

The Role of Financial Literacy and Spiritual Intelligence in The Financial Management of Mompreneurs Culinary MSMEs in Galang District

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ABSTRACT

The purpose of this study was to examine the role of financial literacy and spiritual intelligence on the financial management of mothers' culinary MSME players in Galang District. This research is a quantitative study with a population of 57 MSME players in the culinary sector in Galang District. Data was collected using a questionnaire given to 57 respondents. The analysis technique of this research is the research method is a descriptive approach using the SEM PLS analysis technique using SMARTPLS 4 software. The results of the study (1) financial literacy as a positive and significant effect on financial management, (2) spiritual intelligence has a positive but insignificant effect on financial management. The soaring prices of basic necessities urge women with the status of housewives to trade small to sustain the family economy. For this reason, in running their business, mothers must also understand the importance of financial literacy and spiritual intelligence in managing their business finances.

Keywords : Financial Management, Financial Literacy, MSME Actors, Spiritual Intelligence

INTRODUCTION

The community is both the object and subject of development, the government has the duty to protect, guide, direct and encourage an atmosphere of cooperation. MSMEs can play a role in the process of contributing to balancing and increasing people's income, promoting economic growth, and achieving national stability (Puji Hastuti, 2020).

The Covid 19 pandemic in Indonesia from early March 2020 to 2021 leaves many stories that seem endless. As the price of basic necessities continues to soar, families with middle-class economic categories are on the verge of poverty. Facing an uncertain situation during the Covid-19 pandemic, followed by an economic crisis and recession, urges women with the status of housewives to look for alternative sources of income by trading small businesses for the sake of family economic survival (Madonna & Development Communication Studies, Bogor Agricultural University, 2020). The MSME sector really needs special attention in the form of alternative solutions in the form of policy strategies from stakeholders including the government, banks, universities and the large industrial world, considering that it is the largest contributor to GDP and can be a mainstay in absorbing labor, a substitute for the production of consumer goods or semi-finished goods. So that MSMEs can be one of the driving forces for national economic recovery (Tanjung et al., 2022). In order for people to be productive, efforts are needed. One of these efforts is to empower the community, especially women (Novita et al., 2019).

One of the most important components in the growth of MSMEs is financial management. By conducting financial planning and management, MSME actors can find out the financial condition of their business during a certain period of time and use it as a basis for making appropriate financial decisions (Raharjo et al., 2022). MSMEs have several limitations, especially regarding financial literacy which will have an impact on financial management (Lubis & Irawati, 2022). The higher the financial literacy of MSME actors, the better their financial management will be, and vice versa. Good financial literacy improves the financial management skills of MSME actors (Santiara & Sinarwati, 2023). To run a business, of course, every business actor must also have knowledge such as choosing things that his business really needs. For this reason, intelligence is also very necessary in running a business. Spiritual intelligence affects the financial management of MSMEs because spiritual intelligence is the ability to understand one's life and provide spiritual meaning (Dwiastanti & Wahyudi, 2022). The Deli Serdang area is located in North Sumatra and consists of 22 sub-

districts. Galang Sub-district is included in Deli Serdang Regency and has a total area of 150.29 km². The distance of Deli Serdang District from Lubuk Pakam is 16 km.

Table 1. Number of MSME players in the culinary sector in Galang sub-district

Gender	Amount	%
Male	30	34%
Female	57	66%
Amount	87	100%

Source : Dinas Koperasi Usaha Kecil dan Menengah Kabupaten Deli Serdang (2024)

It can be seen in the table that mothers are more dominant than men, this illustrates that the role of mothers is very important in helping the family economy. In addition, the phenomenon that the authors see in the object of research shows that in this modern era, mothers of MSMEs are required to be able to improve the quality and quantity of business, but there is something more important, namely how MSMEs can manage business finances to increase profits. However, the lack of MSME actors in making long-term strategic plans for their business, the ability to read market needs that are still not sharp, the lack of knowledge about financial literacy such as in terms of recording their business financial income and expenses or information makes it difficult for business actors to manage their business finances so that MSMEs have not been able to understand various kinds of problems that exist in their business, this is because MSME actors ignore how important financial literacy and spiritual intelligence are for an MSME entity in managing its business finances, especially for mothers. This problem usually arises because the knowledge and information of MSME actors regarding accounting is very limited for MSME actors. In this case the author aims to examine “The role of financial literacy and spiritual intelligence in the financial management of MSME actors.”

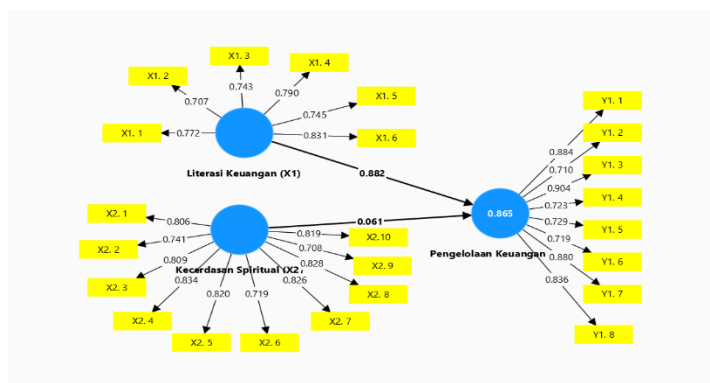
METHOD

The method used in this research is quantitative method, the analysis technique of this research is descriptive approach (Prof. Dr. Sugiyono, 2013). The population used in the study were women MSME players in the culinary sector in Galang District, the population of women MSME players in the culinary sector in Galang District amounted to 57. Data was collected using a questionnaire given to 57 respondents.

RESULT

Validity and Reliability Test

Testing convergent validity with a loading factor (correlation between item scores / component scores with construct scores) indicators that measure these constructs whose values are > 0.7 are considered significant. The average variance extracted (AVE) value must be > 0.5



Output: SMART-PLS4

Figure 1. Testing Results

Tabel 1. Loading Factor

	Financial Literacy (X1)	Spiritual Intelligence (X2)	Financial Management (Y1)
X1.1	0.772		
X1.2	0.707		
X1.3	0.743		
X1.4	0.790		
X1.5	0.745		
X1.6	0.831		
X2.1		0.806	
X2.2		0.741	
X2.3		0.809	
X2.4		0.834	
X2.5		0.820	
X2.6		0.719	
X2.7		0.826	
X2.8		0.828	
X2.9		0.708	
X2.10		0.819	
Y1.1			0.884
Y1.2			0.710
Y1.3			0.904
Y1.4			0.723
Y1.5			0.729
Y1.6			0.719
Y1.7			0.880
Y1.8			0.836

Output: SMART-PLS4

Based on table 4.1. according to the construct value whose value > 0.7 is considered significant, then each item on the financial literacy variable, spiritual intelligence and financial management has a significant value.

Tabel 2. Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Description
Spiritual Intelligence (X2)	0.934	0.938	<i>Reliable</i>
Financial Literacy (X1)	0.858	0.861	<i>Reliable</i>
Financial Management (Y1)	0.919	0.920	<i>Reliable</i>

Output: SMART-PLS4

Based on the table, it can be said that the Financial Literacy variable shows reliable with a composite reliability value of 0.861 and Cronbach alpha 0.858, the spiritual intelligence variable shows reliable with a composite reliability value of 0.938 and Cronbach alpha 0.934, the financial management variable shows reliable with a composite reliability value of 0.920 and Cronbach alpha 0.919.

Hypothesis Test

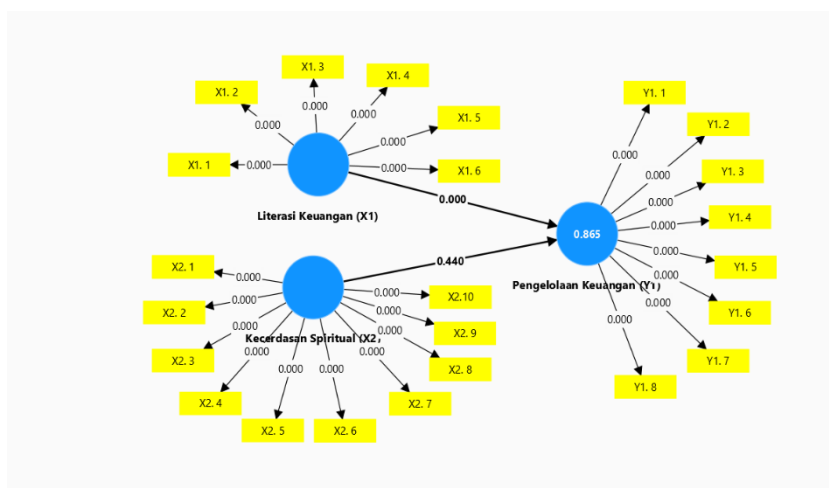
R-square values of 0.67, 0.33, and 0.19 indicate strong, moderate and weak models, respectively.

Table 3. R – Square

	R-square	R-square adjusted
Financial Management (Y1)	0.865	0.860

Output: SMART-PLS4

Based on the R-square table, it explains the substantive influence on endogenous variables with values of 0.67, 0.33, and 0.19 indicating strong, moderate, and weak models. So can be said that the financial management variable has a strong influence with a value of 0.865.



Output: SMART-PLS4

Figure 2. Phase II Testing Results

Based on table 4. to measure significant variables, the p values obtained must be <0.05 . So can be said that the first hypothesis, namely Financial Literacy, has a significant effect on financial management with a p value of 0.000. Furthermore, the second hypothesis, namely the financial literacy variable has a positive value but does not have a significant effect on the Financial Management variable with a p value of 0.440.

CONCLUSION

Based on the results of data analysis in this study, it can be concluded as follows:

1. The results of the first hypothesis test show that financial literacy (X1) has a significant effect on financial management (Y), which means that the better the mothers' financial literacy, the better the mothers' financial management. These results are supported by a t-statistic value of 13,801 and a p-value of $0.000 < 0.05$.
2. The results of the second hypothesis test show that spiritual intelligence (X2) has a positive value but does not have a significant effect on financial management. This means that high and low spiritual intelligence does not affect the level of financial management of mothers. These results are supported by a t-statistic value of 0.772 and a p-value of $0.440 < 0.05$.

Based on the above conclusions, the suggestions that can be taken are as follows:

1. For further researchers, they can conduct research updates that are more dominant in business financial management, especially MSMEs. It can also change the object of research to men or the millennial generation, considering how today's developments make it easier for us to create a business.
2. For MSME actors, especially mothers in Galang District, they should better understand how to manage finances properly in their businesses by applying financial literacy to their businesses.

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