hypothesis test, the results were obtained for the calculation value in financial literacy, namely 10,448 > a t_{table} value of 1.977 and the probability value of

0.000 < of the alpha significant value of 0.05. From the results of the test, which means that Financial Literacy has a positive and significant effect on Financial Management. Therefore, the higher the level of financial literacy of microenterprises, the better financial management will be. Financial Literacy is a basic understanding for business actors to manage their business finances, because with good financial literacy knowledge, they can find out their income, expenses, profits or losses while opening a business. This research is in line with research (Putri, 2020), (Anisyah et al., 2021), (Gadi Djou, 2019), (Susan, 2020) that financial literacy has a positive effect on financial management. The Theory of Planned Behavior (TBP) is one of the theories that supports this research, this theory can explain that every business actor needs planning in their business, so if they have good financial literacy knowledge, therefore they can make financial planning for business financial management.

The Effect of Financial Access on Financial Management

Based on the results of the hypothesis test, the results were obtained for the calculated value on financial access, namely $-4,758 < t_{table}$ value of 1.977 and a probability value of 0.000 < a significant value of alpha of 0.05. From the results of this test, which means that access to finance has a negative and significant effect on Financial Management. So it can be concluded that, if Financial Access increases, it will reduce the level of Financial Management and vice versa if Financial Access decreases, the level of Financial Management will increase. This is because business actors are still hesitant about the requirements on bank loans that can help and benefit the company, so many of the business actors do not make savings and loans at banks. This research is not in line with research (Susan, 2020) that financial access has a positive effect on financial management, but in line with research (Anisyah et al., 2021) that financial access negatively affects financial management. Theory of Planned Behavior (TBP) is one of the theories that supports this research, this theory is controlled by financial attitudes which determines efforts in determining good financial access to finance.

The Effect of Micro Business Growth on Financial Management

Based on the results of the hypothesis test, the results were obtained for the calculated value in Growth, namely $5.826 > t_{table}$ value of 1.977 and a probability value of 0.000 < a significant value of alpha 0.05. From the results of this test, which means that micro business growth has a positive and significant effect on Financial Management. So that the growth that occurs in micro-enterprises such as growth in employees, increase in income and sales can affect business actors in planning and making good business financial management, this research is not in line with research (Simbolon, 2021) that growth does not have a significant effect on financial management, but is in line with research (Susan, 2020), (Sabilla & Wijayangka, 2019) which results in growth has a positive effect on financial management. Theory of Planned Behavior (TBP), being one of the theories that supports this research, this theory can explain that with the growth of micro- enterprises that occur, of course, it requires planning in advance in managing the business finances to be carried out.

CONCLUSION

According to the results of the study, it can be concluded that the test results obtained financial literacy results had a positive and significant effect on Financial Management, the test results obtained financial access results had a negative and insignificant effect on Financial Management, and the test results obtained the results of Micro Business Growth had a positive and significant effect on Financial Management.

SUGGESTION

The next suggestion for researchers to be able to reproduce the existing sample is to expand the research area in all districts in Batam City and better consider or add independent and dependent variables that are in accordance with the research.

REFERENCE

- [1] Abidin, F. what-only-the-role-of-msme-for-the-economy-indonesia. www.idxchannel.com. IDX Channel.
- [2] Anggraeni, D. B. Effect of Business Owner's Financial Literacy Level on Financial Management. *Indonesian Vocational Journal*. 2015;3(1):22–30.
- [3] Aqida, M. S., & Fitria, S. The Effect Of Financial Access On The Growth Of Msmes By Moderation Of Financial Literacy In The City Of Semarang. *Diponegoro Journal of Management*. 2019;8:1–15.
- [4] Barney, J. Firm Resources and Sustained Competitive Advantage. 1991;(pp. 99–120).
- [5] Cooperatives, D., & Usaha, D. A. N. Micro Business Data. 2021;(Issue 1, p. 8290549).
- [6] Financial Services Authority. Financial Services Authority Regulation number 76/POJK.07/2016. *Financial Services Authority Regulations*. 2016;53(9):1689–1699.
- [7] Fishbein, M., & Ajzen, I. Theory-based behavior change interventions: Comments on Hobbis and Sutton. *Journal of Health Psychology*. 2005;10(1):27–31.
- [8] Gadi Djou, L. Analysis of the Effect of Financial Literacy, Financial Attitudes and Personality on Msme Management Behavior in Ende District. *Journal Mag(2)*. 2019:61–72.
- [9] Khadijah, K., & Purba, N. M. B. Analysis of Financial Management on MSMEs in Batam City. 2021; 5(1):51–59.
- [10] Putri, W.E. The Effect of Financial Literacy on MSME Financial Management in Medan Marelan District. *Journal of Urban Development*. 2020;8(1):45–50.
- [11] Rahmat, D. Law of the Republic of Indonesia Number 20 of 2008. 2008;1.
- [12] Sabiq Hilal Al Falih, M., Rizqi, R. M., & Adhitya Ananda, N. Financial Management and Business Development in Micro, Small and Medium Enterprises (Case Study on MsMEs of Sumbawa Sustainable Forest Honey). *Journal of Management And Business*. 2019; 2(1).
- [13] Sabilla, S. O., & Wijayangka, C. The influence of financial literacy on business growth in MSMEs. *Journal of Management And Business*. 2019;3(1):145–152.
- [14] Suci, Y. R. The Development Of Msmes (Micro, Small And Medium Enterprises) In Indonesia. *Scientific Journal of Cano Ekonomos*. 2017;6(1):51–58.
- [15] Okello, G.C.B, Ntayi, J. M., Munene, J. C., & Malinga, C. A. The Relationship between Access to Finance and Growth of SMEs in Developing Economies: Financial Literacy as a Moderator. *Review of International Business and Strategy*. 2017;26(1).