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Analysis of the Influence of Financial Manager Competence, Access to Capital, and Community Economic Independence on the Effectiveness of Financial Management of MSME Actors in Kwala Serapuh Village, Langkat with Financial Information System as an Intervening Variable

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Abstract

This study aims to analyze the influence of three main factors, namely the competence of financial managers, access to capital, and economic independence of the community on the effectiveness of financial management of Micro, Small, and Medium Enterprises (MSMEs) in Kwala Serapuh Village, Langkat. In addition, this study also explores the role of financial information systems as intervening or intermediary variables. The first factor studied is the competence of financial managers in managing MSME finances. It includes knowledge and skills in financial planning, transaction recording, and financial analysis. This research will identify the extent to which these competencies affect the effectiveness of MSME financial management. The sample in this study is 85 MSME actors. The method used is PLS analysis. The results of the study show that Financial Management Competency (KPK) has a significant positive effect on Financial Management Effectiveness (EMK). Financial Management Competence (KPK) has a significant positive effect on the Financial Information System (SIK). Access to Capital (AM) has no positive and insignificant effect on the Effectiveness of Financial Management (EMK). Access to Capital (AM) has a significant positive effect on the Effectiveness of the Financial Information System (SIK). Economic Independence (KE) has no positive and insignificant effect on the Effectiveness of Financial Management (EMK). Economic Independence (KE) has a significant positive effect on the Financial Information System (SIK). The Financial Information System (SIK) has a significant positive effect on the Effectiveness of Financial Management (EMK).

Keywords: Financial Manager Competence; Access to Capital; Community Economic Independence; Financial Management Effectiveness; MSME Financial Information System

1. Introduction

The existence and development of Micro, Small and Medium Enterprises (MSMEs) in Indonesia is important in the national economy. This can be seen from the increasing number of new businesses filled with various innovative ideas to have a positive impact on the country, including increasing economic growth throughout Indonesia. However, we can still observe the existence of old MSMEs that are still struggling to survive. Superficial problems still arise, especially for small businesses [1]. So far, MSMEs have played a role in the absorption of labor, the processing of local resources, the provision of extensive economic services to the community, and the process of equitable distribution and increase of community income. In addition, MSMEs in Indonesia have an important role in contributing to economic development through the provision of jobs, increasing GDP and also exports [2]; [3]. The economic crisis that occurred in Indonesia in the past provides a lesson, namely the emergence of awareness and recognition of the importance of the role of MSMEs in national development in Indonesia [4] in [5].

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The MSME sector has a big role in supporting household income as well as being able to reduce poverty levels [6]. In addition, MSMEs also develop the local economy and society, create markets and innovations through their flexibility and sensitivity as well as dynamic linkages between business activities in Indonesia and contribute to the increase in non-oil and gas [7]. In Indonesia, MSMEs are the most dominant business entity. This can be seen from its representation of 99% of the number of businesses in Indonesia and 97% of employment, but only 57% have more value [6], [8]. The five MSME sectors in Indonesia include agriculture, trade, hotels, restaurants, and the manufacturing industry. In the manufacturing industry, its activities include simple traditional manufacturing such as wood products, furniture, textiles, garments, footwear, food and beverages. Only a small part is involved in the production of machinery, production equipment and automotive components [3]. A new paradigm in regional economic development known as *Modern Regional Policy* is believed to provide greater and sustainable benefits.

The main argument in this perspective is that development capital should come from or be encouraged from within the area concerned. There are two main things that play a role as original development capital, namely Small and Medium Enterprises (MSMEs) and technological progress. This makes MSMEs have an important role in regional development by reducing inequality because it has strong roots and relationships with the local economic structure [9]. The performance of MSMEs can be achieved if business actors have the ability to carry out business activities to achieve predetermined goals. The obstacles faced by MSME business actors in Indonesia include human resources, financing, financial management knowledge, skills, technology, and various other obstacles and limitations that hinder the growth and development of MSME businesses [10] in [11]. Therefore, strategic efforts are needed to improve the performance of MSMEs. Many of the MSME actors do not pay attention to the financial management of their business that is not organized. Usually they unite personal finances with their business finances, so that with such a situation, the business they run does not develop properly.

According to a complaint report by the Ministry of Cooperatives and SMEs in October 2020, no less than 39.22% of MSMEs faced capital difficulties during the Covid-19 pandemic (www.kemenkeu.go.id). This data shows that capital support for MSMEs is important. According to [12], difficult access to capital is an obstacle to the growth and development of MSMEs, because formal or commercial financial institutions are hesitant to provide loans to MSME actors. Most financial institutions believe that the guarantees offered by MSMEs do not work. This is due to fluctuating production conditions and a high level of risk that can affect default. MSMEs still face obstacles in increasing working capital, both in terms of funding or financing and investment. The government has asked for banking business loans (KUR) to be financed. However, the expected Micro KUR limit is still very low, which is up to IDR 5 million. Another thing that MSMEs complain about when applying for loans outside the credit limit is the application procedure and the repayment period which is quite complicated [13]. Banks also seem reluctant to distribute credit to MSMEs. It may also be due to the inadequate commercial credibility of MSMEs. MSMEs tend not to have business planning, accounting and financial reporting skills. At the same time, providing financial statements for MSMEs is necessary to access government subsidies and additional financing from lenders.

Kwala Serapuh Langkat Village, North Sumatra, has great economic potential, especially in the Micro, Small, and Medium Enterprises (MSMEs) sector. MSMEs play an important role in the village economy, but many are still constrained by financial management problems. This problem can be overcome by increasing the competence of financial managers, expanding access to capital, and increasing the economic independence of the community. Financial information systems can also help MSMEs in increasing the effectiveness of financial management. MSMEs play a vital role in the local economy, but often face various challenges that hinder their growth and sustainability. One of the main challenges is ineffective financial management, which can be caused by low financial management competence, limited access to capital, and suboptimal economic independence of the community. Good financial manager competence is indispensable to make the right financial decisions and maintain the financial health of the business. In addition, adequate access to capital is very important to support business operations and expansion, while the community's economic independence plays a role in creating a supportive environment for the development of MSMEs.

Financial information systems have emerged as a potential solution to improve the effectiveness of financial management. By utilizing information technology, MSME actors can obtain accurate and real-time financial data, which ultimately helps in better decision-making. This study aims to analyze the influence of financial management competence, access to capital, and community economic independence on the effectiveness of financial management of MSME actors, with financial information systems as an intervening variable. This research is expected to provide a deeper insight into how these three factors affect financial management and how financial information systems can increase their effectiveness, so that they can make a real contribution to the development of MSMEs in Kwala Serapuh Village, Langkat. Based on this background, the researcher is interested in analyzing "Analysis of the Influence of Financial Manager Competence, Access to Capital and Community Economic Independence on the Effectiveness of

Financial Management of MSME Actors in Kwala Serapuh Langkat Village with Financial Information System as an Intervening Variable".

2. Literature Review

2.1. Definition of Competency

According to [14] in the Performance Management System (2008), Competence is an ability to carry out or perform a job or task based on skills and knowledge and support by the work attitude demanded by the job. Competence according to [15] article 1 (10) concerning Manpower is the work ability of each individual which includes aspects of knowledge, skills, and work attitudes in accordance with the set standards. Competence according to the Great Dictionary of the Indonesian Language (2015) is the authority (power) to determine (decide something); the ability to master the grammar of a language in the abstract or inward. According to [16] the revelation, competence is a basic characteristic of a person that indicates how to think, behave, and act and draw conclusions that can be made and maintained by a person at a certain time.

2.1.1. Financial Management

Management is an activity that begins with compiling data, planning, organizing, implementing to supervision and assessment, in order to produce something more effective and efficient and then something can be used as a source for improvement and improvement from what has been previously planned [17] . Literally, financial management (financial management) comes from the word management which means managing and finance which means things related to money such as financing, investment and capital. So that financial management can be interpreted as all activities related to how to manage finances starting to obtain funding sources, use funds as best as possible to allocate funds to investment sources to achieve the company's goals [18].

2.1.2. Financial Manager Competencies

According to [19] financial management or financial management is the planning, organizing, directing, and controlling financial activities such as the procurement and utilization of business funds. Meanwhile, according to [20] financial management, it is a discipline that studies the financial management of a company both in terms of finding sources of funds, allocating funds, and sharing the company's profits. Literally, financial management (financial management) comes from the word management which means managing and finance which means things related to money such as financing, investment and capital. So if it is concluded, financial management can be interpreted as all activities related to how to manage finances starting to obtain funding sources, use funds as best as possible to allocate funds to investment sources to achieve company goals [21].

2.2. Access to MSME Capital

MSMEs have obstacles, namely it is not easy to get access to the financial sector, including system and institutional problems that often occur in Indonesia. Various efforts by the Indonesian government in developing the real sector to overcome these obstacles, including regulating the mechanism through Bank Indonesia policies for the availability of access to capital for MSMEs, have still not been successful, including the problem of interest rates that are too high and the availability of guarantees that are often not available to MSMEs. Access to capital for MSMEs can increase economic growth [22] . In addition to being beneficial for the state to stabilize the economy, access to capital can also be beneficial for MSMEs as a safe and sustainable source of funding.

2.3. Definition of Economic Independence

Definition of Economic Independence Economic independence consists of two words that must be understood at least partially. Namely the word independence, and the word economy. The first word is "independence" can be interpreted as an ability to think, feel, and do things on your own. Independence here does not mean being alone and staying away from interactions with others. However, what is meant by independence here is a person or individual who has succeeded in building values in himself in such a way that he is able to position himself in a role or provide benefits for nature and life to his fellow [23]. Then the next word is "economy". Economics is based on the reference of the Great Dictionary of the Indonesian Language, which is a science that studies the standards for the creation, distribution and utilization of products and wealth (such as money, industry and exchange). Economics is generally concentrated in educational organizations and is often associated with household finance.

2.3.1. Community Economic Independence

Economic independence is one of the key factors in the country's economic development, namely by encouraging the number of entrepreneurs and increasing economic activities for small, medium and large businesses. With an environment that can support entrepreneurs' creativity, it can create several entrepreneurs who try to implement new ideas in economic life. In the current era of globalization, business actors are required to be able to face all business obstacles, especially high levels of competition, increased product and service innovation, human and technical resource development, and expansion of marketing coverage which are the most important actions taken by business actors.

2.4. Definition of Effectiveness

The word effective reviewed from the Great Indonesian Dictionary means to be able to create results, come into effect, have an effect or effect. Effectiveness can be defined as a benchmark for success based on the goals that have been achieved (KBBI, 2023). The definition of effectiveness according to Siagian quoted by Aswar Annas, effectiveness is the use of available resources, facilities and infrastructure on a certain scale, this aims to produce several goods and services that are being carried out. Whether or not the goals that have been determined are appropriate or not is one of the benchmarks of the effectiveness of these activities [24]. Effectiveness can be interpreted more clearly according to Harbani Pasolog, who stated that effectiveness comes from the word "effect" and this term is used to be a causal link. This is because effectiveness can be assessed as the cause of other variables which means that the goal has been achieved [25].

2.4.1. Financial Management

According to [20] financial management as a science, it is growing from time to time. The application of financial management science in companies is also developing in line with the development of company dynamics. Furthermore, according to [26] Financial Management is one of the overall management systems, as we know that every company/organization has certain goals, where to achieve these goals it is absolutely necessary to have management. According to [27] financial management is one field that focuses on the efficient and effective use of capital, loans, and other business funds as well as the right decision-making process to maximize the profits and add value of an entity. Financial management is the management of financial functions [28].

2.5. Definition of Financial Information System

According to [29] in [30], a financial information system is a system that functions to organize forms, records, and reports that are coordinated to produce financial information needed in decision-making for management and company leaders and can facilitate company management. Financial Information Systems aim to provide information to people or groups both inside and outside the company regarding the company's financial problems. So that with the existence of a financial information system, it can make it easier and meet the needs of managers or various elements in the company environment for information that explains the company's financial status.

3. Analysis methods

3.1. Research Approach

This research method is a quantitative research method using research data in the form of numbers and analysis using statistics. In the data collection using research instruments, data analysis is quantitative with the aim of testing the hypothesis that has been determined. In quantitative research, it is a *survey* if the problem is clear. The sequence in the quantitative research process starts from building a hypothesis from a theory, collecting facts or data, using data to test the hypothesis and finally drawing conclusions from the results of data processing [31], [32].

The concept of this research can be seen in the schema, as follows:

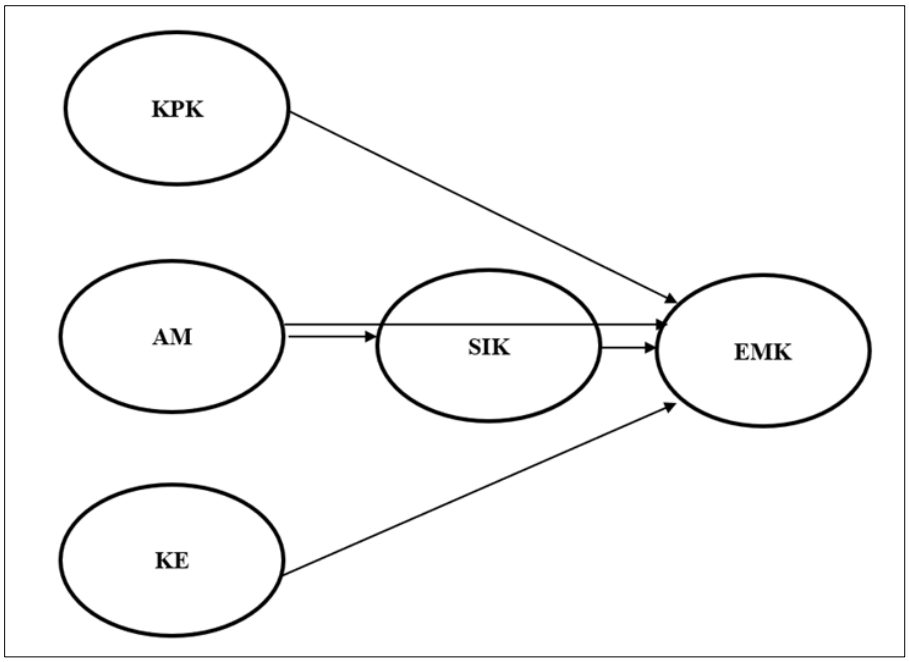


Figure 1 Research Concept

3.2. Population and Sample

According to [33] in [34] population, it can be interpreted as a generalization area consisting of objects and subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then drawn conclusions. The population in this study is 85 respondents from the community of Kwala Serapuh Langkat village.

Meanwhile, the sample according states that the sample is part of the number and characteristics possessed by the population. In this study, the researcher chose a random sampling technique or [35] *random sampling/probability sampling*. Where the techniques and samples that the researcher uses randomly, regardless of the sample on the basis of strata or social status in any aspect. According to [35] *Probability sampling* is a sampling technique that provides an equal chance for each element (member) of the population to be selected as a member of the sample. The sample that will be used as the object of research in this proposal is MSME actors from the community of Kwala Serapuh Village, Langkat, whose number has been determined by 85 respondents. According to [36] the sample is part of the number and characteristics possessed by the population. If the subjects are less than 100, then the entire population becomes the research sample. but if the subject is more than 100 then it can be taken 10-15% or 15-25% [36]. Based on the definition above, the number of respondents used was 85.

3.3. Data Analysis Methods

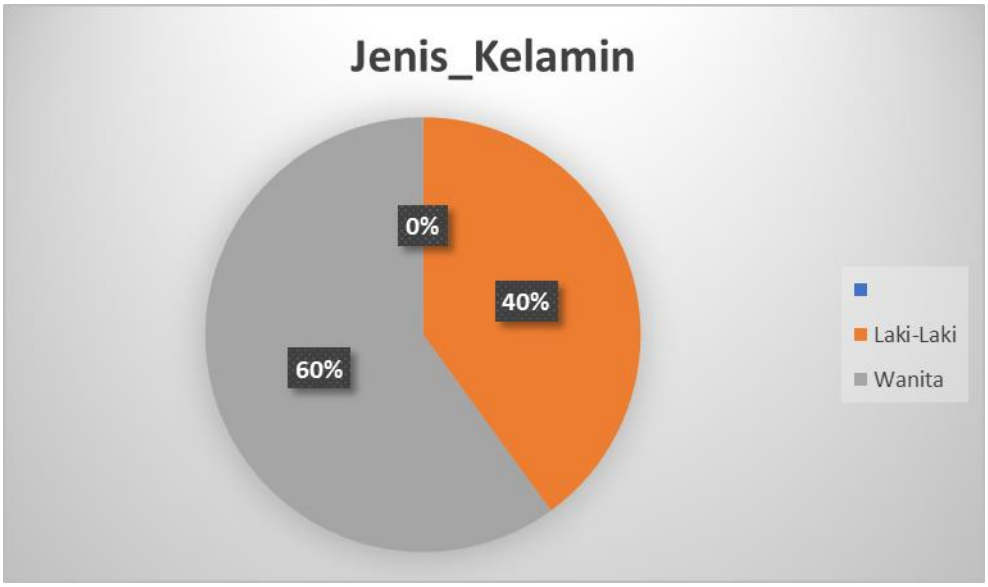
Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS software version 4. PLS is one of the methods of solving Structural Equation Modeling (SEM) which in this case is more compared to other SEM techniques. SEM has a higher level of flexibility in research that connects theory and data, and is able to perform path analysis with latent variables, so it is often used by researchers who focus on social sciences. Partial Least Square (PLS) is a fairly powerful method of analysis because it is not based on many assumptions. The data also do not have to be normally distributed multivariate (indicators with categorical scales, ordinals, intervals to ratios can be used on the same model), the sample does not have to be large [37] in [38].

4. Results and discussion

4.1. Respondent Characteristics Analysis

4.1.1. Gender of Respondents

The results of the analysis of respondent characteristics by gender can be shown in the following figure:



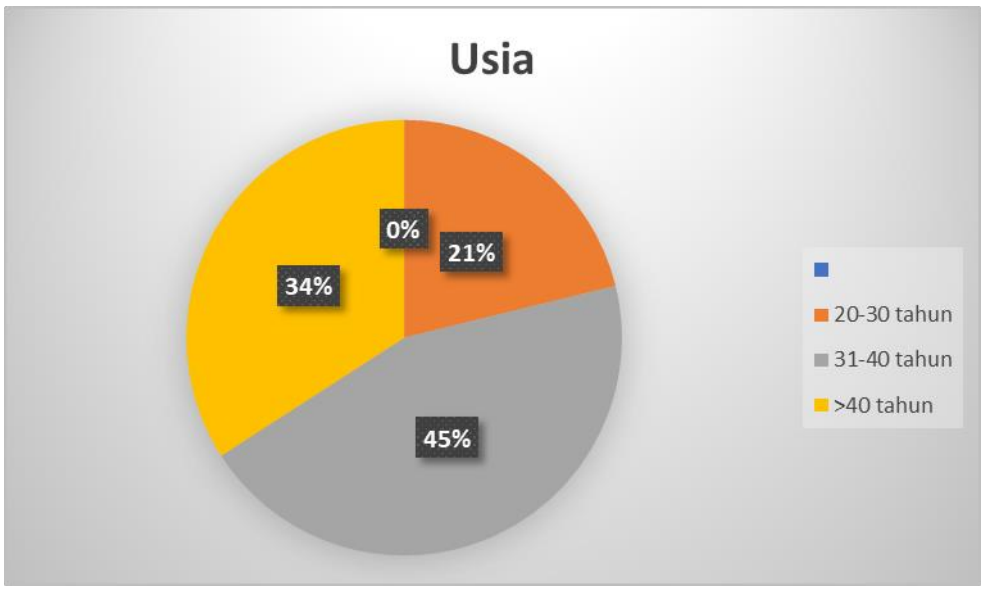
Source: Data Output with SPSS v.25, 2024

Figure 2 Respondent Data by Gender

Based on Figure 2, it can be seen that the respondents are divided into two categories, namely men and women. From the data of 85 respondents obtained, the composition of respondents based on gender is 40% male and the remaining 60% is female.

4.1.2. Gender Age

The results of the analysis of respondent characteristics by age can be shown in the following figure:



Source: Data Output with SPSS v.25, 2024

Figure 3 Respondent Data by Age

Based on Figure 3, it can be seen that respondents are divided into 3 (three) categories, namely 20-30 years old as 21%, 31-40 years old as 45% and >40 years old as much as 34%.

4.2. Outer Model Testing

This research model will be analyzed using the Partial Least Square (PLS) method and assisted by SmartPLS 4.0 software. PLS is one of the alternative methods of Structural Equation Modeling (SEM) that can be done to overcome

the problem of relationships between variables that are very complex but the sample size of the data is small (30-100 samples) and has non-parametric assumptions, meaning that the data does not refer to one particular distribution [39].

4.2.1. Convergent Validity

Convergent Validity is carried out by looking at reliability items (validity indicators) indicated by the value of the loading factor. Loading factor is a number that shows the correlation between the score of a question item and the score of the indicator construct indicator that measures the construct. A loading factor value greater than 0.7 is said to be valid. However, according to [40] the initial examination of the loading factor matrix is approximately 0.3 considered to have met the minimum level, and for the loading factor approximately 0.4 is considered better, and for the loading factor greater than 0.5 is generally considered significant. In this study, the loading factor limit used was 0.7. After data processing using SmartPLS 4.0, the results of the loading factor can be shown as shown in the following table:

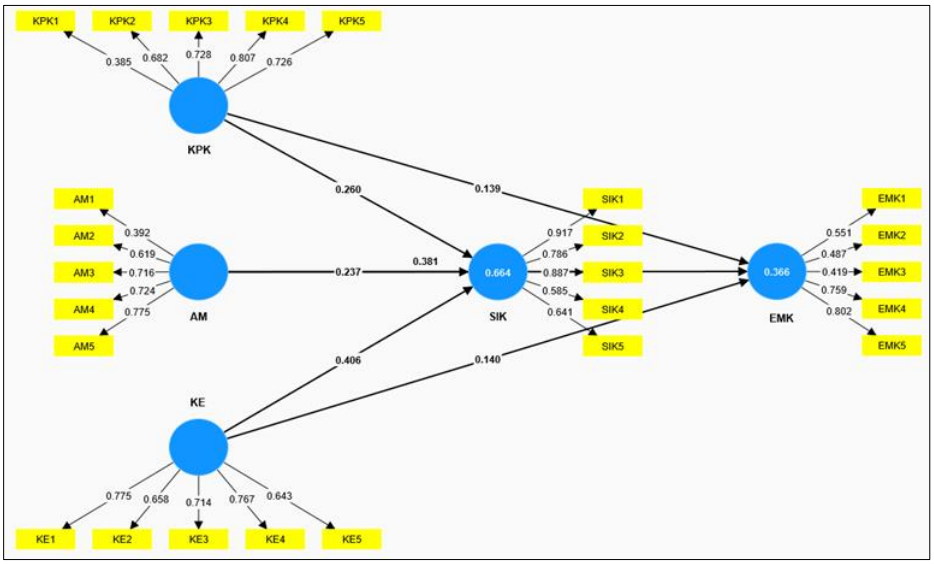


Figure 4 Phase 1 Research Data Model

Source: Data Output with SPSS v.25, 2024

Table 1 Outer Loading

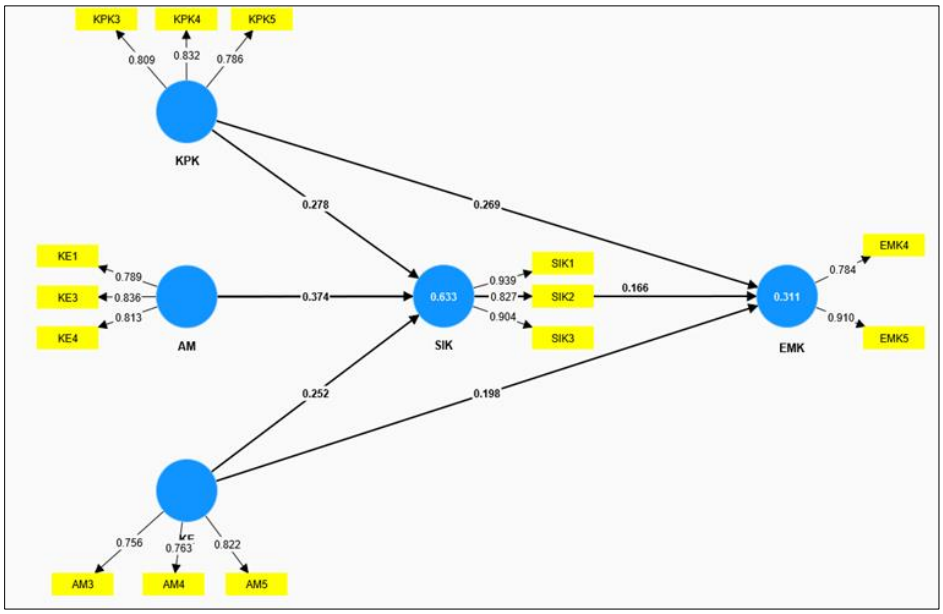
	AM	EMK	TO	KPK	SIK
AM1	0.392				
AM2	0.619				
AM3	0.716				
AM4	0.724				
AM5	0.775				
EMK1		0.551			
EMK2		0.487			
EMK3		0.419			
EMK4		0.759			
EMK5		0.802			
1st			0.775		
2nd			0.658		
3rd			0.714		

4TH			0.767		
5th			0.643		
KPK1				0.385	
KPK2				0.682	
KPK3				0.728	
KPK4				0.807	
KPK5				0.726	
SIK1					0.917
SIK2					0.786
SIK3					0.887
SIK4					0.585
SIK5					0.641

Source: Data Output with SPSS v.25, 2024

From the results of data processing with SmartPLS shown in Table 1, the majority of indicators in each variable in this study have a loading factor value greater than 0.70 and are said to be valid. In addition, there are 11 indicators that have a loading factor value of less than 0.70, namely first, in the Capital Access variable, there are 2 indicators, namely AM1 shows 0.392 and AM2 shows 0.619. Second, in the Financial Management Effectiveness variable, there are 3 indicators, namely EMK1 shows 0.551, AMK2 shows 0.487 and EMK3 shows 0.419. Third, in the Economic Independence variable, there are 2 indicators, namely 2nd showing 0.658 and 5th showing 0.643. The four variables of Financial Management Competency have 2 indicators, namely KPK1 showing 0.385 and KPK2 showing 0.682. The five variables of the Financial Information System have 2 indicators, namely SIK4 shows 0.585 and SIK5 shows 0.641.

This shows that variable indicators that have a loading factor value greater than 0.70 have a high level of validity, so they meet convergent validity. Meanwhile, variable indicators that have a loading value less than 0.70 have a low level of validity so that the variable indicator needs to be eliminated or removed from the model. The loading factor values after the AM1, AM2, EMK1, EMK2, EMK3, KE2, KE5, KPK1, KPK2, SIK4 and SIK5 indicators are eliminated can be shown in Figure 5 and Table 2 below:



Source: Data Output with SPSS v.25, 2024

Figure 5 Phase 2 Research Data Model

Table 2 Outer Loading Phase 2

	AM	EMK	TO	KPK	SIK
AM3			0.756		
AM4			0.763		
AM5			0.822		
EMK4		0.784			
EMK5		0.910			
1st	0.789				
3rd	0.836				
4TH	0.813				
KPK3				0.809	
KPK4				0.832	
KPK5				0.786	
SIK1					0.939
SIK2					0.827
SIK3					0.904

Source: Data Output with SPSS v.25, 2024

Based on Table 2, it shows that there is an increase in the loading factor values for the AM1, AM2, EMK1, EMK2, EMK3, KE2, KE5, KPK1, KPK2, SIK4 and SIK5 indicators are eliminated and recalculated.

4.2.2. Discriminant Validity

Discriminant Validity is carried out by looking at the cross loading value of the construction measurement. The cross loading value shows the magnitude of the correlation between each construct and its indicator and the indicators of other block constructs. A measurement model has good discriminant validity if the correlation between the construct and its indicator is higher than the correlation with the indicator of the construct of other blocks. After data processing using SmartPLS 4.0, the results of cross loading can be shown in the following table:

Table 3 Cross Loading Results

	AM	EMK	TO	KPK	SIK
AM3	0.533	0.340	0.756	0.498	0.599
AM4	0.393	0.423	0.763	0.529	0.433
AM5	0.712	0.411	0.822	0.567	0.609
EMK4	0.286	0.784	0.334	0.343	0.379
EMK5	0.477	0.910	0.493	0.490	0.598
1st	0.789	0.378	0.516	0.449	0.622
3rd	0.836	0.442	0.675	0.512	0.568
4TH	0.813	0.306	0.540	0.480	0.556
KPK3	0.486	0.432	0.584	0.809	0.555
KPK4	0.504	0.526	0.556	0.832	0.579
KPK5	0.432	0.187	0.503	0.786	0.475

SIK1	0.693	0.589	0.663	0.581	0.939
SIK2	0.530	0.350	0.583	0.611	0.827
SIK3	0.685	0.629	0.643	0.605	0.904

Source: Data Output with SPSS v.25, 2024

The results of cross loading in Table 3 show that the correlation value of the construct with its indicator is greater than the correlation value with other constructs. Thus, all constructs or latent variables already have good discriminant validity, where the indicators in the construct indicator block are better than the indicators in other blocks. The next evaluation is by comparing the root value of AVE with the correlation between constructs. The recommended result is that the root value of AVE must be higher than the correlation between constructs [39].

The model has better discriminant validity if the square root of the AVE for each construct is greater than the correlation between the two constructs in the model. A good AVE score is required to have a value greater than 0.50. In this study, the AVE value and the square root of AVE for each construct can be shown in the following table:

Table 4 AVE Score Results

	Average Variance Extracted (AVE)
AM	0.661
EMK	0.722
TO	0.610
KPK	0.655
SIK	0.795

Source: Data Output with SPSS v.25, 2024

Based on Table 4, all constructs show an AVE value greater than 0.50, with the smallest value of 0.610 for the Economic Independence (KE) variable and the largest 0.795 for the Financial Information System (SIK) variable. This score has met the requirements in accordance with the specified minimum AVE score limit of 0.50.

Once the value of the AVE for each construct is known, the next step is to compare the square root of the AVE with the correlation between the constructs in the model. In this study, the results of the correlation between constructs and the square root value of AVE can be shown in the following table:

Table 5 Correlation value between constructs with square root value AVE

	AM	**EMK**	**TO**	**KPK**	**SIK**
AM	0.813				
EMK	0.466	0.85			
TO	0.712	0.499	0.781		
KPK	0.591	0.502	0.681	0.809	
SIK	0.718	0.593	0.707	0.67	0.891

Source: Data Output with SPSS v.25, 2024

Table 5 shows that the square root value of AVE for each construct is greater than the correlation value so that the constructs in this research model can still be said to have good discriminant validity.

4.3. Composite Reliability

The Composite Reliability Outer model can also be measured by assessing convergent validity and discriminant validity by looking at the reliability of the construct or latent variables measured by the composite reliability value. The

construct is declared reliable if the composite reliability has a value of >0.7, then the construct is declared reliable. The output results of SmartPLS for composite reliability values can be shown in the following table:

Table 6 Composite Reliability Value

	Composite Reliability
AM	0.858
EMK	0.838
TO	0.824
KPK	0.850
SIK	0.920

Source: Data Output with SPSS v.25, 2024

From the output results of SmartPLS in Table 6, the composite reliability value for all constructs is above 0.70. With the resulting value, all constituents have good reliability in accordance with the required drinking value limit.

4.4. Inner Model Testing

After testing the outer model that has met, the next test is carried out on the inner model (structural model). The inner model can be evaluated by looking at the r-square (reliability of the indicator) for the dependent construct and the t-statistical value of the path coefficient test. The higher the r-square value, the better the prediction model of the proposed research model. The value of path coefficients indicates the level of significance in hypothesis testing.

4.4.1. Variant Analysis (R2) or Test Determination Analysis

Variant (R2) or Determination Test, which is to determine the influence of independent variables on the dependent variable, the value of the determination coefficient can be shown in the following table:

Table 7 Rsquare Value

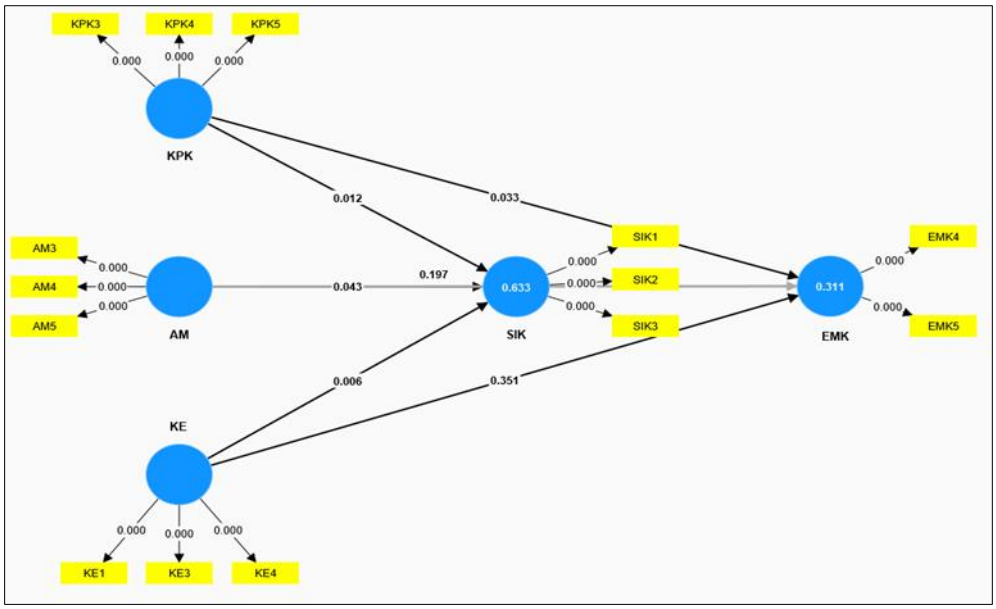
	R-Square	**R-Square Adjusted**
EMK	0.311	0.286
SIK	0.633	0.620

Source: Data Output with SPSS v.25, 2024

Based on the r-square value in Table 7, it shows that the Competence of Financial Management, Access to Capital and Economic Independence is able to explain the Effectiveness of Financial Management by 31.1%, and the remaining 68.9% is explained by other constructs outside those researched in this study. Meanwhile, the Competence of Financial Management, Access to Capital and Economic Independence was able to explain the Financial Information System by 63.3%, and the remaining 36.7% was explained by other constructs outside those researched in this study.

4.5. Hypothesis Testing

Hypothesis testing is carried out based on the results of the Inner Model (structural model) test which includes r-square output, parameter coefficient and t-statistics. To see whether a hypothesis can be accepted or rejected by paying attention to the significance values between constructs, t-statistics, and p-values. The testing of this research hypothesis was carried out with the help of SmartPLS (Partial Least Square) 4.0 software. These values can be seen from the bootstrapping results. The rules of thumb used in this study were t-statistics >1.96 with a significance level of p-value 0.05 (5%) and a positive beta coefficient. The value of the hypothesis test of this research can be shown in Table 4.8 and the results of this research model can be described as shown in Figure 6 below:



Source: Data Output with SPSS v.25, 2024

Figure 6 Results of the Research Model

Table 8 Direct Effect Results

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
LCM -> EMK	0.270	2.151	0.031
KPK -> SIK	0.272	2.486	0.013
AM -> EMK	0.166	0.944	0.345
AM -> SIK	0.382	2.801	0.005
TO > EMK	0.197	1.290	0.197
TO > SIK	0.251	2.021	0.043
SIK > EMK	0.440	2.510	0.012

Source: Data Output with SPSS v.25, 2024

Based on Table 8, the first hypothesis tests whether Financial Management Competence (KPK) positively affects Financial Management Effectiveness (EMK). The test results showed that the beta coefficient of Financial Management Competence (KPK) to Financial Management Effectiveness (EMK) was 0.031 and t-statistically was 2,151. From this result, it was stated that the t-statistic was significant because it was >1.96 with a pvalue of <0.05 so that the First Hypothesis was accepted, this shows that Financial Management Competence (KPK) has a significant positive effect on the Financial Management Effectiveness (EMK) of MSME Actors in Kwala Serapuh Lalat Village.

The second hypothesis tests whether Financial Management Competence (KPK) positively affects the Financial Information System (SIK). The test results showed that the beta coefficient value of Financial Management Competency (KPK) against the Financial Information System (SIK) was 0.013 and t-statistic was 2,486. From this result, it was stated that t-statistically significant because >1.96 with a pvalue of <0.05 so that the Second Hypothesis was accepted, this shows that Financial Management Competence (KPK) has a significant positive effect on the Financial Information System (SIK) of MSME Actors in Kwala Serapuh Langkat Village.

The third hypothesis tests whether Access to Capital (AM) positively affects the Effectiveness of Financial Management (EMK). The test results showed that the beta coefficient of Capital Access (AM) to Financial Management Effectiveness (EMK) was 0.345 and t-statistically was 0.944. From this result, it was stated that t-statistically significant because it was <1.96 with a pvalue of >0.05 so that the Third Hypothesis was rejected, this shows that Access to Capital (AM) has

no positive and insignificant effect on the Effectiveness of Financial Management (EMK) of MSME Actors in Kwala Serapuh Langkat Village.

The fourth hypothesis tests whether Capital Access (AM) positively affects the Financial Information System (SIK). The test results showed that the value of the beta coefficient of Capital Access (AM) to the Financial Information System (SIK) was 0.005 and the t-statistic was 2.801. From this result, it was stated that t-statistically significant because it was >1.96 with a pvalue of <0.05 so that the Fourth Hypothesis was accepted, this shows that Access to Capital (AM) has a significant positive effect on the Effectiveness of the Financial Information System (SIK) of MSME Actors in Kwala Serapuh Langkat Village.

The fifth hypothesis tests whether Economic Independence (KE) positively affects the Effectiveness of Financial Management (EMK). The test results showed that the beta coefficient of Economic Independence (KE) to Financial Management Effectiveness (EMK) was 0.197 and t-statistically was 1,290. From this result, it was stated that t-statistically significant because it was <1.96 with a pvalue of >0.05 so that the Fifth Hypothesis was rejected, this shows that Economic Independence (KE) does not have a positive and insignificant effect on the Effectiveness of Financial Management (EMK) of MSME Actors in Kwala Serapuh Langkat Village.

The sixth hypothesis tests whether Economic Independence (KE) positively affects the Financial Information System (SIK). The test results showed that the beta coefficient of Economic Independence (KE) against the Financial Information System (SIK) was 0.043 and the t-statistic was 2.021. From this result, it was stated that t-statistically significant because it was >1.96 with a pvalue of <0.05 so that the sixth hypothesis was accepted, this shows that Economic Independence (KE) has a significant positive effect on the Financial Information System (SIK) of MSME Actors in Kwala Serapuh Langkat Village.

The seventh hypothesis tests whether the Financial Information System (SIK) positively affects the Effectiveness of Financial Management (EMK). The test results showed that the value of the beta coefficient of the Financial Information System (SIK) to Financial Management Effectiveness (EMK) was 0.012 and the t-statistic was 2.510. From this result, it was stated that t-statistically significant because it was >1.96 with a pvalue of <0.05 so that the Seventh Hypothesis was accepted, this shows that the Financial Information System (SIK) has a significant positive effect on the Effectiveness of Financial Management (EMK) of MSME Actors in Kwala Serapuh Langkat Village.

5. Conclusion

Based on the results of the research in Kwala Serapuh Langkat Village, here are some conclusions that can be given:

Improving Financial Management Competence (KPK) of MSME Actors

- Conduct training and education on financial management for MSME actors. This training can include material on financial record-keeping, budgeting, financial analysis, and financial decision-making.
- Forming a study group or MSME community to share knowledge and experience in financial management.
- Providing access to information and educational materials on financial management that are easily accessible to MSME actors.

Increasing Economic Independence (KE) of MSME Actors

- Helping MSME actors get easy and affordable access to capital. This can be done through government programs, financial institutions, or philanthropic institutions.
- Providing assistance and mentoring to MSME actors to develop their businesses.
- Helping MSME players market their products to a wider market.

Improving the Financial Information System (SIK) for MSME Actors

- Providing training and education on financial information systems for MSME actors. This training can include material on the use of accounting software, financial data management, and financial data security.
- Helping MSME actors get access to affordable information and communication technology.
- Encourage MSME actors to use standardized accounting software and financial information systems.

Increasing the Effectiveness of Financial Management (EMK) of MSME Actors

- Providing training and education on financial management for MSME actors. This training can include material on financial planning, budgeting, financial control, and financial decision-making.
- Helping MSME actors implement an effective and efficient financial information system.
- Providing assistance and mentoring to MSME actors to increase the effectiveness of their financial management.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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