



Plagiarism Checker X - Report

Originality Assessment

21%



Overall Similarity

Date: Jul 3, 2025 (02:09 PM)

Matches: 1278 / 6046 words

Sources: 27

Remarks: High similarity detected, please make the necessary changes to improve the writing.

Verify Report:

Scan this QR Code



and contribute 14.4% to national exports. The proportion of Indonesian labour absorption is the largest in ASEAN. Meanwhile, neighbouring countries only absorb labour in the range of 35% - 85%. However, they often face

How to cite this article: Elma Ayu Aprialita, Wika Harisa Putri*, Handoko Arwi Hasthoro, (2024), "The Impact of Financial Literacy, FinTech Utilization, and Literacy of Risk in FinTech on MSMEs Business Continuity in Yogyakarta " in **1st International Conference on Economic, Management, and Accounting**, KnE Social Sciences, pages 494–513. DOI 10.18502/kss.v9i17.16383 Page 494 Corresponding Author: Wika Harisa Putri; email: wikaharisa@janabadra.ac.id Published: 4 June 2024 Publishing services provided by Knowledge E Elma Ayu Aprialita et al. This article is distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the ICEMA Conference Committee.

ICEMA significant challenges, including financial uncertainty, operational risks, and difficulties managing their finances well. Meanwhile, resources within the company must be supported by functional capabilities (human resources, marketing, operations, finance) to produce good performance. One of the methods to improve financial capability is financial literacy (1). Pratama et al. (2023) conducted research that defines financial literacy as the ability to understand and effectively utilize financial resources to improve society. Financial literacy impacts an individual's perception of financial circumstances, business owners' strategic financial decision-making, and efficient administration. The financial literacy index (DIY) in the Special Region of Yogyakarta decreased from 58.53% in 2019 to 54.55% in 2022. The data employed in this study was gathered via the National Survey of Financial Literacy and Inclusion (SNLIK). Inadequate financial literacy among individuals involved in business can lead to a wide range of problems, including difficulties in handling debt, savings, credit, and future opportunities. On the other hand, the ability to manage one's funds efficiently is crucial for the functioning and goals of a firm. Furthermore, digital

payments play a crucial role in improving the performance of MSMEs. This ability is crucial in light of the ongoing pandemic, which has severely impacted the sector and put economic stability at risk, thereby threatening the survival of MSMEs. ⁹ The COVID-19 pandemic is a challenge in itself for the Indonesian economy. The government's social restriction policy makes it difficult for people to carry out their usual activities. The government has taken a series of strategic actions to mitigate ⁹ the impact of the COVID-19 pandemic on the economic sector, starting from the MSMEs sector (3). The government has made various efforts to help maintain its sustainability, including priority support policies, working capital credit, digitalization, and social assistance. The emergence of technology has revolutionized the business environment and given rise to many innovations, including in the financial sector. FinTech is an innovation that combines financial services and technology. FinTech positively affects the financial sustainability of MSMEs (4). ⁶

Although the presence of FinTech can strengthen business, it also raises challenges for business continuity. Not all MSMEs can implement FinTech well due to risk considerations which create business continuity challenges (5). According to research by Rahmanto and Nasrulloh (2019), besides having various positive sides and great opportunities for implementation and development, FinTech still has risk factors that should not be forgotten. Operational risks caused by moral hazard for FinTech industry players and customers need serious attention; otherwise, FinTech can become a medium for DOI 10.18502/kss.v9i17.16383 Page 495

ICEMA fraud. Apart from that, the risks of the security system used must also be considered so that security between both parties can be maintained. Therefore, there is a need for strict regulations and policies from the government to support and protect it. So that the risks posed can be mitigated and the FinTech industry continues to have a symbiotic, mutualistic impact on the players involved. These three aspects - financial literacy, financial literacy ¹ utilization, and literacy of risk in financial technology- significantly influence business continuity. Increasing financial literacy can help small

companies manage cash more efficiently, ² make better investment decisions, and avoid financial pitfalls. FinTech can facilitate access to financial services and reduce transaction costs. Meanwhile, risk literacy can help identify risks that may disrupt their operations so they can take appropriate action. This research will examine ¹ the influence of financial literacy, financial literacy utilization, and literacy of risk in financial technology on the business continuity of MSMEs. The author will explore whether financial literacy and the use of FinTech can help them face challenges and maintain the continuity of their business. The author will also investigate the role of risk literacy in identifying and reducing risks that may affect business continuity. This research would uncover issues ¹ of financial literacy and FinTech and determine whether these risks would impact the continuity of business operations in MSMEs. Additionally, by increasing financial literacy, FinTech usage, and FinTech risk literacy, it is anticipated that MSMEs can take more suitable measures to bolster their business resilience in the face of fluctuations in a dynamic and complex business environment.

2. LITERATURE REVIEW

2.1. ² Financial Literacy

Financial literacy refers to acquiring and understanding financial concepts and risks and the development of skills, motivation, self-assurance, and proficiency necessary for making effective financial decisions. Its purpose is to enhance individuals' financial well-being and encourage their active involvement in economic activities, thereby fostering confidence in financial management (7). In the realm of business individuals and MSME managers, a financially literate individual possesses knowledge regarding the most suitable decisions for enhancing business performance during different stages of growth. They are also well-informed about the sources for obtaining the most suitable ² products and services and can confidently engage with product and service suppliers (1). DOI 10.18502/kss.v9i17.16383 Page 496

ICEMA According to Lontchi et al. (2023), individuals with financial literacy can efficiently handle their finances, make well-informed investment choices, adjust their saving habits, and capitalize on emerging financial goods and services. MSMEs with ² a strong

understanding of financial matters can successfully attain their corporate objectives and concentrate on advancing their organization. Financial literacy is crucial for individuals to navigate challenging economic circumstances, but ensuring the long-term sustainability of a corporation can be a complex task. Pratama et al. (2023) identified many markers of financial literacy, which encompass a) fundamental comprehension of financial management, b) adeptness in credit management, c) proficiency in savings management, and d) competence in investment management. Future economic investment is characterized by the swift growth of commercial or trade activities utilizing internet technologies.

2.2. Financial Technology Utilization

FinTech is an emerging sector within the financial industry that leverages technology to optimize and improve financial processes. FinTech is catalyzing a paradigm shift in the landscape of startup enterprises by providing financial services encompassing crowdfunding, mobile payments, and money transfer services. FinTech significantly impacts customer behaviour and expectations by enabling unrestricted access to data and information, regardless of time or location. Encourage large and small organizations to have elevated expectations for small and recently founded businesses (9). FinTech enables entrepreneurs to access funding more speed and efficiency, facilitating the identification of potential investors. FinTech has evolved into a societal phenomenon due to its ability to streamline several parts of financial life, including its application in cooperative financial organizations, banking, and insurance (10).

2.3. ¹ Literacy of Risk in Financial Technology

Risk assessment is crucial for microenterprises considering adopting FinTech payment systems, explicitly concerning developing countries lacking consumer protection and cybercrime rules (11). Risk can be quantified by incorporating non-linearity, such as revalued utility or a range of recognized gains and losses. The level of trust an individual has diminishes in direct correlation to their risk level. ² On the other hand, as the amount of risk an individual faces decreases, their level of trust grows correspondingly. Insufficient information on a product heightens the perception of risk (12).

DOI 10.18502/kss.v9i17.16383 Page 497

ICEMA Although FinTech offers many benefits and potential growth opportunities, it is essential to acknowledge the presence of certain risks that should be taken into account. Moral hazard-induced operational hazards in the FinTech business necessitate immediate attention to prevent the sector from becoming a channel for fraudulent operations, affecting industry players and customers. Firstly, the FinTech firm is vulnerable to cyber threats. Furthermore, FinTech, whose primary function is facilitating credit or financing, encounters the danger of default. Thirdly, the potential for fraudulent activities. The fourth ¹⁶ risk is the susceptibility to the improper use of client data (13).

2.4. Business Continuity Continuity, in accounting, is the assumption that a business will persist indefinitely, often known as a “going concern”. Continuity pertains to the capacity of a commercial entity to maintain its operations for a prolonged period, based on the guarantee that it will not be compelled into bankruptcy within a short term. Susanti (2022) states that business continuity refers to the overall stability of the company environment. ² On the other hand, sustainability refers to a system that includes additional measures and strategies to protect and ensure the ongoing growth and continuity of the business. This difference is demonstrated by their proficiency and steadfastness in formulating, assessing, and implementing their business plan.

2.5. ⁵ Micro, Small, and Medium Enterprises (MSMEs) MSMEs refer to Micro, Small, and Medium Enterprises, businesses characterized by their small scale and limited number of employees. As per legislation No. 20 of 2008, MSMEs are commercial enterprises managed by individuals who meet the criteria outlined in the legislation and are involved in productive economic activities. MSMEs have significantly contributed to and substantially influenced the economic growth ¹¹ of the Republic of Indonesia (RI) (Pratama et al., 2023).

2.6. Hypothesis Development ¹ This study aims to establish a causal link between independent factors and dependent variables. Consequently, it is necessary to formulate a hypothesis. Currently, this is only a tentative assumption. This hypothesis will assist researchers by providing them with DOI 10.18502/kss.v9i17.16383

ICEMA clear guidance. The formulated hypothesis on the principal issue of this research is as follows: 2.6.1. **2 The Effect of Financial Literacy (X1)** on the Business Continuity of MSMEs (Y) Financial literacy is crucial for businesses' success and long-term viability, particularly when it comes to managing risks and making informed decisions (14). **Financial literacy refers to** comprehending and using **the information and skills** necessary to manage financial resources effectively to enhance one's wellness (Pratama et al., 2023). Financial literacy may also increase a company's ability to manage its capital structure strategically, influencing its growth. **1 Financial literacy among MSMEs** will enhance their capacity to generate financial data, improving their chances of obtaining external support (1). Prior research demonstrates that financial literacy affects business continuity (D. Pratama & Nurwani, 2023; Yuningsih et al., 2022; Ye & Kulathunga, 2019). Proficiency in financial management and knowledge enhances business sustainability by guaranteeing the ability to surmount ever-changing economic conditions (1). **2 Financial literacy has a** considerable positive effect on the long-term viability of MSMEs. Therefore, the higher **the level of financial literacy**, the better the family's financial planning (17). Historical research has demonstrated **the significance of financial literacy in** ensuring their long-term viability. Companies with practical financial literacy will effectively implement **15** sound financial management practices to foster corporate growth and long-term viability. Therefore, drawing on the theoretical analysis and findings of past studies, the first hypothesis for this research is as follows: **2 H1: Financial literacy has** an effect on the Business Continuity of MSMEs. 2.6.2. The **1 Effect of Financial Technology** Utilization (X2) on the Business Continuity of MSMEs (Y) FinTech has developed as a viable alternative to traditional means of accessing public financial services in the financial industry. In the current dynamic business landscape, the companies that can endure are the ones capable of adjusting to changes. FinTech plays a crucial part in the payment system by facilitating a marketplace for businesses to serve as a medium of payment, settlement, and clearing and contributing to investment implementation (18). FinTech, which refers to the type of financing, is a widely utilized sector and has developed quickly (17). DOI

ICEMA According to Winarsih et al. (2020) research, FinTech has been demonstrated to affect the sustainability of businesses. The concept of FinTech entails facilitating and fortifying digital payment processes for corporate entities, with the dual aim of appealing to consumers and yielding advantages for the former. ³ The use of FinTech influences

Indonesian MSMEs' financial performance because it brings ease and efficiency to technology-based financial management that includes digitalized financial management, payment technology, and online-based loans (19). Based on the aforementioned

theoretical framework, the second hypothesis is formulated as follows: H2: Financial technology utilization affects the Business Continuity of MSMEs. 2.6.3. The Effect of the literacy of risk in financial technology (X3) on ²³ the Business Continuity of MSMEs (Y)

Risk is present in all environments and has the potential to influence us to some degree.

While technological advancements enhance our social and economic existence, they also present inherent risks (20). The findings of the conducted research indicate by Atun

Sholehah et al. (2022) that the combined assessment of knowledge, efficacy, and risk had a substantial impact on the level of interest exhibited by the residents of Jambi City

towards the utilization of financial technology. Research findings indicate that despite a low

level of trust in the system and a high perception of risk, MSMEs continue to express an

intention to utilize mobile FinTech payments in the future (11). Failure to achieve this may

expose business continuity to risk at the hands of competitors who are more adept at

responding to evolving technological advancements and market demands. Based on the

aforementioned theoretical framework, the third hypothesis is formulated as follows: H3: ¹

Literacy of risk in financial technology affects the Business Continuity of MSMEs. 3.

RESEARCH METHODOLOGY 3.1. Data source Distributing a questionnaire involves

disseminating a set of methodically constructed statements created by the author to be

completed by responders. ² Data was collected from MSMEs in Yogyakarta through the

distribution of questionnaires. In this study, DOI 10.18502/kss.v9i17.16383 Page 500

ICEMA research measures are conducted using a Likert scale. The Likert scale is a measurement tool that assesses respondents' attitudes by summing their responses to questions about indicators of a concept or variable. Score 1 indicates Strongly Disagree (STS), 2 indicates Disagree (TS), 3 indicates Neutral, 4 indicates Agree (S), and 5 indicates Strongly Agree (SS).

3.2. Sample Collection Method

The population under study comprises all MSMEs in Yogyakarta. ¹⁷ A sample is a population subset with a certain quantity and features. The employed sampling approach is non-probability sampling, specifically a strategy that does not offer an equal opportunity for every element or member of the population to be chosen as a sample. The Lameshow formula was employed to determine ¹⁶ the sample size in this study due to the unknown or infinite population size. The below expression is the Lameshow formula, specifically: $n = Z^2 \frac{p(1-p)}{d^2}$

Information: n : Number of samples Z 1- $\alpha/2$: 95% degree of confidence ($\alpha = 0.05$) so that (Z = 1.96) p: Estimated proportion 50% (0.5) d: Sampling error 10% (0.1)

Through the formula above, the number of samples to be used is calculated as follows: $n = Z^2 \frac{p(1-p)}{d^2}$

$$n = 1,962 \cdot 0,5(1 - 0,5) / 0,1^2$$

$$n = 3,8416 \cdot 0,25 / 0,01$$

$$n = 96,04$$

In order to enhance the quality of this research, a sample size of 100 individuals was selected. The sample is rounded to 100 to accommodate for questionnaires with insufficient valid data and facilitate data processing for researchers. DOI 10.18502/kss.v9i17.16383 Page 501

ICEMA 3.3. Data Analysis Method

This study employed quantitative descriptive methods. The study findings are presented by employing mathematical and statistical formulas and integrating them with known theory, leading to a conclusion about the matter under investigation. The study's population consists of all participants engaged in MSMEs in Yogyakarta. A non-probability sampling technique was used in the research to pick a sample of 100 entrepreneurs domiciled in Yogyakarta. Several statistical tests are used to determine the optimal criteria for data collected by questionnaires. Validity and reliability are two tests that assess the appropriateness of an item for use and the consistency of a

sequence of measurements, respectively. Before incorporating multiple linear regression analysis results, the data underwent classical assumption testing, including normality, heteroscedasticity, and multicollinearity evaluations. The t-test is used to determine the specific impact of each **2 independent variable on the dependent variable while** keeping the dependent variable constant. The F-test determines the collective impact of all independent factors **on the dependent variable**.

3.4. Multiple Linear Regression Analysis

The impact of each **independent variable on the dependent variable** was analyzed using multiple linear regression analysis. The following equation expresses the regression equation used to test the hypothesis: $Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

Information: Y = Business Continuity (Dependent Variable) a = Constant β = Regression coefficient of each variable X_1 = Financial Literacy (Independent variable) X_2 = Financial Technology Utilization (Independent variable) X_3 = **1 Literacy of Risk in** Financial Technology (Independent variable) e = Standard Error

DOI 10.18502/kss.v9i17.16383 Page 502

3.5. Operation of Variables

To quantify it, we developed indicators that stand in for the latent variable. Table 1 displays the instruments used to measure the dependent and independent variables in this study:

Variable	Indicator
Financial literacy	Basic personal finance
	Money management
	Credit debt management
	Saving and investment
Financial technology utilization	Risk management
	Likert
Perception of ease	Effectiveness
	Risk
	Likert
	Literacy of risk in financial technology
Risk of being attacked by hackers	Risk of default
	Risk of fraud
	Risk of misuse of client data
	Likert
Business continuity	Ease of transaction
	Increase income
Analyze market competitiveness	Analyze financial reports
	Monitor business environmental conditions

Likert 4.

4. RESULTS

Based on our research, these descriptive data are depicted below in Table 2 and Table 3.

Table 2: Characteristics of respondents' gender	Gender	Frequency	Percentage
Man	51	46	46%
	61	54	
Woman	61	54	54%
	112	100	

2 Table 2 shows that out of 100 respondents, 51 (46%) were male and 61 (54%) were female.

Table 3: Characteristics of respondents based on the FinTech utilization	Gender	Frequency
Man	51	46
	61	54
Woman	61	54
	112	100

ICEMA Table 3 indicates that out of the 112 individuals that completed the survey. Only 100 participants have data that is appropriate for processing. 4.1. Validity and Reliability
The output of instrument validity and reliability test are described on the Table 4 and Table 5
Table 4: Validity Test. Indicator R Count R Table Information X1.1 0,508 0,166 Valid X1.2 0,627 0,166 Valid X1.3 0,779 0,166 Valid X1.4 0,549 0,166 Valid X1.5 0,692 0,166 Valid X1.6 0,353 0,166 Valid X1.7 0,503 0,166 Valid X1.8 0,676 0,166 Valid X2.1 0,541 0,166 Valid X2.2 0,647 0,166 Valid X2.3 0,636 0,166 Valid X2.4 0,690 0,166 Valid X2.5 0,568 0,166 Valid X2.6 0,661 0,166 Valid X2.7 0,687 0,166 Valid X2.8 0,508 0,166 Valid X3.1 0,867 0,166 Valid X3.2 0,886 0,166 Valid X3.3 0,894 0,166 Valid X3.4 0,917 0,166 Valid Y1 0,756 0,166 Valid Y2 0,773 0,166 Valid Y3 0,607 0,166 Valid Y4 0,687 0,166 Valid Y5 0,728 0,166 Valid Y6 0,700 0,166 Valid Y7 0,716 0,166 Valid Source: SPSS Output 2023. DOI 10.18502/kss.v9i17.16383 Page 504

ICEMA Based on Table 5, it is shown that the value of r count > r table is based on a significant test of 0.05. It can be stated that the instrument used in this research is valid.
Table 5: Reliability Test. Variable Cronbach Alpha R Tabel Keterangan Business Continuity (Y) 0,833 0,67 Reliable Financial Literacy (X1) 0,731 Reliable FinTech Utilization (X2) 0,767 Reliable ¹ Literacy of risk in FinTech (X3) 0,912 Reliable Source: SPSS Output 2023. Based on Table 6, it can be shown that all variables in this research have Cronbach's Alpha > 0.60, which means they pass the reliability test. This research also uses the classic assumption test, and this result of the test is qualified. The details of the data are ²⁴ depicted in Figure 1, Figure 2, and Table 7. Source: SPSS Output 2023 Figure 1: Normality Test. Source: SPSS Output 2023. Based on Figure 1, the p-plot graph displays a clear normal visual pattern, as seen by the dots distributed around the diagonal line. The distribution aligns with the direction of the ²⁵ diagonal line, indicating that the

regression model qualifies for the normality condition. Table 7 shows that the financial literacy variable has a tolerance value of 0.929, greater than 0.10, and ¹⁴ a VIF value of 1.076, less than 10. The FinTech variable has a tolerance value of 0.921, greater than 0.10, and a VIF (Variance Inflation Factor) of 1.086, less than 10. The FinTech risk literacy variable has a high tolerance value of 0.990, DOI 10.18502/kss.v9i17.16383 Page 505

ICEMA Table 6: Multicollinearity Test. Model Unstandardized Coefficients Standardized Coefficients t Sig. Collinearity Statistics B Std. Error Beta Tolerance VIF (Constant) 10.016

2.926 3.423 .001 Financial Literacy .481 .078 .540 6.184 .000 .929 1.076 FinTech Utilization -.002 .039 -.004 -.048 .962 .921 1.086 ¹ Literacy of risk in FinTech .178 .079 .190 2.244 .027 .990 1.010 a. Dependent Variable: Business Continuity Source: SPSS

Output 2023. indicating a low level of multicollinearity. Additionally, the variable has a VIF (Variance Inflation Factor) of 1.010, which is far below the threshold of 10, indicating no significant multicollinearity. The three ² independent variables, namely financial literacy, usage of FinTech, and FinTech risk literacy exhibit VIF values that fall within the set tolerance limits, not surpassing 10. Therefore, ²⁶ there is no multicollinearity among the independent variables in this research. Source: SPSS Output 2023 Figure 2:

Heteroscedasticity Test. Source: SPSS Output 2023. Based on Figure 2, it can be seen that the data (points) are spread evenly above and below the zero line, do not gather in one place, and do not form a particular pattern, so it can be concluded that in this regression test, there is no heteroscedasticity. DOI 10.18502/kss.v9i17.16383 Page 506

ICEMA 4.2. Analysis of ²⁰ Multiple Linear Regression Multiple linear regression analysis aims to quantify how independent variables, specifically financial literacy, utilization of financial technology, and risk literacy in using financial technology, affect the dependent variable, business continuity. The outcomes of data processing are depicted in the subsequent Table: Table 7: Multiple Linear Regression Test Results. Model Unstandardized Coefficients Standardized Coefficients t Sig. B Std. Error Beta 1

(Constant) 10.016 2.926 3.423 .001 Financial Literacy .481 .078 .540 6.184 .000 FinTech Utilization -.002 .039 -.004 -.048 .962 **1 Literacy of Risk in FinTech** .178 .079 .190 2.244

.027 a. Dependent Variable: Business Continuity Source: SPSS Output 2023. The outcomes **14** of the multiple linear regression analysis can be observed based on data processing, yielding the subsequent regression model: $Y = 10,016 + 0,481X_1 - 0,002X_2 + 0,178X_3 + e$ Y = Business Continuity (dependent variable) X1 = Financial Literacy

(independent variable) X2 = Financial Technology Utilization (independent variable) X3 = **1 Literacy of Risk in** Financial Technology (independent variable) 4.3. Hypothesis Test

Table 9 shows the processed results, which show financial literacy and business continuity is obtained by t value 6.184 > t table 1.984 with a significance level of 0.00 is less than 0.05, implying that H1 is accepted; financial literacy utilization and business continuity is calculated as follows: t value -0.048 < t table 1.984, with a significance level of 0.96 > 0.05, implying that H2 is rejected based on partial hypothesis testing; and that **1 literacy of risk in** financial technology and business continuity is as a result: t value 2.244 > t table 1.984 at a significance level of 0.027 < 0.05; thus, H3 is accepted. The F test in multiple linear regression analysis aims to determine the **2 effect of the independent variables** simultaneously, as shown in Table 10 below: DOI 10.18502/kss.v9i17.16383 Page 507

ICEMA Table 8: T Test. Model Unstandardized Coefficients Standardized Coefficients t

Sig. B Std. Error Beta 1 (Constant) 10.016 2.926 3.423 .001 Financial Literacy .481 .078 .540 6.184 .000 FinTech Utilization -.002 .039 -.004 -.048 .962 **1 Literacy of Risk in**

FinTech .178 .079 .190 2.244 .027 a. Dependent Variable: Business Continuity Table 9: F

Test. ANOVA **10** **Model Sum of Squares df Mean Square F Sig. 1 Regression** 364.583 3

121.528 15.018 .000 **b** Residual 776.857 96 8.092 Total 1141.440 99 a. Dependent

Variable: Business Continuity b. Predictors: (Constant), **1 Financial Literacy, FinTech**

Utilization, Literacy of Risk in FinTech Source: SPSS Output 2023. Based on the Table 10, it can be seen that the F value is 15.018 with a significance level of 0.000, while the F table is 2.698, the value of 15.018 is greater than 2.698, indicating that F value is greater than F

table, meaning H4 is accepted so it can be concluded that financial literacy, financial literacy utilization, ¹ literacy of risk in financial technology together has a significant influence on business continuity of MSMEs in Yogyakarta. 4.4. Coefficient of Determination Test The R-square value of ¹⁸ the coefficient of determination is utilized to assess the extent to which changes in the independent variable impact the variability of the dependent variable. ¹² The coefficient of determination value ranges from 0 to 1. The closer the R-square value is to one, the stronger the influence of the independent variable on the dependent variable. The following are the outcomes of statistical testing: The coefficient of determination test results indicates a significant relationship between financial literacy, utilization ¹ of financial technology, and literacy of risk in financial technology on business continuity of MSMEs in Yogyakarta. This result is DOI 10.18502/kss.v9i17.16383 Page 508

ICEMA Table 10: Coefficient of Determination Results. Model Summary Model R R Square Adjusted R Square Std. Error of the Estimate 1 .565a .319 .298 2.845 a. Predictors: (Constant), Financial Literacy, FinTech Utilization, Literacy of Risk in FinTech b. Dependent Variable: Business Continuity Source: SPSS Output 2023. indicated by the R-value, which exceeds 0.05, 0.565. The results in Table 11 indicate that financial literacy, financial technology utilization, and literacy of risk in financial technology have an adjusted R square value of 0.319 concerning business continuity in MSMEs in Yogyakarta. The remaining factors are not represented in this research. 5. DISCUSSION 5.1. The ¹ Effect of Financial Literacy on the Business Continuity of MSMEs This result indicates that financial literacy significantly impacts the business continuity of MSMEs in Yogyakarta. These results align with the knowledge-based view (KBV) theory, which posits that organizational knowledge is crucial in achieving long-term success. Therefore, this study suggests ²¹ that the level of financial literacy among entrepreneurs significantly impacts business continuity. Acquiring knowledge and honing financial management abilities are crucial for enhancing business sustainability since they enable businesses to navigate unpredictable economic fluctuations effectively. According to studies conducted by

Maulana et al. (2022), Y. W. Pratama & Wijayangka (2019), Yuningsih et al. (2022), Ye & Kulathunga (2019), and Sari (2022), it has been ² found that financial literacy has an impact on the continuity of businesses. Increasing financial literacy can enable MSMEs to handle cash effectively, make informed investment choices, and mitigate operational risks and challenges associated with financial management. The COVID-19 epidemic has prompted shifts in how goods and services are consumed, leading to a digital transformation that has also impacted the marketing strategies of MSMEs in promoting their products to customers. ²⁷ Financial literacy and financial technology are vital variables that contribute to the rapid digital transformation of MSME operators during the COVID-19 epidemic, enhancing the longterm viability of their firms. DOI

10.18502/kss.v9i17.16383 Page 509

ICEMA 5.2. The ¹ Effect of Financial Technology Utilization on the Business Continuity of MSMEs The result from the research on the impact of financial technology utilization on the business continuity of MSMEs in Yogyakarta supports the conclusion that H2 is rejected based on partial hypothesis testing. This finding indicates that financial literacy utilization does not impact Yogyakarta's MSME's business continuity. In contradiction to Yuningsih et al. (2022) and Nurohman et al. (2021), these results exhibit inconsistency. This phenomenon arises because not all MSMEs possess a high level of technological proficiency. The primary reason for hesitancy in adopting FinTech is uncertainty. Dedy Permadi reported during the G20 Summit that ¹³ digital technology is currently employed by 21 million MSMEs in Indonesia, accounting for roughly 32% of the total 64 million, and 68% of them have not yet utilized the digital sphere to advance their economic growth (Kominfo, 2022). Some MSMEs have difficulties effectively adopting FinTech due to risk factors that hinder their company's continuity. The research findings indicate that ¹ financial literacy and literacy of risk in financial technology substantially impact the continuation of company operations in small companies located in Yogyakarta. Conversely, financial literacy utilization does not substantially impact the uninterrupted their operations

in Yogyakarta. This situation occurs ²² due to the lack of technological familiarity or use of the digital realm for economic advancement among on certain. They are concerned about the possibility of data security breaches or the theft of financial information, which might negatively affect their business and reputation. 5.3. The Effect of the ¹ literacy of risk in financial technology on the business continuity of MSMEs The result signifies that business continuity is significantly impacted by the literacy of risk in financial technology among Yogyakarta's MSMEs. The results explain that they are significantly apprehensive regarding data and financial security issues. They are concerned about the possibility of data security breaches or the theft of financial information, which could harm their business and reputation. Therefore, inadequate knowledge regarding the intricacies of FinTech operations and a dearth of confidence in its proper utilization are pivotal factors influencing its adoption. Guarantees regarding the dependability and security of the FinTech platforms utilized are essential. When individuals perceive an excessive trust risk, they might resist adopting FinTech. DOI 10.18502/kss.v9i17.16383 Page 510

ICEMA 6. CONCLUSION The research findings indicate that both ¹ financial literacy and literacy of risk in financial technology exert a substantial impact on the continuation of company operations in MSMEs located in Yogyakarta. Conversely, financial literacy utilization does not substantially impact their uninterrupted operation in Yogyakarta. This issue stems from a deficiency of technology comprehension or the digital realm's utilization for economic advancement. Their primary concern is the possibility of data security breaches or the theft of financial information since these incidents can negatively affect their business operations and reputation. In addition, entrepreneurs have not yet experienced the immediate advantages at now. The government should regularly offer comprehensive education on financial management, financial goods, and the advantages and disadvantages of utilizing FinTech to ensure ¹⁵ the long-term viability of businesses. Subsequent investigations are anticipated to concentrate on unexplored variables in this study, aiming to understand better the aspects that impact business continuity for

participants. Additionally, a larger sample size will ensure that the final data is more typical of those in Yogyakarta. Regarding factors influencing business continuity, the author only uses ¹ financial literacy, financial technology, and the risk literacy of using FinTech. At the same time, many factors still influence financial management. It is recommended for future researchers to use small and medium enterprises as a larger sample so that the resulting data can be more representative of them in Yogyakarta. References [1] Maulana R, Murniningsih R, Prasetya WA. The Influence of Financial Literacy, Financial Inclusion, and Fintech Toward Business Sustainability in Smes. *J Ilm Manaj.* 2022;440(4):440–52. [2] Pratama D. Nurwani, Nasution YSJ. THE EFFECT OF UNDERSTANDING OF FINANCIAL LITERACY AND EASE OF DIGITAL PAYMENT ON THE CONTINUITY OF MSMES IN THE DIGITALIZATION ERA. 2023;6(2):618–38. [3] Sitanggang T. Pemulihan Ekonomi Nasional Dimulai dari UMKM. Kanwil DJKN Sumatera Utara; 2020. [4] Rosyadah K, Budiandriani B, Hasrat T. The Role of Fintech: Financial Inclusion in MSMEs (Case Study in Makassar City). *J Manaj Bisnis.* 2021;8(2):268–75. DOI 10.18502/kss.v9i17.16383 Page 511

ICEMA [5] Rahardjo B, Ikhwan K, Siharis AK. Pengaruh Financial Technology (Fintech). Terhadap Perkembangan UMKM di Kota Magelang. *Pros Semin Nas Dan Call Pap Fak Ekon Univ Tidar*; 2019. pp. 347–56. [6] Rahmanto DN. Nasrulloh. Risiko dan peraturan: fintech untuk sistem stabilitas keuangan. *Inovasi.* 2019;15(1):44–52. [7] Yuningsih YY, Raspati G, Riyanto A. Pengaruh literasi keuangan dan financial technology terhadap keberlangsungan usaha pelaku UMKM. *Mirai Manag.* 2022;7(2):531–40. [8] Lontchi CB, Yang B, Shuaib KM. Effect of Financial Technology on SMEs Performance in Cameroon amid COVID-19 Recovery: The Mediating Effect of Financial Literacy. *Sustainability (Basel).* 2023;15(3):2171. [9] Winarsih, Mutoharoh, Tahar E, Aziz IA. The Role of Fintech and Financial Literacy on SMEs Sustainability. 2020;(January 2020). [10] Marginingsih R. Financial Technology (Fintech) Dalam Inklusi Keuangan Nasional di Masa Pandemi Covid-19. *Monet - J Akunt dan Keuang.* 2021;8(1):56–64. [11] Afif N, Purwantini AH.

Muhdiyanto. The Paradox of Perceived Risk and Trust on Intention to Use Fintech Payment: Evidence in MSMEs. *Proc 3rd Borobudur Int Symp Humanit Soc Sci 2021 (BIS-HSS 2021)*. 2023;645–8. [12] Atun Sholehah M, Mubyarto N, Habriyanto H. Pengaruh Pengetahuan, Efektivitas Dan Risiko Terhadap Minat Bertransaksi Menggunakan Financial Technology Pada Masyarakat Kota Jambi. *SIBATIK J J Ilm Bid Sos Ekon Budaya, Teknol dan Pendidik*. 2022;2(1):337–48. [13] Audriene D, Nababan CN. OJK Waspada Empat Risiko Bisnis Fintech. *CNN Indonesia*; 2020. [14] Tóth R, Zéman Z, Túróczi I, Kása R, Popp J, Oláh J. The system of relationships between sustainable corporate governance and corporate financial literacy. *Polish J Manag Stud*. 2021;23(1):418–35. [15] Pratama D. Nurwani. the Effect of Understanding of Financial Literacy and Ease of Digital Payment on the Continuity of Msmes in the Digitalization Era. *Indones Interdiscip J Sharia Econ*. 2023;6(2):618–38. [16] Ye J, Kulathunga KM. How does financial literacy promote sustainability in SMEs? A developing country perspective. *Sustainability (Basel)*. 2019;11(10):1–21. [17] Nurwulandari A. Analysis of the Impact of Financial Technology and Financial Literacy on MSME Business Sustainability. *Lead J Econ Adm*. 2023;1(4):92–7. [18] Darma DC, Kadafi MA, Lestari D. FinTech and SMEs Continuity: applied in Indonesia. *Int J Adv Sci Technol*. 2020;29(04):1–15. DOI 10.18502/kss.v9i17.16383 Page 512

ICEMA [19] Utami N. Analysis of the Use of Financial Technology and Financial Literacy Among MSMEs. *Manag Business. Account*. 2023;22(1):11–21. [20] Moșteanu DN. Management of Disaster and Business Continuity in a Digital World. *Int J Manag (Kolkata)*. 2020;11(04):169–77. [21] Pratama YW, Wijayangka C. PENGARUH LITERASI KEUANGAN TERHADAP AKSES PEMBIAYAAN PADA UMKM. *Manaj dan Bisnis*. 2019;3(2):378–88. [22] Sari DL. Pengaruh Literasi Keuangan dan Financial Technology Terhadap Pengelolaan Keuangan Pada Pelaku UMKM di Marelán. *Ekon dan Bisnis*. 2022;1–87. [23] Nurohman YA, Kusuma M, Narulitasari D. Fin-Tech, Financial Inclusion, and Sustainability: a Quantitative Approach of Muslims SMEs. *Int J Islam Bus Ethics*.

2021;6(1):54. [24] KOMINFO. Kenaikan Jumlah UMKM Go Online Jadi Hasil Konkret
Pembahasan Transformasi Digital di KTT G20. Seminar KTT G20. Bandung: KOMINFO;
2022. p. 1. DOI 10.18502/kss.v9i17.16383 Page 513

Sources

1	https://kneopen.com/KnE-Social/article/view/16383 INTERNET 15%
2	https://pmc.ncbi.nlm.nih.gov/articles/PMC10645357/ INTERNET 2%
3	https://journal.binadarma.ac.id/index.php/mbia/article/download/2217/1153 INTERNET <1%
4	https://pmc.ncbi.nlm.nih.gov/articles/PMC2020500/ INTERNET <1%
5	https://ieltsninja.com/content/msme-full-form/ INTERNET <1%
6	https://www.arjhss.com/wp-content/uploads/2024/11/E7113143.pdf INTERNET <1%
7	https://asean.org/asean-launches-investment-report-2022/ INTERNET <1%
8	https://media.neliti.com/media/publications/513124-determinants-of-earnings-management-and-6bb34657.pdf INTERNET <1%
9	https://www.who.int/about/funding/invest-in-who/investment-case-2.0/challenges INTERNET <1%
10	https://www.studocu.com/row/document/meiktila-university-of-economics/business-technology/bt4-business-analytics/114127344 INTERNET <1%
11	https://www.bi.go.id/en/statistik/ekonomi-keuangan/seki/Default.aspx INTERNET <1%
12	https://statisticsbyjim.com/glossary/coefficient-of-determination/ INTERNET <1%
13	https://opengovasia.com/2022/11/15/g20-enables-indonesia-to-accelerate-digital-transformation/ INTERNET <1%
14	https://www.statology.org/multiple-linear-regression-assumptions/ INTERNET <1%

15	https://blog.uksm.org.uk/2024/09/30/the-importance-of-financial-literacy-in-business/ INTERNET <1%
16	https://accountinguide.com/3-types-of-audit-risk/ INTERNET <1%
17	https://quizlet.com/213166190/chapter-11-flash-cards/ INTERNET <1%
18	https://quizlet.com/276998297/exam-5-flash-cards/ INTERNET <1%
19	https://link.springer.com/chapter/10.1007/978-981-99-4829-1_1 INTERNET <1%
20	https://www.stat.uchicago.edu/~yibi/teaching/stat222/2019/MLR_2019.pdf INTERNET <1%
21	https://www.sciencedirect.com/science/article/abs/pii/S0278425423000200 INTERNET <1%
22	https://www.ireappos.com/news/en/understanding-and-criteria-for-smes/ INTERNET <1%
23	https://scispace.com/papers/the-impact-of-financial-literacy-fintech-utilization-and-3jj2t2g3bt INTERNET <1%
24	https://quizlet.com/612535146/ism-chapter-1-flash-cards/ INTERNET <1%
25	https://www.statisticssolutions.com/testing-assumptions-of-linear-regression-in-spss/ INTERNET <1%
26	https://blog.minitab.com/en/understanding-statistics/handling-multicollinearity-in-regression-analysis INTERNET <1%
27	https://link.springer.com/chapter/10.1007/978-3-031-53555-0_2 INTERNET <1%

EXCLUDE CUSTOM MATCHES	ON
EXCLUDE QUOTES	ON
EXCLUDE BIBLIOGRAPHY	ON