

## How To Improve Financial Performance For Disable People Organizer?

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**Abstract.** Financial problems can be avoided by understanding the importance of financial literacy as a basic need. In general, vulnerable groups, including people with disabilities, have a low level of financial literacy and are categorized as a low income group, so it is still difficult to gain access to financial institutions, products and services. Therefore, there is a need for on going multi-sectoral education and assistance so that business groups with disabilities are more financially literate so that they can increase their financial independence and deserve financial services. This research aims to examine the impact of Financial Literacy, Financial Inclusion and Financial Technology on the Financial Performance of DPO Restu Abadi Purworejo. Data collection techniques in this research were obtained by observation, interviews, questionnaires, documentation and literature study. The population in this study were members of the DPO Restu Abadi Purworejo. The sampling technique used was purposive sampling with the criteria for members who had joined for more than 3 years, had an active business for 2 years and had consistent business income for 1 year, resulting in a total sample of 8 people. The data analysis techniques in this research are Multiple Linear Regression, Determination Test, and Hypothesis Test (T Test and F Test). Multiple regression analysis produces the equation  $Y=a+bX_1+bX_2+e$ . The regression results show that financial literacy, financial inclusion and financial technology have an impact on increasing the financial performance of DPO Restu Abadi Purworejo.

**Keywords:** Literacy; Financial Technology; Financial Performance

## INTRODUCTION

### Background to the Research Problem

The global turmoil that began at the beginning of 2020 had a major impact on all economic sectors until the end of 2021. This, coupled with the spread of the Covid-19 pandemic, which was first detected in Wuhan, China, at the end of 2019, had an extraordinary impact. These impacts have been proven to have a very bad impact on almost every aspect of life in the fields of education, politics, finance, security and social issues.

After the Covid-19 pandemic, there are still more than 12% of entrepreneurs who have not recovered financially. This is caused by many factors, one of which is the lack of ability of business actors to capture changes in people's behavior patterns who tend to prefer convenience and digital in various things. Apart from that, there is also a lack of understanding of financial literacy, understanding of Financial Technology and lack of. If you have to carry out business activities with various applications based on digital media. Facing these problems and challenges in the future, it is necessary for companies or MSME players to increase technological literacy, financial literacy and financial technology as a strategy to face future business challenges and continue to exist in the business world.

This problem arises because of the understanding of MSME players in capturing signals of change, all of which require digitalization or extensive use of technology. Seeing these problems, MSME players must have innovative abilities in carrying out various business transactions using various computerized application-based media.

Considering these future challenges and challenges, it is important for organizations and MSMEs to use innovative skills, financial education and financial innovation as a methodology to face future business challenges and survive in the business world. Competition in the MSME sector has become increasingly fierce in line with the country's membership in the ASEAN Economic Community which was formed around 2015.

With these characteristics, MSME players must be able to compete well with ASEAN countries domestically and in the world of products in order to survive and continue to strengthen the Indonesian economy. Increasing the number of MSMEs and realizing their development potential requires a strong financial environment and access. This problem needs to be addressed by MSME actors and the government, especially in Central Java.

Lack of financial understanding is one of the factors that contributes to the resulting monetary policy. The lack of available information has various negative impacts on business continuity. Therefore, economic actors must have sufficient financial knowledge to achieve income harmony. In this case, not all companies have the same income and needs. Some entrepreneurs have sufficient income and good financial knowledge to manage their business finances well. Therefore, it is important for economic actors to understand financial literacy so they can manage their finances well, effectively and efficiently.

In 2016, SNLKI announced that Indonesia's financial literacy level was 29.66%. These results show that out of every 100 residents, less than 30 people fall into the "highly educated" category (good financial literacy). The widespread use of the Internet is the basis for the development of new economic trends. The growth of the internet has created a network of MSMEs which indirectly become the basis of the economy (Rahma, 2018). The contribution of the micro, small and medium enterprise (MSME) sector to gross domestic product is estimated to increase by 5% in 2019. The contribution of the MSME sector to gross domestic product (GDP) will reach 65% this year. Against this background, MSMEs are the largest players in our economic activities. (Sharika, 2019). Changes in habits in economic activities that make complex and long processes faster and more efficient are also called the phenomenon of disruptive technology. Current developments in financial technology will have a significant impact on society in terms of non-cash transactions (Astriana, 2018). Fintech services target

the millennial generation who often use the internet. Based on data from the Internet Service Providers Association.

Currently, the increasing use of electronic money and digital payments means that MSMEs need to adapt to technological advances (Dina, 2017). Companies that have been around for more than several decades and have not adapted to technology adoption will gradually decline and be left behind by new companies whose technology is more advanced (Wibowo, 2017).

Financial problems can be avoided by understanding the importance of financial literacy as a basic need. In general, vulnerable groups, including people with disabilities, have a low level of financial literacy and are categorized as a low income group, so it is still difficult to gain access to financial institutions, products and services. Therefore, there is a need for ongoing multi-sectoral education and assistance so that business groups with disabilities are more financially literate so that they can increase their financial independence and deserve financial services. This research aims to examine the impact of Financial Literacy, Financial Technology on the Financial Performance of DPO Restu Abadi Puworejo.

In Introduction, authors should state the objectives of the work at the end of introduction section. Before the objective, Authors should provide an adequate background, and very short literature survey in order to record the existing solutions/method, to show which is the best of previous researches, to show the main limitation of the previous researches, to show what do you hope to achieve (to solve the limitation), and to show the scientific merit or novelties of the paper. Avoid a detailed literature survey or a summary of the results. Do not describe literature survey as author by author, but should be presented as group per method or topic reviewed which refers to some literatures.

### **Research Limitations:**

Problem Limitation is a limitation on the scope of a problem so that the discussion we carry out does not go too far and wide with the aim that the discussion we discuss focuses on one research only. In this case this research is limited to:

1. The Financial Literacy variable is measured using indicators: Ownership of a company account, Understanding of savings returns, and Understanding of Credit Interest.
2. Financial Technology variables are measured using indicators: Implementation of the Financial Application "SiMake"
3. Financial Performance Variables are measured using indicators: Sales Growth, Profit Growth and Decrease in Fixed Costs.

**Research Problem Formulation:**

The problem formulation in this research is to find out, analyze and study:

1. Is there a positive and significant influence between the Financial Literacy variable and the Financial Performance of DPO Restu Abadi, Purworejo Regency?
2. Is there a positive and significant influence between the Financial Technology variable and the Financial Performance of DPO Restu Abadi, Purworejo Regency?

**RESEARCH METHODS**

The types of data available include quantitative data in the form of a recapitulation of the results of questionnaires distributed to Purworejo perpetrators. The data source used is primary data in the form of information used for research material obtained directly from DPO Restu Abadi Purworejo business actors. The population in this research is 25 business actors registered in the Restu Abadi Purworejo DPO. Sampling in this research used purposive sampling, namely taking samples using certain criteria, so that in this research the total sample was 8 people. The data collection methods used in this research are observation, interviews, questionnaires, documentation and literature study. Data analysis techniques in this research include validity test, reliability test, data normality test, model accuracy test and hypothesis test.

**RESULTS AND DISCUSSION**

**Tabel 1**  
**Validity and Reliability**

Variabel	Pearson Corelation	Minimum Value	Description
Financial Literacy	0.648	$\geq 0.3$	Valid
Financial Technology	0.349	$\geq 0.3$	Valid
Financial Performance	0.618	$\geq 0.3$	Valid
Reliability Value	0.715	$\geq 0.6$	Reliabel

Based on the Validity and Reliability Test in table 2 above, it can be seen that of the 8 variables, all question items are declared valid and can be continued to the next test. All question items are declared valid because they have a validity value  $\geq 0.3$ . For reliability testing using the Alpha Chronbach method, if Alpha  $\geq 0.6$  means the measuring instrument is reliable and the questionnaire meets the reliability requirements. Based on the results of the reliability test in table 2 above, it shows that all variables produce a Cronbach's Alpha value of  $\geq 0.6$  so it can be concluded that the results of the reliability test are reliable, meaning that all questionnaire items have consistency for measuring research variables.

**Table 2**  
**Data Normality Test**

	Unstandardized Predicted Value
Kolmogorov-Smirnov Z	0.786
Asymp. Sig. (2-tailed)	0.597

Based on the data seen in table 2 above, it shows that the normality test value with Kolmogorov-Smirnov Z obtained a value of 0.786, namely with a significance probability level of 0.579 and shows that the value is far above 0.05, so these results show that the data is spread around the line, which means The data has normal distribution.

**Tabel 3**  
**Multiple Regression**

Independent variable	Dependent Variable			
	Financial Performance			
	Coefficient	t statistic	Sig	Keterangan
Panel Model Penelitian:				
Constant	10.873	1.902	0.062	-
Financial Literacy	2.823	2.915	0.025	Ho is Rejected and H1 is Accepted
Financial Technology	3.213	3.531	0.014	Ho is Rejected and H2 is Accepted
F test	12.206			
Sig	0.049			
R <sup>2</sup>	0.869			
Adjusted R <sup>2</sup>	0.724			

### Multiple Regression

This means that if all independent variables have a value of zero (0) or are constant, the MSME Financial Performance value is 10,873. With the assumption that the other independent variables from the regression model are fixed/constant. The Financial Literacy coefficient value for variable X1 is 2.823. This means that for every one unit increase in understanding of Financial Literacy, the Financial Performance variable (Y) will increase by 2,823 with the assumption that the other independent variables from the regression model are fixed/constant. The Financial Technology coefficient value for variable X2 is 3.213. This means that for every increase in the Financial Technology variable by one unit, the Financial Performance variable (Y) will increase by 3,213 with the assumption that the other independent variables from the regression model are fixed/constant.

### Model Accuracy Test

To see the results of the model accuracy test, it can be seen through the results of the F value, sig value and R square value in table 4. Based on table 4, the analysis results show that the calculated F value is 12,206 with a significance probability level of 0.000 where  $<0.05$ , it

can be concluded that Financial Literacy and Financial Technology has a positive and significant effect on the Financial Performance of DPO Restu Abadi Purworejo.

### **Hypothesis test**

1. The Financial Literacy value obtained was a t value of 2.915 with a significance value of  $0.025 < \text{probability } 0.05$ , which means that Financial Literacy has a positive and significant effect. This means that the higher your understanding of Financial Literacy, the greater the Financial Performance at DPO Restu Abadi.
2. The value of Financial Technology obtained is a t value of 3.531 with a significance value of  $0.014 < \text{probability } 0.05$ , which means that Financial Technology has a significant effect. This means that the higher the Financial Technology will improve the Financial Performance at DPO Restu Abadi.

### **DISCUSSION**

1. The value of Financial Literacy obtained is a calculated t value of 2.915 with a significance value of  $0.025 < \text{probability } 0.05$ , which means that Financial Literacy has a positive and significant effect. This means that the higher your understanding of Financial Literacy, the greater the Financial Performance of DPO Restu Abadi. Financial Literacy has three components, namely financial knowledge, financial behavior and financial attitudes. In this research, these three components have a positive and significant influence on financial inclusion. This shows that the higher the financial knowledge, the better a person's financial behavior and financial attitude, the greater the use, utilization and understanding of financial products and services. Financial literacy is needed by business actors at DPO Rest Abadi, especially in the process of preparing their business financial reports. A business owner needs financial knowledge to make it easier to control finances so that business performance can be more optimal (Dahmen & Rodríguez, 2014). According to Anggraeni (2015), financial literacy directly has an influence on a person's mindset, which in turn will influence the way a person makes decisions regarding finances and how to manage them.
2. The financial value of technology is obtained t 3.531 with a significance value of  $0.014 < \text{probability } 0.05$ , which means that financial technology has a significant effect. This means that the higher the Financial Technology, the Financial Performance of DPO Restu Abadi will improve. Through the results of this research, it can be explained that the higher use of digital-based financial services will support the achievement of inclusive financial implementation in Indonesia. Where the availability of financial services will

become wider and can reach people who previously had difficulty accessing financial products and services. Changing the form of financial services and products from conventional to technology-based makes time and operational costs more efficient for the community. As studied by Bank Indonesia's Financial Stability (2017) regarding the presence of financial technology which is considered capable of reaching people who have not been able to be reached by various banks in Indonesia.

## CONCLUSION OF RESULTS

1. DPO Restu Abadi's financial performance can be improved after members understand Financial Literacy which includes financial knowledge, financial behavior demonstrated through saving activities, setting aside emergency funds and documenting their financial reports both manually and using financial applications.
2. DPO Restu Abadi's financial performance can be improved after members understand and have financial applications. The "Simake" application makes financial reporting easier for DPO members. With financial applications, it has been proven to increase sales and profits.

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