



THE MODERATING ROLE OF FINANCIAL TECHNOLOGY ON FINANCIAL AND ATTITUDE AND FINANCIAL MANAGEMENT BEHAVIOR:ANALYSIS OF MADURA’S CREATIVE EVONOMY PERFORMANCE

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Abstract

The printing industry plays an important role in the economy, covering publishing, graphic design, and advertising, as well as printing various products such as books, magazines, brochures, and promotional materials. However, challenges from technological developments and economic pressures have caused printing companies to face financial management problems. This study aims to examine the impact of financial attitudes and financial management actions on printing business performance, with fintech as a moderating variable. Financial attitudes refer to the views of business owners on financial management, while management actions include financial management behaviors and practices in the business. Business performance is measured through profitability, operational efficiency, and growth, and fintech can strengthen or weaken the relationship between the two.

INTRODUCTION

Since the concept of the creative economy was introduced in 2006, it has become an important component of Indonesia's economic growth strategy, contributing to GDP, employment and exports.(Syafitri & Nisa 2024). The contribution of the creative economy to the national GDP was recorded at 7.44% in 2016, supported by more than 8.2 million creative business actors spread across various regions in Indonesia.(Nangin et al., 2020).This creative economy sector includes various sub-sectors, including advertising, architecture, fashion design and the printing industry.(Hidayat & Asmara, 2017). According toThe Last Supper (2019) The printing industry itself is undergoing a major transformation during the Industry 4.0 era, where traditional practices are being transformed by digital technology and the internet of things. This shift poses both



challenges and opportunities, especially during election seasons, when demand for printed campaign materials increases. To address this, printing companies are using strategies such as participating in auctions, upgrading technological capabilities, and optimizing operating hours. (Kanda & Maulana 2024). Currently, innovative applications such as 3D printing, which can help boost local economies, are still a concern for industry. (Zamzam et al., 2020).

Meanwhile, the development of the printing industry on Madura Island shows an interesting trend that reflects the unique economic and cultural dynamics of the region. Small and medium enterprises (SMEs) dominate this sector, which plays an important role in driving the local economy, especially in making printed materials for local business, education, and cultural needs. However, the scale of the industry is not as large as in the big city centers of Java. Many printing companies in Madura have undergone a gradual transformation from traditional methods to the adoption of digital technology. They have started offering digital graphic design services and expanding their market reach through online platforms. Limited access to technology, capital, and a wider market are the main challenges for business people. However, Madura printing companies are increasingly adapting to increasing connectivity and awareness of the importance of digitalization. According to Kurniawan et al (2022) Business performance is affected by management issues, especially in terms of business management and financial knowledge. Printing businesses can improve their performance with the help of management control systems. (Siregar et al., 2023).

The performance of the printing industry is influenced by various factors. Entrepreneurial mindset and competence have a positive impact on the performance of printing companies. (Wiranti et al., 2024). Entrepreneurial knowledge and innovation also have a significant impact on the sustainability of the printing business. (Nasrudin et al., 2023). However, the industry is facing challenges, such as declining revenue due to poor performance and operational constraints. To improve performance, printing companies need to update their promotional strategies, including online marketing and website development. (Nabil et al., 2022). In addition, according to Nasrudin et al (2023) increasing digital knowledge is also needed to expand market reach, in the performance of MSME businesses there are also many other things that are estimated to affect whether someone is able to manage their business performance both positively and negatively. It is believed that the way a person deals with finances is included in the factors that can affect the success of a business.

A positive financial attitude plays a crucial role in determining business performance, especially in a competitive industry such as printing. Financial attitude includes understanding and managing financial aspects, such as budgeting, investing, and cost control. According to Purnamawati (2023). A person's perspective on money is a crucial component in managing finances. Those who have the right perspective on finances will be able to make wise decisions in using their money. When business owners have a proactive financial attitude, they are more likely to make appropriate choices regarding the use of resources, minimize risk, and maximize profitability. In addition, a disciplined financial attitude also encourages entrepreneurs to conduct regular performance evaluations, so that they can identify areas of improvement and respond quickly to market changes. Thus, a good financial attitude not only improves overall

business performance but also strengthens competitiveness in the market. According to research Zawi et al (2024) individual attitude in financial management is strongly correlated with the performance of small and medium-scale businesses in Samudera District, North Aceh Regency. The results of this study are in line with the findings of a study conducted by Fitria et al (2021) indicates a directional relationship between the perspective on finance and the performance of micro, small and medium enterprises. These findings also show that as MSME owners, they must develop good financial attitudes so that business performance can be more optimal.

The second factor that can affect business performance is financial management behavior. The way a person or entity manages and utilizes their financial assets is a form of financial management behavior, including aspects such as planning, budgeting, saving, investing, and controlling expenses. This behavior is very important in determining long-term financial health and achieving financial goals. Recent studies have highlighted the importance of financial management behavior for the performance of small and medium enterprises (SMEs). Hutauruk et al (2024) said that proper financial management practices including the ability to prepare financial reports and an adequate level of understanding of finance have a positive impact on the financial performance of micro, small and medium enterprises. The findings are in accordance with Purwidiyanti & Tubastuvi (2019) which emphasizes the importance of good financial behavior in improving the performance of MSMEs. Meanwhile, according to Wardi et al (2020) Lack of understanding of financial reporting and business planning is also an obstacle, coupled with the inability to manage financial risks can hinder the sustainable growth of MSMEs. To overcome this problem, it is recommended that MSMEs separate personal finances from business finances, do simple bookkeeping, and make financial planning. The use of technology and digital applications is also recommended to help manage finances more effectively and accurately. (Andranela et al., 2024).

Financial technology (fintech) plays an important role as a moderator in the relationship between financial attitudes, financial management behavior, and business performance. Several studies have shown that fintech can improve financial performance and financial satisfaction. (Fachrizi et al 2021). However, the influence of fintech on financial management behavior is still debated, with some studies finding a positive influence while others find no significant influence. (Yulianto 2021). According to Widyastuti (2022) Financial Technology has a significant influence in moderating the relationship between financial management behavior and MSME performance. Meanwhile, in the research presented by The Greatest Showman (2023) explains that financial technology can weaken the influence of financial attitudes on performance by - 28.5%.

Based on the inconsistency of the phenomenon obtained from referring to previous research results, this study intends to review the variables that have an impact on business performance, especially Financial Attitude and Financial Management Behavior. Referring to this explanation, the author is motivated to implement research with the theme "The Moderating Role of Financial Technology on Financial Attitude and Financial Management Behavior: Analysis of Madura's Creative Economy Performance". The output of this study is expected to broaden comprehensive insights into the factors that influence the performance of printing businesses on Madura Island, with a special



focus on the financial aspect and the moderating role of financial technology. The findings of this study are also expected to be able to provide an important contribution to the development of policies and strategies to support the growth of the printing sector on Madura Island.

RESEARCH METHODS

Types and Approaches of Research

This research was conducted by applying quantitative research design as a quantitative methodological framework, which is an approach based on the philosophy of positivism. According to Sugiyono (2017:7) This approach is considered a scientific method because it has characteristics that are in accordance with scientific principles, namely real and based on observation (empirical), unbiased (objective), can be measured clearly, uses logic (rational), and is carried out in orderly stages (systematic). Data collection was carried out using a five-point Likert scale, where a score of 5 represents "strongly agree", a score of 4 for "agree", a score of 3 for "neutral", a score of 2 for "disagree", and a score of 1 for "strongly disagree". Determination of the number of samples refers to the Lemeshow formula. The subjects of the study consisted of creative economic actors in the printing industry on Madura Island.

This study aims to measure the attitudes, behaviors, or demographic characteristics of respondents. After that, the data is processed using the SmartPLS (Partial Least Squares) application. This application helps researchers test structural models and conduct path analysis. Researchers can see how financial attitudes, financial management behavior, and business performance interact with each other with SmartPLS. They can also determine whether financial technology can change this relationship.

Research Location

The research area is located on Madura Island with an administrative division of four districts including Bangkalan, Sampang, Pamekasan, and Sumenep. The focus of the research is creative economic actors in the printing industry.

Population and Sample

The sample of this study consisted of 96 respondents who were creative economic actors in the printing industry sector on Madura Island. The population in this study is defined as a research area containing subjects or objects with criteria and characteristics that will be used as a basis for drawing scientific conclusions. (Sugiyono, 2017:215).

Data Analysis Techniques

Proof of the truth of the hypothesis, the data that has been collected is analyzed with SmartPLS 4.0. In this study, more than one independent variable will be tested to determine how much influence it has on the dependent variable. Financial Attitude (X1) and Financial Management Behavior (X2) will be tested to determine whether both have a positive or negative relationship with business performance (Y). Financial Technology (Z) as a moderating variable is presented to measure the strength of the regression relationship can also be applied as estimating the influence of X on Y towards a positive

or negative direction. Meanwhile, the analysis method of this study uses multiple linear regression as the main analysis tool (Ningsih & Dukalang, 2019).

RESULTS AND DISCUSSION

Outer Model or Measurement Model Test

Convergent Validity Test

The results of convergent validity testing indicate the consistency of the measurement of a construct used to assess how well the constructs or latent variables correlate with each other. The goal is to ensure that each indicator accurately indicates the intended construct. To assess Convergent Validity, the containment factor is used as the main parameter. The validity criteria for the indicator in this study are if the value of the additional factor (factor loading) exceeds 0.7. This is based on the results of the convergent validity test which shows that the correlation value of each item with the value of the additional factor must exceed 0.7. Therefore, all parameters that measure these variables have met the validity standards.

Discriminant Validity Test

Discriminant validity explains the extent to which each indicator successfully measures a different concept and does not overlap with other indicators, where the correlation coefficient of the indicator to the related construct must be greater than the correlation coefficient of other constructs. The results of the cross-loading test show that each indicator is more tied to the variable it is supposed to measure compared to other variables. This indicates adequate discriminant validity, because each parameter indicates a clear difference with the parameters in different constructs. Furthermore, the Average Variance Extracted (AVE) value of more than 0.5 also indicates that the construct has good discriminant validity. Research data proves that the variables Financial Attitude, Financial Management Behavior, Business Performance, and Financial Technology have AVE above 0.5 so that they are considered valid and feasible for further testing. Thus, the results of the cross-loading test and the high AVE value indicate that these variables show adequate discriminant validity.

Reliability Test

Based on the research findings, it was revealed that the Cronbach's Alpha and Composite Reliability values for each variable were above 0.70, however, the Cronbach's Alpha values in the range of 0.6 to 0.7 can still be declared feasible. Specifically, each variable in this study achieved a Cronbach's Alpha value of at least 0.6, which indicates that each variable has adequate internal consistency so that it is worthy of further analysis. Furthermore, all variables have also reached the composite reliability threshold of 0.7.

Structural Model Test

R Square (R²) Test

Table 1 R Square Test Results

	R-Square	R-Square Adjusted
Business Performance	0.704	0.688

Source: smartPLS

The results of the analysis show that the coefficient of determination (R-Square) for the business performance variable is 0.704. This means that the business performance variable can explain 70.4% of financial attitudes and financial management behavior.

Path Coefficient Test (Significant Estimation of T-Statistics)

Table 2 Path Coefficient Test Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Financial Attitude (X1) Towards Business Performance (Y)	-0.064	-0.045	0.071	0.900	0.184
Financial Management Behavior (X2) Towards Business Performance (Y)	0.692	0.693	0.087	7,992	0.000
Financial Technology (Z) X Financial Attitude (X1) Towards Business Performance (Y)	-0.138	-0.137	0.082	1,695	0.045
Financial Technology (Z) X Financial Management Behavior (X2) Towards Business Performance (Y)	0.082	0.095	0.077	1,066	0.143

Source: smartPLS

Table 2 shows how the factor loading values can be used to examine the direct effect hypothesis. Statistical analysis reveals a negative relationship between financial attitude and business performance with a value of 0.900 which is lower than the critical value of 1.96. With the insignificant result in this relationship confirmed by the p-value of 0.184 which is above the threshold of 0.05. Strengthening these findings, previous research conducted by Utami et al (2024) also found that financial attitudes do not contribute positively to business success. The results of the analysis also revealed a strong relationship between financial management behavior and business performance, indicated by a statistical value of 7.992 which substantially exceeds the critical value of 1.96. The high level of significance is evidenced by the p-value of 0.000 which is below the threshold of 0.05. This finding is supported by research Nuraeni et al; Yunita et al (2023) which both confirm the positive impact of good financial management practices on business success.

In the context of the relationship between financial attitudes and printing business performance, the moderating effect of financial technology reaches the expected significance. This is indicated by a statistical value of 1.695 and a p-value of 0.045. Study Widyastuti (2021) strengthens this finding, financial technology can strengthen the influence of financial attitudes on business performance. This situation arises because financial technology provides easy access for business actors to obtain financial services. With this ease of access, business actors can manage their finances more efficiently. In addition, financial technology can also encourage business actors to innovate in running

their businesses, in order to excel in competition in the business sector. However, the capacity of financial technology in moderating the relationship between financial management behavior and printing business performance shows insignificant results, as seen from the statistical value of 1,066 which is far below 1.96 with a p-value of 0.143. ResearchR. et al (2022); Asyifa et al (2024) supports these results, linking them to the still low literacy and skills of entrepreneurs in optimizing the use of financial technology.

CONCLUSION AND SUGGESTIONS

Conclusion

Research findings indicate that business success is not significantly influenced by the financial mindset of business actors. However, financial management behavior and implementation of financial technology have been shown to contribute significantly and well to the success of business operations. Furthermore, financial technology acts as a moderating variable that can strengthen the relationship between financial attitudes and business performance. This phenomenon is influenced by financial technology providing easy access for business actors to obtain financial means, so that their financial management is more structured. In addition, financial technology can also encourage business innovation, allowing business actors to compete better in the market. However, the capacity of financial technology to moderate the relationship between financial management behavior and business performance provides insubstantial results. This situation is likely the effect of low literacy and skills of entrepreneurs in optimizing the use of financial technology.

Suggestion

Based on the research results, the implementation of systematic and strict financial management is needed to improve literacy and awareness among creative industry players. Therefore, it is recommended that further research focus on developing financial literacy through educational programs aimed at creative industry players. Research can explore how training and workshops on financial management can improve business actors' understanding of effective financial management, as well as encourage them to be more proactive in adopting fintech solutions. Furthermore, research can focus on specific sectors such as culinary, fashion, and photography, to explore the opportunities and obstacles faced in advancing the creative economy. This can also include an analysis of the impact of the use of financial technology on business innovation in each sector. With this approach, it is recommended that further research can provide a more complete perspective on effective strategies to improve the performance and sustainability of the creative industry in Indonesia.

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