

THE EFFECT OF FINANCIAL LITERACY, HUMAN RESOURCE COMPETENCE, AND E-COMMERCE IMPLEMENTATION ON THE FINANCIAL PERFORMANCE OF PALU CITY MSMEs

Miswati¹⁾, Jurana²⁾, Ni Made Suwitri Parwati³⁾, I Putu Edi Darmawan⁴⁾

S1 Accounting, Faculty of Economics and Business, Tadulako University, Palu City^{1,2,3,4)}

Email: miswaty196@gmail.com¹⁾, jurananurdin@gmail.com²⁾,

nimade_suwitriparwati@untad.ac.id³⁾, edidarmawan@untad.ac.id⁴⁾

Abstract

Micro, Small and Medium Enterprise (MSME) are a pillar of the national economy but in fact, they still face many obstacles in improving their financial performance. The purpose of this study is to examine the influence of financial management capabilities, human resources capacity, and the use of e-commerce system on the financial performance of MSMEs in Palu City. This study used a quantitative method, with primary data collected through questionnaires distributed to 150 MSMEs. The sampling method used was purposive sampling, which the requirement that 1) MSMEs have been operating for at least one year, 2) and have implemented e-commerce in their business processes. Data management included validity and reliability testing, descriptive data analysis, classical assumption analysis, multiple regression analysis and hypothesis testing. The findings indicated that financial literacy, human resource competency, and e-commerce implementation have a significant and positive impact on the financial performance of MSMEs in Palu City. These results indicate that focusing on these three components is crucial for improving the financial performance and sustainability of MSMEs businesses.

Keywords: Financial Literacy; Human Resource Competence; E-commerce Implementation; Financial Performance; MSMEs

Abstrak

Usaha Mikro, Kecil, dan Menengah (UMKM) merupakan pilar bagi perekonomian nasional, namun secara faktual masih banyak mengalami kendala dalam peningkatan kinerja keuangannya. Tujuan penelitian ini adalah untuk mengkaji pengaruh kemampuan manajemen keuangan, kapasitas SDM, dan pemanfaatan sistem e-commerce terhadap kinerja keuangan UMKM di Kota Palu. Penelitian ini menggunakan metode kuantitatif, dengan data primer yang dikumpulkan melalui penyebaran kuesioner kepada 150 UMKM. Metode sampling yang digunakan adalah purposive sampling dengan syarat 1) UMKM beroperasi setidaknya satu tahun, 2) dan telah menerapkan e-commerce dalam proses bisnisnya. Pengelolaan data mencakup pengujian validitas dan reliabilitas, analisis data deskriptif, analisis asumsi klasik, analisis regresi berganda, dan pengujian hipotesis. Temuan tersebut menunjukkan bahwa literasi keuangan, kompetensi sumber daya manusia, dan implementasi e-commerce berdampak signifikan dan positif terhadap kinerja keuangan UMKM di Kota Palu. Hasil ini menunjukkan bahwa fokus pada ketiga komponen ini sangat penting untuk meningkatkan kinerja keuangan dan keberlanjutan usaha UMKM.

Kata kunci: Literasi keuangan; Kompetensi Sumber Daya Manusia; Implementasi E-commerce; Kinerja Keuangan; UMKM

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have long been an important pillar in Indonesia's economic framework. Based on official reports from the Ministry of Cooperatives and SMEs show that this sector contributes more than 60% of the Gross

Domestic Product (GDP) and provides employment for more than 97% of the workforce in Indonesia (Ndraha et al., 2024). In addition, MSMEs produce goods and services to meet local needs. In fact, some MSMEs have exported their products, thus contributing foreign exchange to the country.

The contribution of MSMEs in supporting the national economy is very real. However, currently MSMEs are facing crucial problems which hinders the development of his business. The main problems include limitations in marketing, technology utilization, financial management, quality of human resources, and access to capital (Ediraras., 2010). Based on The FEB UI report shows that of the 1,500 MSMEs studied, only five managed to move up, and only three were able to survive the competition Infobanknews, (2023) in Zalukhu et al. (2024). These findings illustrate how fragile MSMEs are, So that they are not strong to survive, let alone win the competition.

Financial management problems are part of the main aspects that affect the sustainability of MSMEs. Effective financial management requires understanding and accounting skills, which are not fully possessed by all MSME actors. Studies conducted Lia et al., (2015) found that some MSME actors have not routinely evaluated their financial performance, and some even choose to ignore the preparation of financial statements because they consider the process complicated and time-consuming. As a result, business actors have limitations in understanding the financial condition of their business, such as the ability to meet short-term obligations, the contribution of sales to profit, and income generated from operational activities.

Financial understanding is an important aspect for individuals and business actors in managing and planning finances appropriately. Financial understanding shows a person's skills in knowing basic financial principles, managing funds, saving, investing, and making appropriate financial decisions. Results National Survey on Financial Literacy and Inclusion conducted by the Financial Services Authority shows that the level of National financial literacy is still low, namely 38.03% (Sari et al., 2024). Low financial literacy results in inefficient financial management, such as unaccountable credit taking, and weak cash flow control.

In addition to financial factors, the competency aspect of human resources also plays an important role in improving the financial performance of MSMEs. Business productivity is greatly influenced by the quality of the workforce, which includes the knowledge, skills, abilities, and characteristics of individuals that support the effective implementation of business activities (Zairina et al., 2023). Therefore, improving the financial performance of MSMEs needs to be accompanied by sustainable business development and improving the competence of human resources in various aspects.

Other factors that are no less important are Implementation e-commerce. According to Kartika & Musmini (2022) e-commerce is one of the methods used by business people to carry out their business activities, both in the form of sales, purchases, and other activities. Attendance e-commerce has changed conventional business patterns to be more modern by utilizing digital technology as the main means. By running a business online, MSMEs can reduce marketing and promotion costs using digital marketing strategies. By reducing operational costs, MSMEs can increase their profit margins, which can ultimately increase the overall profitability of their business (Zalukhu et al., 2024).

Palu City is the economic center of Central Sulawesi Province which has great potential in the development of the MSME sector. However, despite having a large contribution, MSMEs in the city of Palu still face various obstacles in improving the financial performance of their business. Based on initial observations at the Palu City Business Incubator, many

business actors are still facing various fundamental challenges, including not having a sufficient understanding of financial management, the financial literacy of MSMEs in Palu City is still in the category moderate, where business actors only have a basic understanding without being supported by adequate financial practices (Manginda et al., 2025). Based on the report Central Sulawesi E-Commerce Statistics 2022 It noted that 54% of business actors are constrained by capital, 31% face low demand, and 6% are constrained by a lack of skilled labor. This shows that despite the open digital opportunities, the utilization of e-commerce by MSMEs is still far from optimal. This condition results in many MSMEs not being able to grow significantly or even stagnate for a long period of time, which can hinder the improvement of their financial performance.

Previous research has explored each variable separately. The results of Hartina et al. (2023), Putri et al. (2022), Wulandari & Paramita (2023) and Kartika & Musmini (2022) indicates that financial literacy positively and significantly influences the financial performance of. While, Kartika & Musmini (2022) and Wiadnyana & Wahyuni (2023) who states that quality human resources have a significant positive effect on an MSMEs financial performance. On the other hand, Sampelimbong et al. (2024) affirms that Implementation e-commerce shows a positive and significant impact on the financial performance. The study that tested simultaneously the third these variables in the context of Palu City MSMEs are still very limited. Most of the research still focuses on other areas. So that The main contribution of this research lies in the novelty of its location. The results of the research are expected to be a basis for consideration for MSME actors and stakeholders in formulating strategies to increase profitability and encourage MSMEs to develop and upgrade.

2. LITERATURE REVIEW

Teori *Resource-Based View (RBV)*

Theory *Resource-Based View (RBV)* emphasizing that an organization's competitive advantage comes from internal capabilities in optimizing resource potential optimally. Wernerfelt (1984) and Barney (1991) explained that the organization will have sustainable competitiveness if it is able to master resources that are of strategic value, are scarce, and are difficult to imitate by other parties. Through effective management of resources and capabilities, organizations can maintain long-term sustainability of performance (Heliani & Novitasari 2024). In the context of MSMEs, the implementation of RBV shows that the management of tangible and intangible assets, such as financial literacy, human resource competence, and the use of digital technology, has an important role in increasing business productivity (Destrin, 2024). Mastery of financial literacy helps business actors in managing cash flow and financial decision-making, while human resource competencies support adaptability to technological changes. On the other hand, the application of e-commerce expanding market reach and improving operational efficiency. The synergy of internal resources contributes to increasing sales, cost control, and financial stability, thus having a positive impact on the financial performance of MSMEs in a sustainable manner.

Financial Literacy

Financial literacy is the capability and tendency of individuals to recognize, comprehend and utilize skills in handling finance in order to achieve stable financial welfare (Septiani & Wuryani 2020). According to Hartina et al. (2024) financial literacy and has contributed to shaping the positive inclination of encouraging improvement of MSMEs' performance in finance. According to the above analysis, the hypothesis statement will be: H1: Financial literacy has a positive and significant effect on financial performance.

Human Resource Competencies

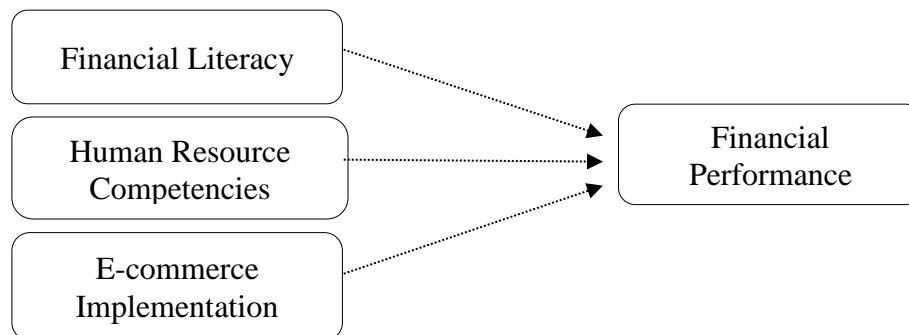
Human resource competencies reflect the expertise, knowledge, and skills of the workforce that can be utilized to support the achievement of organizational goals effectively (Izar & Yahya 2022). The increasing competence of business actors in MSMEs takes part in enhancing the quality of business management and increases financial performance (Kartika & Musmini 2022). Thus, the hypothesis formulated is:

H2: Human resource competence has a positive and significant effect on financial performance

E-commerce Implementation

E-commerce is a form of business activity that utilizes digital platforms related to the transaction process, both in sales, purchases, and information exchange (Rival et al., 2024). System usage e-commerce offer opportunities for the MSME sector to increase profits and maintain business sustainability through market expansion and increased operational efficiency (Anindya & Agustin 2024). Therefore, the research hypothesis:

H3: E-commerce implementation has a positive and significant effect on financial performance



Source: Processed By Researchers (2026)

3. RESEARCH METHODS

This study uses a quantitative method with the research subjects of Micro, Small, and Medium Enterprises (MSMEs) operating in Palu City. The data analyzed is primary data obtained directly from respondents, namely MSME actors, so that the information collected reflects the actual conditions in the field. Data collection was carried out by distributing questionnaires aimed at research subjects who met the research requirements. The population in this study includes all MSME actors who run their businesses in Palu City. However, considering that not all MSMEs use e-commerce in their business operations, therefore the sample determination used purposive sampling. This technique was chosen to adjust the characteristics of the respondents according to the research objectives. Respondents included in the sampling were those who met the following criteria: (1) actors of MSMEs that have operated for at least 1 year, to provide stability of operations and accuracy of data and (2) actors of MSMEs who have adopted e-commerce on business activities, so the analysis can be directed at variables related to the use of digital technology. The decision to use this sample size in the present study was made based on what Hair et al., (2020) describes, that having a very large number of samples is likely to bring about some difficulties in obtaining accurate parameter estimates as stated in (Milenia & Laily 2024). Therefore, it is recommended that each estimated indicator parameter be supported by a minimum of 5–10 observations, with an overall sample size ranging from 100 to 200 respondents deemed appropriate to avoid bias in the regression model. Based on this, this

study uses 15 indicators with 10 observations per indicator, therefore the number of samples used is $10 \times 15 = 150$ respondents.

The measurement of dependent variables, namely financial performance, is measured by 3 indicators. Assets, Sales Turnover, and Profit (Jubaedah & Destiana 2016). Measurement of independent variables of financial literacy using indicators of general knowledge of finance, savings and loans, insurance, investment (Chen & Volpe, 1998). Human resource competency variables are measured using indicators Knowledge, skills, and ability (Zairina et al. 2023). Implementation variables e-commerce measured using an indicator Usage platform e-commerce, Integration e-commerce in business processes, digital marketing strategies, product and inventory management, customer service and communication (Lovita & Susanty 2021). Respondents' perceptions were measured using the Likert scale which consisted of five categories, namely Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), and Strongly Disagree (1). Instrument testing techniques analyzed using SPSS Statistic 25 This stage includes validity testing and reliability analysis. Data management includes descriptive statistics and multiple linear regression. The regression models involved in this analysis can be seen as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

And	= Financial Performance
A	= Konstanta
β_1	= Financial Literacy regression coefficient
β_2	= Human Resource Competency regression coefficient
β_3	= Implementation regression coefficient E-commerce
X1	= Financial Literacy
X2	= Human Resource Competence
X3	= Implementation E-commerce
E	= Error

Where (Y) reflects an improvement in financial performance, (X1) plays a role in improving the financial literacy of business actors, (X2) improves human resource competence, and (X3) supports the improvement of business performance through the implementation of e-commerce. Meanwhile, α is a constant, β shows the coefficient of increase of each independent variable, while the error component (e) reflects the error or influence of other aspects that are not included in the research framework. Before the hypothesis analysis was carried out, the regression analysis model at the initial stage was tested through a classical assumption test which included a normality test, a multicollinearity test, and a heteroscedasticity test. Hypothesis testing was then carried out through the t-test and the f-test with a statistical significance level of 5%.

4. RESULTS AND DISCUSSION

Table 1. Descriptive Statistical Testing Results

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
Financial Literacy	150	21,00	40,00	30,6667	5,07086
Human Resource Competencies	150	17,00	35,00	27,1267	4,43945
E-commerce Implementation	150	21,00	45,00	34,5733	5,95999

Financial Performance	150	20,00	40,00	30,4000	5,11741
Valid N (<i>listwise</i>)	150				

Source: Data Processed, 2026

Based on the results of descriptive statistics on 150 MSME respondents in Palu City, it can be explained that Financial Literacy X1 has a value range between 21 as the lowest score and 40 as the highest score, with an average score of 30.6667 and a standard deviation of 5.07086. The average score, which is relatively close to the maximum value, proves that the level of financial literacy among business owners is generally classified quite well, which indicates that they have an adequate basic knowledge of financial management. The human resource competency variable (X2) recorded a minimum number of 17 and a maximum number of 35, with an average of 27.1267 and a standard deviation of 4.43945. This fact reflects that the level of competence of human resources in MSMEs is quite good. Furthermore, the *e-commerce* implementation variable (X3) showed the lowest value reaching 21 and the highest value reaching 45, having an average of 34.5733 and a standard deviation of 5.95999. The relatively high average value reflects that MSMEs have adopted and utilized e-commerce quite optimally in marketing activities and business transactions.

Meanwhile, the financial performance variable (Y) has a minimum number of 20 and a maximum value of 40, with a mean of 30.40 and a standard deviation of 5.11741. This finding reflects that the overall financial performance of MSMEs is included in the category of quite good. The variation in the standard deviation value illustrates that the achievement of profit or business growth between MSMEs is still diverse, which is influenced by how effectively they manage their financial literacy, human resources, and technology. Overall, the results of descriptive statistics show that financial literacy, human resource competence, and e-commerce implementation, on the financial performance of MSMEs in Palu City are at a relatively good level.

Table 2. Results of Validity and Reliability Testing

Variabel	Item	r count	R table	Cronbach Alpha
Financial Literacy	X1.1	0.847	0,1603	0.917
	X1.2	0.711	0,1603	
	X1.3	0.796	0,1603	
	X1.4	0.820	0,1603	
	X1.5	0.790	0,1603	
	X1.6	0.783	0,1603	
	X1.7	0.846	0,1603	
	X1.8	0.784	0,1603	
Human Resource Competencies	X2.1	0,752	0,1603	0.892
	X2.2	0,743	0,1603	
	X2.3	0,806	0,1603	
	X2.4	0,789	0,1603	
	X2.5	0,762	0,1603	
	X2.6	0,777	0,1603	
	X2.7	0,826	0,1603	
E-commerce Implementation	X3.1	0,787	0,1603	0.924
	X3.2	0,804	0,1603	
	X3.3	0,843	0,1603	
	X3.4	0,769	0,1603	
	X3.5	0,812	0,1603	
	X3.6	0,752	0,1603	
	X3.7	0,802	0,1603	

	X3.8	0,799	0,1603	
	X3.9	0,739	0,1603	
Financial Performance	Y.1	0,822	0,1603	0.918
	Y.2	0,772	0,1603	
	Y.3	0,819	0,1603	
	Y.4	0,770	0,1603	
	Y.5	0,801	0,1603	
	Y.6	0,828	0,1603	
	Y.7	0,771	0,1603	
	Y.8	0,806	0,1603	

Source: Data Processed, 2026

Referring to the results of the validity test shown in Table 2, all statement items obtain a calculated r-value that exceeds the r-value of the table, thus it can be stated that each item is able to measure the research variables appropriately and is qualified to be used as a research instrument. Next, the reliability test findings indicated that all variables had Cronbach's Alpha values exceeding 0.7, indicating a decent level of internal stability. Thus, the research instrument meets the reliability criteria.

Table 3. Summary of Normality Test Results

One-Sample Kolmogorov-Smirnov Test	
N	Unstandardized Residual 150
<i>Asymp. Sig. (2-tailed)</i> 0,200d	

Source: Data Processed, 2026

The results of the normality test presented in the table show that *the value of Asymp. Sig. (2-tailed)* is 0.200, exceeding the significance level of 0.05. Therefore, it can be concluded that the research data are distributed normally, which suggests that the regression model does not show normality problems.

Table 4. Summary of Multicollinearity Test Results

Variabel	Collinierity Statistic		Information
	Tolerance	VIF	
Financial Literacy	0,273	3,670	Multicollinearity does not occur
Human Resource Competencies	0,365	2,739	Multicollinearity does not occur
E-commerce Implementation	0,338	2,960	Multicollinearity does not occur

a.DependenVariable:Financial Performance

Source: Data Processed, 2026

Based on the test results presented in Table 4, the tolerance level for financial literacy, human resource competence, and overall e-commerce implementation exceeds the threshold of 0.10, while the Variance Inflation Factor (VIF) for each variable shows a value below 10. The findings indicate that the research model is free from multicollinearity problems.

Table 5. Summary of Heterokedasticity Test Results

Variabel	Sig	Information
Financial Literacy	0,348	Heteroscedasticity does not occur
Human Resource Competencies	0,785	Heteroscedasticity does not occur
E-commerce Implementation	0,054	Heteroscedasticity does not occur

a.DependenVariable:Abs_RES

Source: Data Processed, 2026

According to the test results, all research indicators for independent variables have a significance level of more than 0.05. This requirement demonstrates that homogeneity assumption is satisfied in the model of regression analysis, meaning that heteroscedasticity does not occur in research data.

Table 6. Multiple Linear Regression Test Results

Coefficientsa					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,698	1,656		2,234	0,027
Financial Literacy	0,284	0,095	0,281	2,999	0,003
Human Resource Competencies	0,263	0,093	0,228	2,813	0,006
E-commerce Implementation	0,314	0,072	0,366	4,346	0,000

a. Dependent Variable: Financial Performance

Source: Data Processed 2026

The remaining independent variables tested the effect of financial literacy, HR competence, and e-commerce on financial performance. This shows that there would be other factors apart from the variables analyzed in the model which affect financial performance of MSMEs.

$$Y = 3.698 + 0.284(X1) + 0.263(X2) + 0.314(X3)$$

The regression coefficient value of 0.284 for the variable financial literacy indicates that given the other independent variables are unchanged, a change of one-unit in financial literacy level will create a change of 0.284 on MSMEs' financial performance. This action is statistically significant at a p-value level of 0.003, which travels into the 0.05. Human resource's skill is also a variable that significantly affects MSMEs performance. The coefficient is 0.263 and the significance is 0.006 with a meaning that labour force ability improvement will increase the financial performance of MSMEs. A positive value of e-commerce implementation coefficient of 0.314 also indicates by the increasing use of e-commerce so that it will lead to better financial performance for MSME. This effect was confirmed with 0.000 significance. Accordingly, the adoption of e-commerce appears to be the most determinant factor in accounting for differences in financial performance between MSMEs.

Table 7. Determination Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,806a	,650	,643	3,05852

a. Predictors: (Constant), E-commerce Implementation, Human Resource Competence, Financial Literacy

Source: Data Processed, 2026

Based on the analysis of the determination coefficient in Table 7, an R value of 0.806 was obtained. The R Square value of 0.650 shows that the three independent variables can explain 65.0% of the variation in MSME financial performance. The remaining 35.0% were due to other factors that were not part of the research model. The Adjusted R Square score

of 0.643 also revealed that the regression model applied was stable enough to be used in the analysis.

Table 8. T Test Results

Variabel	Prob.Sig				
	t count	T table	Sig	a=5%	Information
Financial Literacy	2,999	1,97635	0,003	0.05	Signifikan
Human Resource Competencies	2,813	1,97635	0,006	0.05	Signifikan
E-commerce Implementation	4,346	1,97635	0,000	0.05	Signifikan

Source: Data Processed, 2026

Partial testing with a t-test revealed that financial literacy significantly affects the financial performance of MSMEs. The t-value obtained reached 2.999 which exceeded the table t-value of 1.97635, while the sig value of 0.003 was below the limit of 0.05. Therefore, it is ensured that financial literacy makes a substantial contribution to the financial performance of MSMEs. Furthermore, human resource competence showed a calculated t-value of 2.813 which also exceeded the table t-value of 1.97635, with a significance level of 0.006 which was smaller than 0.05. These findings indicate that human resource competencies play a significant role in improving the financial performance of MSMEs. On the other hand, the calculated t-value of e-commerce implementation variable was 4.346, higher than t-table 1.97635 with 0.000 significance level less than $\alpha = 0.05$. These findings indicate that the practice of e-commerce has a strong impact on MSMEs financial performance.

Discussion

The Effect of Financial Literacy on the Financial Performance of MSMEs

The result of the hypothesis test indicates that financial knowledge has a positive and significant effect on the financial performance of MSMEs in Palu City. It is corroborated by the t test, i.e. the value of the regression coefficient is 0.284 and the p-value equals to $0.003 < 0.05$. These results suggested that the higher financial knowledge, the improvement of the financial performance MSMEs will be generated (Hartina et al., 2023). Our results are also parallel to the study of Hartina et al. (2023), Putri et al. (2022), Wulandari & Paramita (2023) and Kartika & Musmini (2022). a better financial knowledge is conducive for MSME entrepreneur to evaluate business financially such as by observing the profit and loss of their business, reviewing the effectiveness of applied financial policies and strategies. From a theoretical perspective Resource-Based View (RBV), this result confirms that the competitive advantage of the business is greatly influenced by the internal resources owned by it (Barney, 1991). In this context, knowledge, skills, and abilities in managing finances are important resources for MSMEs. Financial literacy meets the criteria as a strategic resource because not all MSME actors have this ability, and this ability cannot be obtained instantly. On the contrary, financial literacy is formed through a continuous process of learning, experience, and self-development.

Practically, these findings indicate that increasing financial literacy plays an important role in maintaining the sustainability of micro, small and medium enterprises in Palu City. MSME actors who understand cash flow management, conduct orderly financial records, and prepare finances both short-term and long-term tend to be able to control operational costs and optimize operating profits. This result validates that MSMEs don't rely on intuitive decisions, but require structured and programmed financial management practices.

The Influence of Human Resource Competence on the Financial Performance of MSMEs

According to the result of t-test, human resource competence has positive and significant effect on MSMEs financial performance with regression coefficient 0.263 and significance level 0.006. This finding implies that a better quality of human resources has a direct positive influence on the financial performance of MSMEs. This skill can be seen as a basic quality which is part of the person and it's linked to his/her work capability. Findings of this study support the results of Kartika & Musmini (2022) and Wiadnyana & Wahyuni (2023) implying that HR competence is able to increase the MSME's financial performance. This status supports the belief that the degree to which knowledge, skills and abilities are considered acceptable may have an impact on better managing of business leading to more desirable financial performance. This result can be justified based on Resource-Based View (RBV) as it suggests that the enhancement of MSME performance is directly linked with the efficient management of resources including tangible and intangible (Destrin, 2024). Human resource capacities are not physical or tangible capital but so-called intangible resources which play the strategically important role, because they enable actors of MSMEs to possess, a knowledge, skill and managerial techniques. Good human resources facilitate an effective and efficient use of resources so as to move the business towards its goals.

Practically, the results of this study shows that HR competencies are a significant determinant for enhancing financial performance. Such actors in MSMEs are relatively more flexible providers facing market dynamics, but take better decisions because of their sophisticated approach. These results suggest that the development of competencies not only is technical in nature (production) but also requires skills related to management, marketing, and financial decisions.

The Effect of E-commerce Implementation on the Financial Performance of MSMEs

The findings of the analysis suggest that e-commerce on a more and more basis has a significant effect on the financial performance of MSMEs. It is reinforced by the absolute value of regression coefficient 0.314 with significance level 0.000 that implies that implementation of e-commerce is a variable which most contribute to the effect on financial achievement than other variables. And the better of MSMEs adopts e-commerce, the more its financial performance will also be upgraded.

The use of the e-commerce platform is to optimize the convenience of MSME actors in marketing and transacting so can proceed as efficiently as possible. The results of this study are also consistent with Resource-Based View (RBV). According to Aslamiyah et al. (2024) RBV theory highlights the urgency of managing assets that are unique, difficult to imitate, and not easily replaced by other parties. In this context, the use of e-commerce It is seen as a valuable technology asset and is not easy to imitate when implemented optimally according to business characteristics. In line with the RBV principle, an organization's competitive advantage comes from the difference in resources it has and the ability to integrate it effectively. Therefore, the use of e-commerce is closely related to improving business performance, because the digitalization platform provides access to an increasingly expanding market reach and supports more optimal operations so as to encourage increased competitiveness and financial performance of MSMEs. These empirical findings are consistent with previous studies that have been conducted by Sampelimbong et al. (2024) which shows that e-commerce has the potential to have a n impact that improves the financial performance of MSMEs.

CONCLUSIONS AND SUGGESTIONS

Conclusion

1. Financial literacy has a positive and significant effect on the financial performance of MSMEs in Palu City. The findings of this study suggest that the capability of MSME actors on mastering basic financial concepts, including cash flow management, saving, credit access and utilization, insurance and investment have a significant role in promoting asset increase as well as sales turnover increase and operating profit growth. Financial literacy is an important strategic tool as it equips the actors involved at MSME level to make informed rational, intentional and sustainable financial decisions.
2. HR competence has a positive and significant effect on financial performance of MSMEs. It means that the knowledge, skill and ability of business owners in managing their business professionally are the most important elements to improve the operational efficiency and quality of decision making in the business. Adequate human capital will be able to maximize the efficiency of its ability to the fullest and it will have a direct effect so as to improve financial performance business.
3. The application of e-commerce strongly affects the financial performance of MSMEs in Palu city. The best model of e-commerce will stimulate MSMEs to reach to broader markets, increase the sales volume and also lower the cost of operations through the digitization of business process. These results indicate that digital use is a promotion tool and can be used as method to enhance business longevity.

Suggestions

In addition it is recommended that the results of research MSME actors in Palu City, remain improved financial knowledge and human resources competencies by continuing to learn so as to do more orderly financial management is planned. E-commerce its use also must be disciplined not merely can function as a marketing tool, but integrated business planning, in order to make businesses become more efficient and competitive. Furthermore, it is anticipated that local government and supporting institutions will have a more proactive role in arranging technical training and policy support aimed at improving the capacity of MSME actors. Research on other relevant dimensions not incorporated in the scope of this study is recommended with a view to attaining an all-inclusive understanding of factors that influence the financial performance of MSMEs.

REFERENCES

- Anindya, S., & Agustin, H. A. (2024). Pengaruh Penerapan E-Commerce Terhadap Kinerja Keuangan UMKM Kuliner Di Kabupaten Mojokerto, Jawa Timur. *Jurnal Media Akademik (JMA)*, 2(12), 3031–5220.
- Aslamiyah, F., Windarti, R. A., Farleni, S., & Sanjaya, V. F. (2024). Pendekatan resource-based view (RBV) dalam manajemen bisnis: strategi untuk keunggulan. *Jurnal Manajemen Bisnis Syariah*, 1(2), 176–183.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 19–120.
- Chen, H., & Volpe, R. P. (1998). An analysis of Personal Financial Literacy Among College Students. *Financial Services Review*, 7(2), 107–128.
- Destrin, P. (2024). Dampak Literasi Keuangan Terhadap Kinerja UMKM Dengan Inovasi Sebagai Variabel Moderasi: Perspektif Keberlanjutan UMKM. *LITERA: Jurnal Literasi Akuntansi*, 4(4), 184–189. <https://doi.org/10.55587/jla.v4i4.142>
- Ediraras, D. T. (2010). Akuntansi dan Kinerja UKM. *Jurnal Ekonomi Bisnis*, 15(100), 152–158.

- Hartina, Goso, G., & Palatte, M. H. (2023). Analisis Dampak Literasi Keuangan dan Keuangan Terhadap Kinerja Keuangan UMKM. *SEIKO : Journal of Management & Business*, 6(1), 644–651. <https://doi.org/10.37531/sejaman.v6i1.3874>
- Heliani, & Novitasari, S. A. (2024). Pengaruh Literasi Keuangan , Inklusi Keuangan , dan Finansial Teknologi Terhadap Kinerja UMKM di Kota Sukabumi. *Jurnal Aktiva : Riset Akuntansi Dan Keuangan*, 6(3), 291–308.
- Izar, S., & Yahya, M. R. (2022). Pengaruh Kepemimpinan, Fokus Pada Pelanggan, Manajemen Sumber Daya Manusia, Dan Pengendalian Dan Proses Monitoring Berkualitas Terhadap Kinerja Keuangan (Studi Pada UMKM Di Kota Banda Aceh). *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi*, 7(1), 66–82. <https://doi.org/10.24815/jimeka.v7i1.21056>
- Jubaedah, S., & Destiana, R. (2016). Kinerja Keuangan UMKM di Kabupaten Cirebon Sebelum dan Sesudah Mendapatkan Pembiayaan Syariah. *Jrka*, 2(2), 93–103.
- Kartika, D., & Musmini, L. S. (2022). Pengaruh Literasi Keuangan, Kompetensi Sumber Daya Manusia Dan Minat Menggunakan E-commerce Terhadap Kinerja Keuangan UMKM Pada Masa Pandemi Covid-19 di Kecamatan Buleleng. *JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi)*, 13(1), 1–11. <https://ejournal.undiksha.ac.id/index.php/S1ak/article/download/35273/21390>
- Lia, D. A. Z., Hidayat, R., & Z.a, Z. (2015). Penilaian Kinerja Keuangan Pada Usaha Kecil dan Menengah (UKM) Berdasarkan Analisis Rasio Keuangan (Studi pada IRT Ramayana Agro Mandiri Kota Batu Tahun 2011-2014). *Jurnal Administrasi Bisnis*, 25(1), 1–11.
- Lovita, E., & Susanty, F. (2021). Peranan Pemahaman E-Commerce dan Sistem Informasi Akuntansi Terhadap Minat Kewirausahaan. *Jurnal Akuntansi Dan Manajemen (JMA)*, 18(02), 47–54. <https://doi.org/10.36406/jam.v18i02.437>
- Manginda, F., Fattah, V., Kasim, M. Y., & Fera, F. (2025). Analisis Tingkat Literasi Keuangan Pada Pelaku UMKM Yang Terdaftar Di Inkubator Bisnis Kota Palu Tahun 2023-2024. *Jurnal Media Wahana Ekonomika*, 21(4), 737–749. <https://doi.org/10.31851/jmwe.v21i4.17589>
- Milenia, T. A., & Laily, N. (2024). Pengaruh Knowledge Management terhadap Keberhasilan UMKM dengan Kompetensi sebagai Variabel Intervening (Kasus Pada UMKM di Kabupaten Sidoarjo). *Jurnal Ilmu Dan Riset Manajemen*, 13(5), 1–15.
- Ndraha, A. B., Zebua, D., Zega, A., & Zebua, M. K. (2024). Dampak Ekonomi Digital Terhadap Pertumbuhan UMKM Di Era Industri 4.0. *Jurnal Ilmu Ekonomi Dan Bisnis*, 1(1), 27–32. <https://doi.org/10.70134/jukoni.v1i1.23>
- Putri, R. E., Goso, G., Hamid, R. S., & Ukkas, I. (2022). Pengaruh Literasi Keuangan, Financial Technology dan Inklusi Keuangan terhadap Kinerja Keuangan Pengusaha Muda. *Owner: Riset & Jurnal Akuntansi*, 6(2), 1664–1676. <https://doi.org/10.33395/owner.v6i2.790>
- Rival, M., Annas, F., & Fattahul Safti Hasibuan, A. (2024). Perancangan Sistem E-Commerce Menggunakan OpenCart untuk Home Industry Makanan pada Usaha Mikro di Payakumbuh. *JOVISHE : Journal of Visionary Sharia Economy*, 3(2), 365–383. <https://doi.org/10.57255/jovishe.v3i2.482>
- Sampelimbong, S., Tahirs, J. P., & M.Palimbong, S. (2024). Dampak Implementasi E-Commerce Terhadap Kinerja Keuangan UMKM Di Kabupaten Toraja Utara. *Jurnal Review Pendidikan Dan Pengajaran*, 7, 10813–10819.
- Sari, M. P., Baining, M. E., & Saijun, S. (2024). Peran OJK (Otoritas Jasa Keuangan) dalam Meningkatkan Literasi Keuangan pada Masyarakat. *Journal Development*, 12(2), 210–

223. <https://doi.org/10.53978/jd.v12i2.410>
- Septiani, R. N., & Wuryani, E. (2020). Pengaruh Literasi Keuangan dan Inklusi Keuangan Terhadap Kinerja UMKM di Sidoarjo. *E-Jurnal Manajemen*, 9(2), 58–66. <https://doi.org/https://doi.org/10.24843/EJMUNUD.2020.v09.i08.p16>
- Wiadnyana, M. A., & Wahyuni, M. A. (2023). Pengaruh Aplikasi Akuntansi Berbasis Android Si Apik, Kompetensi Sumber Daya Manusia, dan Pengelolaan Keuangan Terhadap Kinerja Keuangan UMKM Pasca Covid-19 (Studi Pada UMKM Di Kabupaten Jembrana). *Jurnal Ilmiah Akuntansi Dan Humanika*, 13(2), 252–263. <https://doi.org/10.23887/jiah.v13i2.60878>
- Wulandari, D. N. A., & Paramita, R. . S. (2023). Pengaruh Literasi Keuangan, Inklusi Keuangan, dan E-Commerce Terhadap Kinerja Keuangan UMKM (Coffee Shop) di Kabupaten Kabupaten Jember. *Jurnal Ilmiah Wahana Pendidikan*, 9(September), 199–210.
- Zairina, N., Mutiara, A., & Pabulo, A. (2023). Pengaruh Literasi Keuangan, Kompetensi Sumber Daya Manusia, dan Implementasi E-Commerce terhadap Kinerja UMKM di Kabupaten Bantul. *Edunomika*, 08(01), 1–12.
- Zalukhu, R. S., Hutauruk, R. P. S., Collyn, D., Jayanti, S, S. E., Sinaga, M., & Damanik, S. W. H. (2024). Pengaruh E-Commerce dan Kualitas Sumber Daya Manusia Terhadap Kinerja Keuangan UMKM. *MENAWAN: Jurnal Riset Dan Publikasi Ilmu Ekonomi*, 2(1), 310–322. <https://doi.org/10.61132/menawan.v2i1.442>