

IMPACTS OF GOVERNMENT POLICIES, TECHNOLOGICAL INNOVATION, AND COMPETITIVE ADVANTAGE ON POST PANDEMIC MSME FINANCIAL

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Abstract: The aim of this research was to analyze the role of government, technological innovation, competitive advantage, and financial institutions in the performance of MSMEs post-pandemic. This research was quantitative research. The data processing used in the research was SmartPLS. This research was conducted in Aceh Province, where 200 MSME managers were selected as samples. The results of this research showed that the role of government had a negative effect on the performance of MSMEs, technological innovation had a positive effect on the performance of MSMEs, competitive advantage had a positive effect on the performance of MSMEs, the role of government had a negative effect on financial institutions, technological innovation had a positive effect on financial institutions, competitive advantage had a negative effect on financial institutions, financial institutions had a negative influence on the performance of MSMEs, financial institutions mediated the role of government on the performance of MSMEs, financial institutions mediated innovation technology on the performance of MSMEs, and financial institutions mediated competitive advantage on the performance of MSMEs. This meant that MSMEs needed to continue improving innovation technology and competitive advantage through financial institutions and the role of government in supporting MSME performance. Innovation technology and competitive advantage needed to be improved in achieving maximum MSME performance in the current technological era because technological civilization was increasingly developing.

Keywords: role of government, innovation technology, competitive advantage, financial firm, msme performance

Abstrak: Tujuan penelitian ini adalah menganalisis peran pemerintah, inovasi teknologi, keunggulan bersaing dan lembaga keuangan dalam kinerja UMKM pasca pandemi. Penelitian ini merupakan penelitian kuantitatif. Pengolahan data yang digunakan dalam penelitian adalah SmartPLS. Penelitian ini dilakukan di Provinsi Aceh, sebanyak 200 pengelola UMKM dipilih sebagai sampel. Hasil penelitian ini menunjukkan bahwa peran pemerintah berpengaruh negatif terhadap kinerja UMKM, teknologi inovasi berpengaruh positif terhadap kinerja UMKM, keunggulan bersaing berpengaruh positif terhadap kinerja UMKM, peran pemerintah berpengaruh negatif terhadap lembaga keuangan, teknologi inovasi berpengaruh positif terhadap lembaga keuangan, keunggulan bersaing berpengaruh negatif terhadap lembaga keuangan, lembaga keuangan berpengaruh negatif terhadap kinerja UMKM, lembaga keuangan memediasi peran pemerintah terhadap kinerja UMKM, lembaga keuangan memediasi teknologi inovasi terhadap kinerja UMKM, dan lembaga keuangan memediasi keunggulan bersaing terhadap kinerja UMKM. Artinya para UMKM harus terus meningkatkan teknologi inovasi, keunggulan bersaing melalui lembaga keuangan serta peran pemerintah untuk suport kinerja UMKM, teknologi inovasi dan keunggulan bersaing perlu ditingkatkan dalam mencapai kinerja UMKM yang maksimal dalam perkembangan zaman teknologi saat ini dikarena peradaban teknologi yang semakin berkembang.

Kata kunci: peran pemerintah, teknologi inovasi, keunggulan bersaing, lembaga keuangan, kinerja umkm

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INTRODUCTION

Increasingly fierce global competition is something that business cannot ignore. As a result, businesses must understand the dynamics or changes in the market, especially as competition grows and it becomes more and more important for businesses to understand the wants and demands of their customers (Martoyo et al. 2022). MSMEs are small businesses that are very influential in improving the economy in various countries (Primasari et al. 2022). In addition, a number of obstacles Small and Medium Enterprises (MSMEs) must overcome in order to obtain financing which causes limited production, making what Micro, Small and Medium Enterprises (MSMEs) do less than ideal (Winarsih et al. 2021).

MSMEs can also be a foundation for the growth of entrepreneurs who are able to absorb labor and are able to survive in countries with unstable economies (Tadjuddin & Mayasari, 2019). MSMEs must continue to exist so that the government can support the regional economy, especially in rural areas. This is done to increase equity, reduce unemployment and poverty, and create jobs (Zakaria, 2020). Planning is needed so that MSMEs can trade electronically, apply digital marketing tactics, improve product quality, add services, and create and optimize marketing relationships with customers to stay in this competitive environment (Astuti et al. 2020). However, the use of modern technology and competitive advantage will determine success and improvement (Adetyan et al. 2019). Competitive advantage and innovative technology, which are important for maximizing efficiency and enabling MSMEs to think more creatively, are critical to a company's success (Rochmawati et al. 2023). Even the ability to develop various technological systems intended to support individuals as they work to produce excellence has seen a tremendous increase in technical sophistication today. Users can implement things more easily thanks to various technologies. Industries that have benefited from the extensive use of the latest, computerized, integrated and supported technology applications in the hope of increasing the sustainability of industrial performance (Rahmawati et al. 2022).

Some previous studies Dewi (2022) and Siswanti (2020) focuses on researching the use of applications, the role of government and accounting on the performance of MSMEs, according to Yanti (2019) dan Qamariyah et al. (2021) conducted research on financial inclusion

and entrepreneurial capabilities in MSMEs, Fahmi & Mudiantono (2019); Fatimah & Azlina (2021) conducted research on networks and communication in MSMEs, Rahmawati et al. (2022) dan Numat et al. (2022) focuses total quality management (TQM) on the performance of MSMEs.

According to the Central Bureau of Statistics, medium enterprises are divided into several sections (www.bps.go.id): a) household businesses have 1-5 workers, b) small and medium businesses have 6-19 workers, c) medium businesses have 20-29 workers, d) large businesses have more than 100 workers. Problems that are still often the main obstacles for MSMEs are the low professionalism of MSME management staff, limited capital and lack of access to banking and markets, and the ability to master technology which is still not optimal.

The role of government, technological innovation, competitive advantage, financial institutions and MSME performance are very effective in improving the quality and empowerment of MSME performance (Sedyastuti, 2018). The purpose of this study was to analyze the role of government, technological innovation and competitive advantage on the performance of MSMEs through financial institutions as intermediaries. Based on the background and research objectives. The purpose of this research is to analyze the direct or indirect relationship between variables. This research is expected to be useful and can assist practitioners and academics in obtaining information.

The government is a public institution or agency that has a function in carrying out efforts to achieve the state (Riwukore et al. 2022). Governance is also the process of carrying out activities on the duties and functions of government, while government is a static entity (Riwukore et al. 2022). The form of government encouragement in helping MSMEs during the pandemic (Riyanti et al. 2022): 1) Direct Cash Assistance (BLT) and Pre-Employment Cards for MSMEs, 2) Tax incentives for MSMEs whose turnover is less than 4.8 billion per year, 3) Relaxation and financing restructuring for MSMEs.

Financial institutions are institutions that regulate and collect funds from the public and invest their funds in assets such as financing in Islamic banks, securities, demand deposits, and other production assets (Yanti, 2021). Financial institutions have a very important role

in the growth and productivity of the MSME industry and economy, financial institutions finance the small-scale sector, development, and support services in the form of loans and grants for various businesses (Arpizal & Soemitra, 2022).

Innovation technology is a process of exchanging data and messages without space and time limitations (Fahmi & Mudiantono, 2019). Innovation technology is defined as a set of technologies used by an organization to generate, process and disseminate information in all forms. Innovation refers to the entrepreneurial attitude to appear creative in the idea of producing production methods so that new products and services are formed (Imani et al. 2022). Technological innovation helps MSMEs in building competitive advantage, more effective services and processes, new businesses and so on. In his explanation, MSMEs must monitor technological changes, train and motivate employees to innovate (Sary et al. 2023). From this explanation, technological innovation is closely related to the performance of MSME.

Competitive advantage is the company's ability to have an economic advantage over the benefits that can be achieved by competitors in the same industry (Fahmi & Mudiantono, 2019). Competitive advantage can improve the performance of SMEs. The competitive advantage that has been achieved must be maintained because many competitors pay attention to the weaknesses of MSMEs.

Some previous studies Dewi (2022) and Siswanti (2020) the results of the study stated that the role of government had a positive effect on the performance of MSMEs, according to Yanti (2019) and Qamariyah et al. (2021) the results of his research state that financial institutions have a positive effect on the performance of MSMEs, according to Fahmi & Mudiantono (2019) and Fatimah & Azlina (2021) states that technological innovation has a positive effect on the performance of SMEs, then according Rahmawati et al. (2022) and Numat et al. (2022) the results of the study show that competitive advantage has a positive effect on the performance of MSME. This research aims to assess the relationship between MSME performance which is influenced by the role of government, technological innovation, competitive advantage mediated by financial institutions in Province Aceh.

METHODS

Aceh Province was used as a research location. This research is quantitative. Researchers used a questionnaire as a tool to collect data. Samples from all populations were used in this study. According to data collected throughout Aceh (<https://datakumkm.acehprov.go.id/index.php/umkm>) there are 74.810 MSME managers in Aceh Province. A total of 200 MSME managers were also selected as research samples and data sources. The following are the sample selection criteria: a) City of Lhokseumawe, District of Pidie and Pidie Jaya; b) Engaged in culinary, food processing, grocery stores, and grocery stores; c) The first investment ranges from IDR 1,000,000 to IDR 5,000,000; d) Workforce size: 1 to 5 employees. Methods of data collection include: a) Management of SMEs interviewed (interview); b) Questionnaire, or data collection process by distributing and asking respondents, or MSME actors in Aceh, a series of questions; c) Documentation, or collection of information from books, journals, and the official website of the Aceh Cooperatives and MSME Service (<https://datakumkm.acehprov.go.id/>). Types of questions asked to respondents using a Likert scale to measure the value of each question variable and data processing using SmartPLS. The measurements carried out include: 1) PLS algorithm including path coefficient values, outer loading, direct effect and total effect, R square and customized R square, F square and construct reliability and validity, 2) Bootstrapping and 3) Blindfolding which will display Q2 calculation results (Hair et al. 2019; Sarstedt & Cheah, 2019). The following is the framework of this research in Figure 1.

Based on the explanation above, the hypothesis built in this study is as follows:

- H1: Competitive Advantage Has a Positive Effect on MSME Performance
- H2: Competitive Advantage Has a Positive Effect on Financial Institutions
- H3: Financial Institutions Have a Positive Influence on MSME Performance
- H4: The Role of Government Has a Positive Influence on MSME Performance
- H5: The Role of Government Has a Positive Influence on Financial Institutions
- H6: Technology Innovation Has a Positive Impact on MSME Performance
- H7: Technology Innovation Has a Positive Impact on Financial Institutions

- H8: Financial Institutions Mediate Competitive Advantage on MSME Performance
- H9: Financial Institutions Mediate the Role of Government in MSME Performance
- H10: Financial Institutions Mediate Technology Innovation on MSME Performance

RESULTS

Based on Table 1. it can be explained that competitive advantage on MSME performance obtains a significant value as seen from the T-statistic of $6.142 > 1.96$ and the original value of 0.226 indicates that it has a positive relationship direction, this means that the higher the competitive advantage, the greater the financial performance.

Competitive advantage against financial institutions obtains a significant value as seen from the T-statistic of $3.817 > 1.96$ and the original value of -0.094 indicates that it has a negative relationship direction. MSME performance on financial institutions obtains a significant value as seen from the T-statistic of $28.351 > 1.96$ and the original value of 0.834 indicates that it has a positive relationship direction. This means that the higher the performance of MSMEs, the higher the financial institution. The role of government in the performance of MSMEs obtains a significant value as seen from the T-statistic of $3.090 > 1.96$ and the original value of -0.469 indicates that it has a negative relationship. This means that the higher the government's role, the lower the performance of MSMEs. The test results show that the government's role in financial institutions obtained a significant value seen from the T-Statistic of $2.050 > 1.96$ and the original

value of -0.080 indicates a negative relationship. This means that the higher the government's role, the lower the financial institutions. Technology innovative on MSME performance obtains a significant value as seen from the T-Statistics of $8.672 > 1.96$ and the original value of 0.309 indicates that it has a positive relationship direction. This means that the higher the technology innovation. Technology innovative for financial institutions obtains a significant value as seen from the T-Statistics of $10.679 > 1.96$ and the original value of 0.187 indicates that it has a positive relationship direction. This means that the higher the technology innovation, the bigger the financial institution.

Based on Table 2. it can be explained that financial institutions mediate competitive advantage on the performance of MSMEs, this can be seen from the results of the T-Statistics of $6.038 > 1.96$. This can be explained that competitive advantage plays an important role in improving the performance of MSMEs because financial institutions will support MSMEs that excel in creating products to maintain competition among surrounding MSMEs. Financial institutions mediate the government's role in the performance of MSMEs, this can be seen from the results of the T-Statistics of $3.027 > 1.96$. This can be explained that the government plays a role in the development and improvement of MSME performance through the provision of financing discounts from financial institutions in accordance with government regulations. Technology innovative for financial institutions obtains a significant value as seen from the T-Statistics of $10.679 > 1.96$ and the original value of 0.187 indicates that it has a positive relationship direction. This means that the higher the technology innovation, the bigger the financial institution.

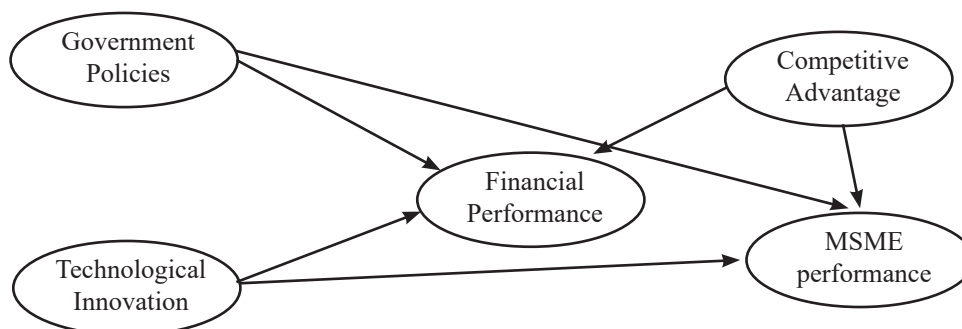


Figure 1. Research framework

Table 1. Path Coefisien

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Competitive Advantage → MSME performance	0.226	0.233	0.037	6.142	0.000
Competitive Advantage → Financial institutions	-0.094	-0.097	0.025	3.817	0.000
Financial institutions → MSME performance	0.834	0.832	0.029	28.351	0.000
Role of Government → MSME performance	-0.469	-0.439	0.152	3.090	0.002
Role of Government → Financial institutions	-0.080	-0.077	0.039	2.050	0.041
Teknologi Inovasi → MSME performance	0.309	0.308	0.036	8.672	0.000
Teknologi Inovasi → Financial institutions	0.187	0.190	0.017	10.679	0.000

Table. 2 Specific indirect effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Competitive Advantage → MSME Performance → Financial Institutions	0.188	0.194	0.031	6.038	0.000
Role of Government → MSME Performance → Financial Institutions	-0.391	-0.365	0.129	3.027	0.003
Technology Innovation → MSME Performance → Financial Institutions	0.257	0.256	0.028	9.324	0.000

Testing this research was carried out on the 10 hypotheses proposed, this test was carried out with a significance level of 0.05 for a unidirectional relationship. Based on Figure 2. The highest bootstrapping results show the design and quality improvement section which is equal to 157.467 and the lowest value lies in participation which is equal to 1.347. It can be said that all the results obtained from testing this research are influential.

Competitive Advantage on MSME Performance

The test results show that competitive advantage on MSME performance obtains a significant value as seen from the T-statistic of $6.142 > 1.96$ and the original value of 0.226 indicates that it has a positive relationship direction. This means that the higher the competitive advantage, the greater the financial performance. The results of this study are in line with Rahmawati et al. (2022) and Numat et al. (2022). Competitive advantage is dominated by the unique features of the company and its products; brand is the main factor in attracting customers (Nasrullah, 2015). With the competitive advantage possessed by a business, this will affect the performance of the business (Riyanto, 2018). In improving business performance, business actors will carry out various strategies, one of which is increasing

their advantages to compete with other businesses (Maryani & Chaniago, 2019). Hypothesis 1 is accepted.

Competitive Advantage against Financial Institutions

The test results show that competitive advantage against financial institutions obtains a significant value as seen from the T-statistic of $3.817 > 1.96$ and the original value of -0.094 indicates that it has a negative relationship direction. This means that the higher the competitive advantage, the lower the financial institution. Business development requires owners to increase the advantages they have, this forces business actors to display the advantages they have (Maryani & Chaniago, 2019). Business institutions dominated by banks, in this case a business will be able to stand up to display its branding even though it is not touched by financial institutions (Marlina & Rahmat, 2018). Increasing branding does not always require promotional expenditure beyond the capabilities of the business actor, promotion can be done from small things such as maximum service to customers so that customers will promote to their relatives and friends without having to be asked (Astuti et al. 2020). Hypothesis 2 is rejected.

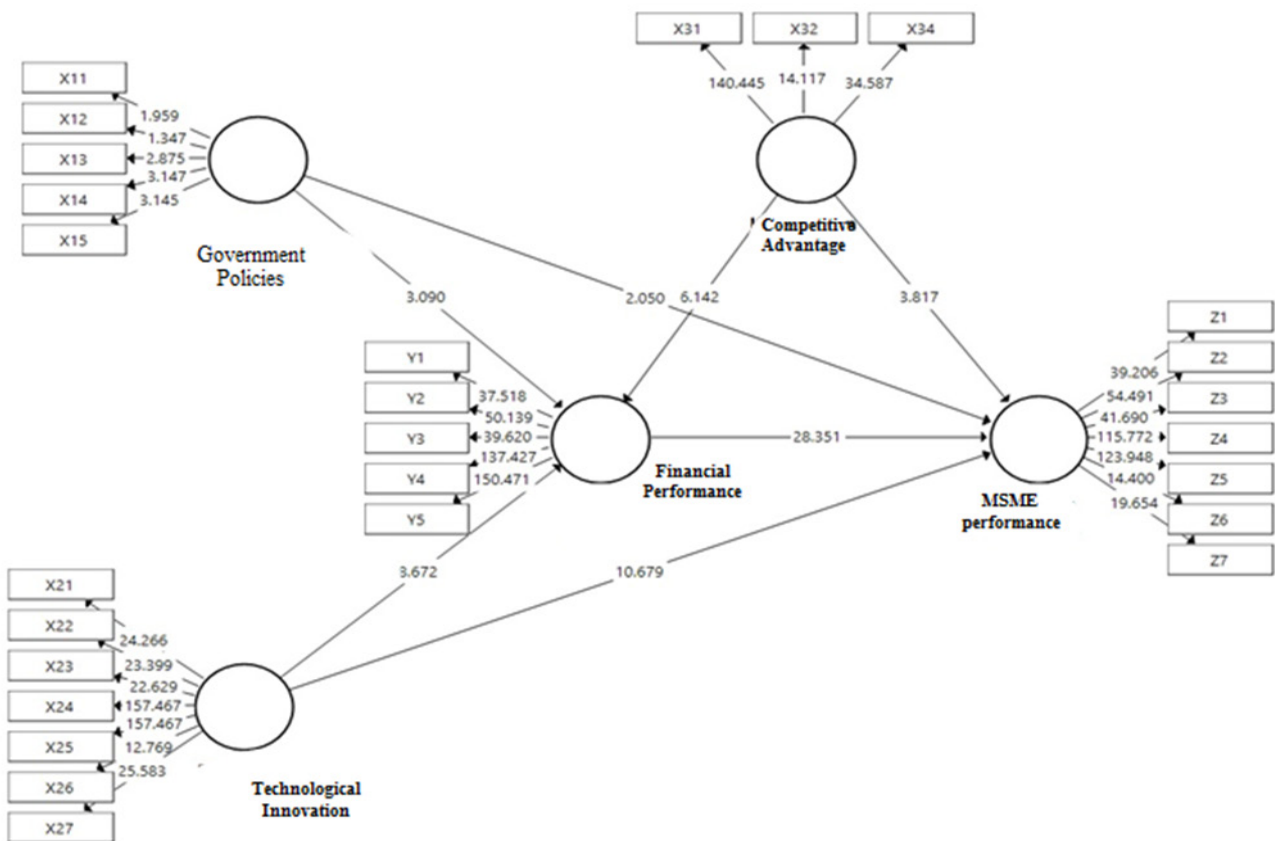


Figure 2. Bootstrapping Results

Financial Institutions on MSME Performance

The test results show that financial institutions obtain a significant value on the performance of MSMEs, which can be seen from the T-statistic of $2.050 > 1.96$ and the original value of -0.080 indicates that it has a negative relationship. This means that the higher the financial institution, the lower the performance of MSMEs. In general, financial institutions are very necessary in today's modern economy because their function is as an intermediary between groups of people who have excess funds and people who lack funds (Muheramtohad, 2017). The results of the hard work of MSMEs are a parameter of success in running their business. Based on research results, the higher the financial institution is linked, the lower the performance of MSMEs (Rimiyati & Munawaroh, 2016). This can be explained by minimizing always relying on financial institutions to achieve maximum performance, because the more often you depend on banks, the more difficult it will be to complete financing repayments. The research results show that financial institutions have no effect on the performance of MSMEs, the results of this research are in line with research (Hilmawati & Kusumaningtias, 2021). Hypothesis 3 is rejected.

The Government's Role on MSME Performance

The test results show that the government's role in the performance of MSMEs obtains a significant value as seen from the T-statistic of $3.090 > 1.96$ and the original value of -0.469 indicates that it has a negative relationship. This means that the higher the government's role, the lower the performance of MSMEs. The role of the government is to foster MSMEs to continue to progress and be able to show the products they produce to the national and international community, in this case some of the coaching provided is one of them training in both marketing strategies and bookkeeping processes so as to improve their performance (Salam & Prathama, 2022). If these MSMEs are able to develop, then the government will focus again on other MSMEs that have not yet developed (Marlina & Rahmat, 2018). Hypothesis 4 is rejected.

The Government's Role in Financial Institutions

The test results show that competitive advantage on MSME performance obtains a significant value as seen from the T-Statistic of $2.050 > 1.96$ and the original value of $-0,080$ indicates that it has a negative relationship. This means that the higher the government's role,

the lower the financial institutions. The government's role in financial institutions is that the government assists MSMEs in providing financing relief that will be applied for by MSMEs (Qamariyah et al. 2021). This really helps MSME players in finding business funds to use for capital. Apart from the government providing quality development, it must be balanced with the business capital it has so that MSMEs are able to continue to develop (Sary et al. 2023). Hypothesis 5 is rejected

Innovation Technology on MSME Performance

The test results show that innovative technology on MSME performance obtains a significant value as seen from the T-Statistics of $8.672 > 1.96$ and the original value of 0.309 indicates that it has a positive relationship direction. This means that the higher the technology innovation, the greater the performance of MSMEs. Innovation technology is a benchmark that MSMEs must have in creating quality products so that they are known in various circles (Numat et al. 2022). In improving performance, MSME players must innovate in order to develop themselves. The current modern era forces people to live according to the trend of technological developments. The results of this study are in line with (Fahmi & Mudiantono, 2019; Fatimah & Azlina, 2021). Hypothesis 6 is accepted.

Innovation Technology for Financial Institutions

The test results show that innovative technology for financial institutions obtains a significant value as seen from the T-Statistics of $10.679 > 1.96$ and the original value of 0.187 indicates that it has a positive relationship direction. This means that the higher the technology innovation, the bigger the financial institution. Innovation will help MSMEs to become competitive and adapt to economic and market changes (Numat et al. 2022). The era of digitalization is changing life with various transformations, one of which is technology. MSME players must utilize technology to renew their innovations (Nasrullah, 2015). MSME performance depends on innovation developed by business actors. One example of the use of innovative technology is the use of social media and the creation of a special website for product sales, this will maximize the promotions carried out (Imani et al. 2022), Thus, financial institutions also play a role in increasing MSME innovation (Yanti, 2019). Hypothesis 7 is accepted.

Financial Institutions Mediate Competitive Advantage on MSME Performance

Based on the test results, it can be said that financial institutions mediate competitive advantage on the performance of MSMEs, this can be seen from the results of the T-Statistics of $6.038 > 1.96$. This can be explained that competitive advantage plays an important role in improving the performance of MSMEs because financial institutions will support MSMEs that excel in creating products to maintain competition among surrounding MSMEs. Competitive advantage has an important role in advancing MSMEs, this will result in increased MSME performance, one of which is friendly, responsive and satisfying customer service (Tadjuddin & Mayasari, 2019). In addition, competitive advantage is obtained by delivering greater customer value through lower prices or placing more benefits but matching the high price (Qamariyah et al. 2021). In increasing competitive advantage in the performance of MSMEs, financial institutions also play a role in accommodating MSMEs that are in need of cash injections (Rahmawati et al. 2022). Digitalization of MSMEs, Digitalization can provide many benefits for MSMEs, including operational efficiency, increasing productivity, expanding market reach, and increasing competitiveness. Hypothesis 8 is accepted

Financial Institutions Mediate the Role Government's on MSME Performance

Based on the test results, it can be said that financial institutions mediate the government's role in the performance of MSMEs, this can be seen from the results of the T-Statistics of $3.027 > 1.96$. This can be explained that the government plays a role in the development and improvement of MSME performance through the provision of financing discounts from financial institutions in accordance with government regulations. The government's role as a facilitator in facilitating MSMEs to achieve their business vision and mission (Salam & Prathama, 2022). In this case, the government will involve financial institutions to improve the performance of MSMEs by providing support through the KUR program and Ultra-micro financing (Winarsih et al. 2021). The government's efforts to advance MSMEs include interest/margin subsidies, spending on loan fees, placing government funds in banks, guaranteeing MSME credit loss limits and displaying the government's final income for MSMEs (Qamariyah et al. 2021). Hypothesis 9 is accepted.

Financial Institutions Mediate Innovation Technology on MSME Performance

Based on the test results, it can be said that financial institutions mediate technological innovation on MSME performance, this can be seen from the results of the T-Statistics of $9.324 > 1.96$. It can be explained that innovative technology in an MSME can convince financial institutions in processing proposed financing, this will improve performance for MSME. Determining the performance of MSMEs can be measured by sales value, profits, business asset value, family asset value, credit, family living costs, and family savings (Tadjuddin & Mayasari, 2019). Innovation carried out by a business to improve the role and function of an institution requires the role of financial institutions in supporting the funds that will be needed (Yanti, 2019). Innovation will bridge the relationship between financial institutions and business performance (Numat et al. 2022). Hypothesis 10 is accepted.

Managerial Implications

The implication of this finding is that the government and financial institutions as two of these institutions need to increase their role in encouraging the growth and development of MSMEs in terms of providing information, market access, capital, and training needs so that they can become a reference for determining future MSME development strategies. From the side of the business owners or MSMEs themselves, this research can be used as a guideline for improving business performance through entrepreneurial-oriented behavior. MSME actors must be more sensitive to the development of innovative technology and willing to learn to implement it in developing their business. This is because now is the era of technology. If MSME actors can seize these opportunities, it will certainly be very influential for increasing their business. Innovate both from products and services to be able to compete with other businesses. Thus, it will definitely maintain the performance of its MSME.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

MSME performance is a display of the real situation of a business that is running during a certain period of time, namely the results and achievements that are

influenced by the business's operational activities in utilizing the resources it has. The results of the analysis carried out on 200 samples of MSMEs in Aceh Province show that the performance of MSMEs is influenced by competitive advantage, the role of government is mediated by financial institutions. In advancing the business they manage, MSMEs must have a strategy that will be used in developing their business, both in terms of service strategy, product design, product introduction via social media and so on. Then, with thousands of MSMEs in a province, therefore, in testing their resilience in competing, MSMEs must be able to prioritize the ability to create a competitive advantage, where they continue to run and produce ideas. -Unique ideas, new ideas from other competitors. The role of financial institutions is only to assist the government in providing the funds needed for MSMEs to achieve success. The higher the withdrawal of funds from financial institutions if MSMEs are unable to channel funds. Competitive advantage has a positive effect on the performance of MSMEs, competitive advantage has a negative effect on financial institutions, financial institutions have a negative effect on financial performance, the role of government has a negative effect on the performance of MSMEs, the role of government has a negative effect on financial institutions, innovation technology has a positive effect on the performance of MSMEs, financial institutions mediate competitive advantage on the performance of MSMEs, financial institutions mediate the role of government on the performance of MSMEs and financial institutions mediate technological innovation on the performance of MSMEs.

Recommendations

MSMEs that want to protect themselves and improve their business performance must be able to innovate and achieve competitive advantage. MSMEs need funds to support them, and to improve MSME performance, funds from financial institutions must be utilized properly. The technology required and the superior product innovations created. With increasingly tight business competition, there are many things that need to be addressed, be it new product designs, business location recommendations, or product and business promotion to the general public. Additionally, financial institutions act as service providers. MSME performance can be influenced by various factors, this research is only limited to factors such as competitive advantage, innovation, the role of government and

financial institutions. However, further research can use financial and non-financial factors broadly. In addition, this research uses a questionnaire to collect data and information that shows the performance of MSMEs. Researchers can then use data originating from financial reports to improve the performance of MSMEs.

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