

Theory of Financial Behavior in the Concept of Scoping Review: Perspective of Export Crafts MSMEs

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ABSTRACT

Financial behaviour refers to an individual's approach to handling, overseeing, and utilising financial assets. Prior studies have examined the correlation between financial literacy and financial outcomes. This scoping review aims to systematically identify and analyse the current body of research examining financial literacy's impact on financial performance. The primary steps involved in a scoping review include (1) formulating research inquiries, (2) locating pertinent studies, (3) selecting studies, (4) organising and recording data, and (5) assembling, summarising, and presenting findings. From 2012 to 2021, a scoping analysis reveals that most research acknowledges the impact of financial literacy on the success of micro, small, and medium enterprises (MSMEs). According to Mira & Indrayani (2020), Barte, Rhenozo (2012), and Eke & Raath (2013), there is no evidence to support the idea that financial literacy has an impact on the financial performance of MSMEs.

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are stated to be the main pillar of economic activity in a country (Hudson, 2010). The role of SMEs in developed countries such as the United States, Japan, Germany and Italy strengthens this statement. SMEs in these countries are believed to be the main basis for determining business activities. Such conditions are likely to occur if the governments in these countries have policies that support the creation of conducive conditions for SMEs to grow and develop well. This proves that MSMEs remained stable when the global economic crisis occurred several years ago. MSMEs are one of the industrial sectors least affected by the global economic crisis, meaning that the existence of MSMEs can be considered to increase the competitiveness and stability of the financial system.

MSMEs often face delays in business growth due to unresolved conventional issues such as HR capacity, ownership, financing, marketing, and other business management problems. These challenges make it difficult for MSMEs to compete with larger companies (Abor and Quartey, 2010). Hence, it is imperative to implement strategic initiatives to enhance the expansion of MSMEs. One approach is to enhance MSME actors' financial literacy to promote effective firm finance management (Aribawa, 2016). The Covid-19 pandemic has precipitated an economic recession in both the national and global economy. This is characterized by a decline in both national and global economic growth. The contraction primarily resulted from a decline in household consumption as a result of social restrictions implemented to mitigate the spread of Covid-19, a decrease in investment spending for the development and acquisition of fixed assets, and a reduction in government spending, particularly on goods (djkn.kemenkeu.go.id). According to data provided by the Ministry of Cooperatives and MSMEs, there are 64.19 million MSMEs, which comprise 61.97% of the GDP or a total value of 8,573.89 trillion rupiah. MSMEs in Indonesia play a significant role in the economy by employing 97% of the entire workforce and attracting 60.4% of the total investment (dpmppt.kulonprogokab.go.id).

Micro, Small and Medium Enterprises (MSMEs) play a significant role in stimulating the economy of Indonesia. Several major corporations are seeing a decline in performance, although MSMEs are resilient in the face of the country's precarious financial situation. According to data from the Ministry of Cooperatives and SMEs (2018), MSMEs significantly contribute to the gross domestic product (GDP), accounting for 61.07%. The workforce absorption rate in this sector can reach up to 97%. Presently, the number of MSMEs stands at 64.2 million. Therefore, it is imperative for the government to provide support and prioritise MSMEs, particularly in terms of facilitating access to capital. The presence and efficiency of growing MSMEs are not devoid of challenges. Issues pertaining to the financial management practices in MSMEs. MSME actors' limited financial expertise in budgeting, investing, and utilising banking credit services hinders their ability to secure extra cash for business activities and financial decision-making (Paramita Kisti et al, 2020).

The COVID-19 pandemic has resulted in a substantial decline in business profitability, primarily due to stable or even escalating manufacturing costs coupled with a fall in sales. The pandemic has led to an increase in many

business expenditures, such as raw materials, transportation, labour, and other expenses (lipi.go.id). The government is concerned about the solid financial performance of MSMEs due to the reduction in profitability. The performance of small and medium-sized enterprises (SMEs) can be analyzed from two strategic perspectives: the company's achievement or lack of success (Eniola & Entebang, 2015). Financial performance refers to evaluating a company's adherence to financial regulations and guidelines (Fahmi, 2012). Tufour et al. (2020) assess the financial performance of micro, small, and medium enterprises (MSMEs) using profit, revenue, and sales metrics. Meanwhile, Eke & Raath C (2013) assessed the financial performance of MSMEs by examining variations in total assets, capital, turnover, and profits. Agyapong and Attram (2019) assess the financial performance of small and medium-sized enterprises (SMEs) using sales growth, profit margin, cost efficiency, and market share metrics.

The financial performance of SMEs is derived from their superior resources, which are seen in their high level of financial knowledge. Financial literacy, as defined by Remund (2010), refers to the level of understanding an individual has regarding financial ideas, as well as their capacity and self-assurance in effectively managing their own finances by making suitable short-term decisions. According to Adomoko & Danso (2014), financial literacy is a method or instrument for small and medium-sized enterprise (SME) owners to attain improved financial performance for their businesses. According to Remund (2010), financial literacy refers to the level of understanding a person has regarding the significance of financial concepts, as well as their ability and self-assurance in making financial decisions. The absence of information, skills, attitudes, and awareness required to effectively address and manage financial challenges in a rigorous, transparent, and expert manner poses a substantial barrier to the growth and long-term viability of the firm.

Financial literacy is considered a crucial tool for the development of MSMEs since it enables the comprehension and assessment of the information required to make daily decisions that have a financial influence on the management of the firm (Eniola & Abiodun, 2015). As defined by Lusardi and Mitchell (2014), financial literacy refers to the understanding of financial concepts and the willingness to apply this understanding in practical situations. Meanwhile, as stated by Huston (2010), financial literacy refers to an individual's capacity to comprehend, evaluate, control, and convey information regarding their personal financial circumstances. According to Delic et al. (2016), a study revealed that 95.4% of small and medium-sized enterprise (SME) owners and managers emphasised the significance of financial literacy in influencing decisions about the capital structure of their companies. Lusardi and Mitchell (2014) contend that employing effective financial literacy can enable small and medium-sized enterprise (SME) owners to meet their financial responsibilities through prudent financial planning, resource allocation, and utilisation of financial services, hence maximising earnings.

This study aims to create a comprehensive overview of the current body of literature concerning the importance of financial literacy in relation to the financial success of Micro, Small, and Medium Enterprises. The literature review research seeks to provide a concise summary and evaluation of articles

published in various journals, including Global Business Review, Journal of Global Entrepreneurship Research, Academy of Accounting and Financial Studies Journal, Economia Journal, American Based Research Journal, International Journal of Management & Organizational Studies, Philippine Management Review, Review of International Business and Strategy, International Journal of Research Studies in Management, and Journal of Business Management. Munn et al. (2018) argue that this type of research can be subjective as it heavily relies on the researcher's prior knowledge and experience.

Mun et al. (2018) provided a comprehensive analysis of the distinctions between scoping reviews and systematic reviews, particularly with regard to their objectives. A scoping review is employed when the objective of the review is to pinpoint areas where information is lacking, examine the extent of existing literature, elucidate concepts, scrutinise research methodologies, or provide insights for a systematic review (Munn et al., 2018). O'Brien et al. (2016) stated that they prefer scoping reviews because they are suitable for mapping a topic. Scoping reviews offer a more flexible approach compared to systematic reviews.

METHODOLOGY

This study involves conducting library research or a literature review, which refers to identifying, assessing, and interpreting research findings related to certain subjects or phenomena that interest researchers (Kitchenham, 2004). While doing a literature review, researchers analyse and synthesise the themes and findings from prior studies. This compilation summarises theories and empirical evidence pertaining to the issue being investigated, allowing readers to gain a comprehensive understanding of the subject matter (Cisco, 2014). A scoping review systematically examines existing literature to consolidate and analyse study findings (Daudt et al. 2013). A scoping review aims to systematically analyse and summarise the existing literature in a specific field of interest. It involves compiling, summarising, and reporting the results, which provide a descriptive and numerical summary of the data and a thematic analysis of selected journals (Pham, 2014).

Identifying Research Questions

It is important to identify research questions at the beginning of a research review. This allows the researcher to develop a strategy for performing a literature search focusing on the key areas related to the research issue. The study inquiry pertains to the current body of literature regarding the significance of financial literacy in relation to financial performance.

Identifying Relevant Studies

The data included in this study is derived from secondary sources, specifically the findings of prior research on financial literacy and financial performance. These findings were gathered through online searches of reputable international scientific journals. The specific criteria for evaluation include research journal papers focused on MSMEs, which investigate the

relationship between financial literacy and financial success across different countries.

The literature search process utilised the criteria outlined in Table 1, covering a time span of 10 years, specifically from 2012 to 2021. A decade-long time frame is deemed adequate for investigating the significance of research on financial performance. The selected publication is an empirical article that has been published in English. Geographic areas are not exclusive to particular nations. All empirical research conducted in different nations was considered for inclusion based on their adherence to the previously indicated criteria.

Table 1. Inclusion criteria

Criteria	Inclusion	
Period	2012-2021	10 years of observation
Language Type	English	Most articles are published in English
Publication Type	Journal article	Empirical article
Geographic Area	All	Findings from all Countries

Study Selection

I conducted a search on Google Scholar and Scopus to retrieve results from three electronic databases. Subsequently, these articles were scrutinised to ascertain their appropriateness in addressing the study inquiries. The papers were also examined for duplicate articles across other databases. Most publications fail to align with the research questions as they do not address the correlation between financial literacy and financial performance.

Mapping Data

Specific articles are extracted during the data charting phase to condense the most significant data. The reported data pertains to the author, title, year of research, research site, design/method, and findings.

Organising, Summarizing and Reporting Results

The last phase of the scoping review involves assembling, condensing, and documenting the investigation findings. Compiling generates a table that includes the article extraction performed during the data mapping phase. The process involves condensing the primary themes or patterns derived from the main discoveries and presenting them in a report format, specifically intended for publishing.

Table 2. Data collection results

No	Writer	Title	Year	Location	Design/Method	Research result
1	Tuffour et al.	Assessing the Effect of Finance Literacy Among Managers on the Performance of Small-Scale Enterprises	2020	Ghana	200 MSME owners, with Structural analysis tools Equation Model (SEM)-PLS	The research results show that there is a significant influence of financial literacy on company performance (financial and non-financial performance).
2	Agyapong et al.	Effect of owner-manager's financial literacy on the performance of SMEs in the Cape Coast Metropolis in Ghana	2019	Cape Coast Metropolis	132 Cape MSME owners Coast Metropolis. Analysis tools with Structural Equation Model (SEM)	The research results show that there is a positive relationship between financial literacy and the financial performance of MSMEs. The level of financial literacy of MSME owners helps improve their business performance.
3	Buchdadi et al.	The influence of financial literacy on SMEs performance through access to finance and financial risk attitude as mediation variables	2020	Indonesia	250 MSME owners Guyub Rukun Saklawase Forum in Brebes Regency. The analysis tool used is Structural Equation Model (SEM)	The positive impact of financial literacy, financial access, and financial risk attitudes on the financial performance of SMEs.
4	Eke & Raath	SME Owners' Financial Literacy and Business Growth	2013	South Africa	105 MSME owners South Africa Small Business, Descriptive statistics analysis tool Pearson correlation, and ANOVA	Financial literacy SME owners have nothing to do with Financial Growth.

5	Mukarromah et al.	Financial Performance Analysis on Micro, Small, and Medium Enterprises of Cassava Product in Cibadak, Lebak Regency, Banten	2020	Indonesia	86 MSME owners Cibadak, Lebak Regency. Partial Least Square (PLS) analysis tool	The results of this research show (1) financial literacy has a positive effect on the financial performance of MSMEs and (2) financial management has a positive effect on the financial performance of SMEs
6	Chepngetic, P	Effect of Financial Literacy and Performance of SMEs. Evidence from Kenya	2016	Kenya	Population 1053, sample 290 MSME owners Uasin Gishu County Kenya. Descriptive statistics analysis tool Pearson correlation, and ANOVA	There is a significant influence of financial literacy in lending and financial literacy in budgeting on the financial performance of SMEs
7	Samuel Adomako & Danso	Financial Literacy and Firm performance: The moderating role of financial capital availability and resource flexibility	2014	Ghana, Africa	298 entrepreneurial firms operating Ghana, African country. AnalyzerMultiple linear regression with the Least Square method	Good financial literacy can improve company performance.
8	Barte, R.	Financial Literacy in Micro Enterprises: The Case of Cebu Fish Vendors	2012	Philippines	242 MSME owners fish trader in Cebu City, Philippines. Statistical Package for Social Sciences (SPSS) analysis tool	Financial Literacy does not affect the financial performance of MSMEs.

9	Okello, GCB, Ntayi, JM, Munene, JC & Malinga, CA	The relationship between access to finance and growth of SMEs in developing economies: financial literacy as a moderator	2017	Uganda	169 MSMEs in Uganda. The analysis tool used is Path analysis	Positive and significant moderating effect of financial literacy in the relationship between financial access and SME performance. Financial literacy has a significant and positive effect on the financial performance of SMEs.
10	Eniola & Abiodun, A	Financial literacy and SME firm performance	2015	Nigeria	A review of the literature on small and medium enterprises (SMEs) shows that the definition of SMEs varies greatly from one country to another	Financial literacy is a special thing small and medium enterprise (SME) issues, companies tend to have much higher job growth rates
11	Satiti., RN	Financial Literacy: An Essential In Small Medium Enterprises (SMEs) Performance	2020	Indonesia	220 MSMEs in Malang Indonesia. Analytical tools used Smart PLS 3.3	Financial literacy affects the financial performance of MSMEs

RESEARCH RESULT

The research on MSMEs was undertaken over a period of 10 years and included 12 empirical investigations. Of these studies, 18.18% were conducted in Indonesia, and 81.12% were conducted outside of Indonesia. This text presents empirical evidence in the field of behavioural finance. Researchers find it intriguing that there exists a disparity between the financial knowledge of MSME owners and the financial success of MSMEs. The study mentioned above utilised MSME objects and employed a quantitative research design, incorporating various statistical analysis tools. This study investigates the correlation between financial literacy and the financial performance of MSMEs. The research is conducted by Tuffour et al. (2020), Agyapong et al. (2019), Buchdadi et al. (2020), Eke & Raath (2013), Mukarromah et al. (2020), Chepngetic, P (2016), Barte, R (2012), Okello, GCB, Ntayi, JM, Munene. JC & Malinga, CA (2017), Eniola & Abiodun, A (2015) Satiti., RN (2020). The study also includes non-UMKM research conducted by Samuel Adomako and Danso (2014).

Tuffour et al. (2020) did a study involving 200 MSME owners in Ghana. They distributed questionnaires to gather information about the financial literacy beliefs of Ghanaian MSME owners and how these perceptions affect the financial performance of MSMEs. The study undertaken by Tuffour et al. (2020) focuses on the observation that 35% of the workforce employed by MSMEs in Ghana has the capacity to contribute to economic growth. The level of financial

knowledge and understanding directly impacts the outcome of small firms, either leading to their prosperity or downfall. Nevertheless, the precise impact of financial literacy on the performance of small-scale firms in Ghana has not yet been completely determined. This is the motivation behind conducting this study. The research findings indicate a substantial impact of financial literacy on companies' financial and non-financial performance. Furthermore, the three elements of financial literacy (awareness, attitude, and knowledge) have a substantial and beneficial impact on financial and non-financial outcomes. Nevertheless, the specific attributes of individuals, such as their age, level of education, and experience, do not substantially influence financial performance. However, taxes can be employed effectively as a control mechanism in Small and Medium Enterprises. Hence, it is advisable to implement capacity-building programs to enhance small business proprietors' financial literacy.

Agyapong et al. (2019) conducted a study to investigate the level of financial literacy among MSME owners, focusing on their ability to comprehend and evaluate their own financial requirements and make logical financial choices. A study by Agyapong et al. (2019) examined MSMEs registered in the Cape Coast Metropolis. The researchers selected a sample of 132 MSMEs using a simple random sampling technique from the National Agency. The financial performance of MSMEs is directly influenced by their degree of financial literacy. Policymakers should develop focused programs and platforms to enhance the financial literacy of MSME owners, with the aim of improving their financial performance.

Buchdadi et al. (2020) asserted that this study aims to examine the influential factors that influence the performance of SMEs, specifically the financial literacy of managers. Reported research results on the beneficial effects of financial literacy, financial access, and financial risk attitudes on SMEs' performance. This study also discovered the intermediate function of financial access and financial risk attitudes in the correlation between financial literacy and the financial performance of SMEs. The shortcomings of MSME managers in relation to bank products and capital markets were identified. The findings suggest that the government should establish a program aimed at enhancing the financial literacy of SME managers. This program should focus on developing their skills and knowledge in areas such as bank products, risk management, and capital market products.

In the study conducted by Eke & Raath et al. (2013), the SME sector plays a crucial role in driving economic growth in developing nations. The objective of this research is to analyse the key factor that influences the performance of SMEs, which is the financial literacy of their managers. This study employs access to financial goods and financial risk attitudes as mediating variables. The research sample consisted of 70 individuals who are responsible for managing SMEs in Brebes Regency, located in Central Java. This region was chosen due to its reputation for housing many high-performing SMEs in Indonesia. The study examines the beneficial influence of financial literacy, financial access, and financial risk attitudes on SME performance. This study identifies the intermediary function of financial access and financial risk attitudes in the correlation between financial literacy and SME performance. The research

findings suggest that the government should establish a program to enhance financial literacy among managers of SMEs. This program should focus on improving their skills and knowledge of bank products, risk management, and capital market products.

In their study, Mukarromah et al. (2020) highlighted the issue of limited access to capital faced by the MSME sector. This was supported by data from BPS Banten Province, which indicated that only 7.44% of micro and small businesses in Banten were able to secure or apply for credit. Additionally, a mere 0.95% of micro and small businesses in Banten were able to access credit. Only a small number of people in Lebak have the ability to acquire or request credit. The aim of the research is: This study seeks to ascertain the impact of (1) financial literacy on financial performance and (2) financial management on financial performance. The research was conducted by distributing surveys to 86 MSMEs owners in Cibadak, Lebak Regency. The research findings indicate that financial literacy has a beneficial impact on financial success, while financial management also has a good influence on financial performance.

Chepngetic, Prisca (2016) studied 1053 owners of micro, small, and medium firms (MSMEs) in Uasin Gishu Regency. The study's objective was to investigate the correlation between financial literacy and the performance of MSMEs in Uasin Gishu Regency. Research findings indicate that both lending financial literacy and budgeting financial literacy have a substantial impact on the performance of SMEs. The research suggests that SME owners should enhance their training in interest rate calculations and ensure they possess the requisite competence and personnel with reporting and analysis skills.

According to Samuel Adomako and Danso (2014), this study elucidates that financial literacy, the presence of financial capital, and resource flexibility are typically considered distinct factors that influence a company's success. The RBV hypothesis investigates how the availability of financial capital and the flexibility of resources affect the relationship between financial literacy and corporate performance in entrepreneurial enterprises operating in underdeveloped market contexts. We employ a survey-based methodology and utilise Ordinary Least Squares (OLS) regression analysis to investigate 298 active entrepreneurial enterprises in Ghana, a country in sub-Saharan Africa. Research has demonstrated that possessing financial literacy skills enhances company performance, particularly when resources are adaptable, and entrepreneurs have convenient access to financing.

Barte Rhenozo (2012) asserts that a key factor influencing business performance is the level of expertise in managing financial matters. The study evaluated the financial capacities of fish merchants in Pasil, the primary hub for fish distribution and commerce in Cebu City, Philippines. The findings suggest that vendors possess inadequate financial skills, as seen by many vendors failing to document or accurately record transactions, neglecting to monitor profit and loss, and displaying subpar cash management techniques.

The research conducted by Okello, GCB, et al (2017) aims to assess the moderating effect of financial literacy on the relationship between financial access and the growth of SMEs in developing nations. This study determines if financial literacy moderates the relationship between financial access and SME growth in a developing country like Uganda. The results indicate that financial

literacy influences the relationship between financial access and SME growth in emerging nations. This influence is both positive and significant. In addition, financial literacy and access have a notable and favourable impact on expanding small and medium-sized enterprises (SMEs) in developing nations.

Eniola and Abiodun (2015) The performance of SME enterprises is determined by the extent of their financial, strategic, and structural development. However, poor financial literacy often poses obstacles and leads to a lack of information on financial decision-making. This research seeks to offer a comprehensive analysis of the performance of SMEs that is influenced by their level of financial awareness, knowledge, attitudes, and perceptions. Furthermore, the established framework would be essential in assisting SME company owners and policymakers to recognise the significance of financial literacy.

Satiti, RN (2020) This study aims to investigate the impact of financial literacy on the performance of SMEs in Malang City. The findings of this study indicate that 1) the financial literacy of MSMEs in Sukun District, Malang City, is at a commendable level, and 2) Small and Medium Enterprises (SMEs) business performance in Sukun District is also commendable. Hence, the level of financial knowledge possessed by business owners plays a crucial part in determining the success of their organisation. Financial literacy enables business actors to acquire sufficient financial knowledge and abilities to develop effective financial plans and enhance their business performance.

DISCUSSION

The primary concept of the survey incorporated in assessing the extent of financial behaviour is financial literacy, which investigates its impact on SME performance. Financial literacy refers to the comprehension of financial principles and the skill to effectively handle funds when making immediate and future decisions according to economic circumstances (Remund, 2010; Huston, 2010). Financial literacy refers to the capacity to attain a high level of comprehension, where comprehension, conduct, and expertise are factors that impact financial literacy. Schlemmer, F., and Webb, B. (2013).

Financial literacy is considered a crucial tool for developing MSMEs since it enables the comprehension and assessment of the information required to make daily decisions that financially influence the firm's management (Eniola & Abiodun, 2015). Entrepreneurs with strong financial literacy can utilise their financial expertise to make informed judgments (Chepngetich, 2016). In a study conducted by Barte, R. (2012), it was discovered that 95.4% of SME owners and managers emphasised the significance of financial literacy in influencing decisions about the capital structure of their companies. Lusardi and Mitchell (2014) contend that the proper implementation of Financial Literacy can assist SME owners in meeting their financial commitments through prudent financial planning, resource allocation, and utilisation of financial services, hence maximising profitability. In addition, Abor and Quarley (2010) asserted that the internal composition of a company's asset structure has a significant role in determining its capital structure. From this standpoint,

entrepreneurs will encounter challenges in obtaining sources of finance due to insufficient Financial Literacy.

Empirical evidence demonstrates that organisations without proficiency in financial acumen tend to negatively impact their overall business success. According to Greenspan (2002), acquiring expertise in Financial Literacy is crucial for individuals to develop financial knowledge, establish household financial plans, initiate savings plans, and make strategic investment choices. The proper utilisation of financial knowledge enables SME owners to meet their financial responsibilities through strategic planning, resource allocation, and utilisation of financial services, resulting in the maximisation of earnings. In addition, business owners must also oversee the process of acquiring knowledge and skills while making decisions on the capital structure of their business (Adomako & Danso, 2014). Several investigations have examined the correlation between Financial Literacy and performance (Huston, 2010; Lusardi et al., 2010). Financial resources play a crucial role in acquiring both tangible and intangible resources and in effectively managing other resources (Brinckmann et al., 2011).

According to Lusardi & Mitchell (2005), Financial Literacy is necessary to assess one's financial competence, specifically to remain knowledgeable about financial matters. Investors actively engage in financial markets due to their awareness of financial matters. In their study, Lusardi and Scheresberg (2017) investigated the influence of Financial Literacy on the expensive nature of borrowing. The findings indicate a correlation between financial literacy and individuals who borrow at cheap costs. Most borrowers with high costs exhibit a significant deficiency in Financial Literacy, characterised by a lack of understanding of fundamental financial principles that impact business success. The scoping review conducted by Dahmen and Rodriguez (2014), Chepngetich (2016), Agyapong et al. (2019), Tuffour et al. (2020), and Mukarromah et al. (2020) revealed that there is a positive correlation between financial literacy and the financial performance of SMEs. These findings confirm that a strong level of financial literacy among SMEs can enhance their financial performance. One viable option is to utilise insurance for SMEs with a good grasp of financial education to effectively save money and mitigate risks. The research findings demonstrate that possessing a strong understanding of financial matters has a beneficial impact on the performance of small and medium-sized enterprises (SMEs). However, according to Mira & Indrayani (2020), Barte, Rhenozo (2012), and Eke & Raath (2013) have found that financial literacy does not have any impact on the financial performance of SMEs.

CONCLUSIONS AND RECOMMENDATIONS

The importance of financial literacy in the growth of SME performance has been extensively studied in the SME sector, applying behavioural theory. This research has seen significant advancements. The presence of discrepancies in research findings about the relationship between financial literacy and SME performance presents an area of research that links the two, maybe through mediating or moderating factors. This scoping review has examined the current body of literature that evaluates the importance of financial literacy in relation to the financial performance of SMEs. The assessment of the articles' breadth

has some restrictions that can be addressed by utilising electronic databases such as Google Scholar and Scopus.com. Furthermore, the researcher can conduct searches using specific keywords of interest. The research inquiry for this study was restricted to "What is currently understood from the existing body of literature regarding the significance of SME financial literacy in relation to financial performance?" Various criteria were used to select articles that could serve as the basis for a 10-year research project on the financial performance of MSMEs. These articles were chosen to represent research developments from different countries and provide insights into the characteristics of the SME sector.

ADVANCED RESEARCH

The limitation of this research is that it does not reflect existing theory.

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