

## The Influence of Financial Literacy and Financial Access on SME Performance with Financial Risk Attitude as a Mediating Variable (Study on SMEs in the Creative Economy Sector on Lombok Island)

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### ABSTRACT

This research focuses on assessing how financial literacy and financial access influence SME outcomes. 130 participants from the creative economy on Lombok Island were surveyed to gather data. Samples were chosen using purposive sampling and accidental sampling techniques, while Structural Equation Modeling-Partial Least Squares (SEM-PLS) was utilized for data analysis. This study shows that both access to finance and financial literacy positively influence SME performance, in contrast to the financial risk attitude, which has no impactful role in SME performance and does not serve as a mediator between financial literacy and access. This finding emphasizes the significance of enhancing financial literacy and access for better SME outcomes, while financial risk attitudes need to be managed so as not to hinder business development.

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## INTRODUCTION

Micro and small enterprises are crucial for the economic development of countries like Indonesia. Per the Ministry of Cooperatives and SMEs report, SMEs comprise 60.5% of the National GDP. This highlights that SMEs in Indonesia contribute greatly to creating jobs and reducing income inequality even though they still face various challenges in management, marketing, and financial access (Buchdadi et al., 2020).

The efficiency of SMEs plays a vital role in a business's success in reaching its objectives, which includes aspects such as increasing sales, capital growth, expanding market share, and increasing profits (Damayanti & Mardiana, 2023). Although SMEs often demonstrate resilience in the face of economic crises, structural and managerial barriers remain significant challenges to business development (Rizkiana et al., 2022).

One of the factors that plays a fundamental role in bolstering SME success is fiscal knowledge, recognized as the capability to interpret also handle financial data effectively. SMEs with strong financial literacy are often able to develop efficient business strategies, manage cash flow carefully, and be more adaptive to economic changes (Widiastuti et al., 2024). Lack of technical knowledge in financial management can hinder individuals from making appropriate investment and lending decisions, ultimately limiting their potential for generating income. Widiastuti et al. (2024); Putri et al. (2023); Rizkiana et al. (2022) stated overall wealth accumulation and growth SME performance, howeverFitria (2024)found financial literacy does not impact SME performance.

Important for building wealth and security also a crucial factor. Many SMEs still have difficulty in obtaining financing due to low literacy, limited collateral, and complex banking procedures (Suryani et al., 2021). According to Bank of Indonesia (2018) many SMEs remain unable to secure credit from lenders or various financial institutions because of system issues. Limited access to resources hampers business development and weakens the competitiveness of SMEs (Nareswari et al., 2023). Thus, if SMEs have skills and information regarding good financial management, it will certainly increase understanding of funding sources and financial access for SME actors which will create a beneficial effect on the results of the SME itself (Astini et al., 2024). There are different research findings regarding the effect of credit access on SME performance. Dedy Sukmana (2024) stated that financial access fosters growth in SME effectiveness, while Masdupi et al. (2024) states otherwise.

Financial risk attitude is a factor that is no less important in influencing the readiness of business actors in facing financial uncertainty related to business decisions (Fitria, 2024). This attitude is guided by financial knowledge and resource distribution, and has a crucial impact on strategic business decisions (Jikrillah et al., 2021). Some study Buchdadi et al. (2020); Kmmcb et al. (2020); Priyantoro et al. (2023) identified mediating impact of financial risk perception on financial literacy and SME performance. While other studiesHidayati et al. (2021) and Hanifa Asti Afriani & Lasmini (2023) identified that risk tolerance levels failed to affect financial knowledge on SME performance.

The 2019 OJK National Survey of Financial Literacy and Inclusion (SNLK) indicates a low financial literacy index for the Indonesian population. On the other hand, the Financial Services Authority (OJK) also noted that around 70% of the nearly 60 million MSME groups in Indonesia have not yet acquired access to funding. This condition shows a significant gap among the availability of financial services and the ability of MSMEs to utilize them (OJK-RI, 2019).

Good financial literacy is believed to increase SMEs' access to financing, as well as assist in making risky financial decisions. In this case, attitudes toward financial risk are an important aspect that can affect SME performance. A positive attitude toward risk allows SMEs to be more adaptive to market dynamics and to be able to manage uncertainty more wisely.

Lombok Island, as a top-rated tourist attraction in Indonesia, has great potential in developing SMEs, especially in the artistic economy field. This diversity of business types such as culinary, crafts, weaving, to electronic products reflects local wealth that needs to be developed optimally. This sector is crucial for job creation, boosting the tourism sector, and enhancing the well-being of the local population. This sector has great potential because of the variety of history and rare local resources, but is also very vulnerable to market fluctuations and financial constraints.

Therefore, unlike earlier studies that analyzed the general SME context, this research specifically targets the creative sector in Lombok Island. This research aims to investigate how financial literacy and availability affect the performance of SMEs, mediated by risk preference. The findings are intended to provide critical insights for business executives and decision-makers in designing tactics to boost the financial capacity of SMEs, particularly within the creative economy, via enhancing financial literacy, increasing financial access, and improving adaptability in managing risk attitudes.

## **LITERATURE REVIEW**

### ***Theory of Planned Behavior (TPB)***

Founded in 1991, Ajzen's Theory of Planned Behavior (TPB) claims that actions stem from behavioral intentions driven by multiple important aspects: beliefs about the behavior, societal norms, and perceived self-efficacy. TPB emphasizes that individual beliefs about the results of an action (behavior belief), social pressure from the environment (normative belief), and perceptions of ability or constraints in acting (control belief), together form intentions that then drive actual behavior. In relation to small and medium-sized businesses (SMEs), this theory is relevant to understanding how financial literacy, financial access, and attitudes toward financial risk can influence financial decision-making behavior, which ultimately impacts business performance and sustainability, especially in the creative economy sector.

### ***SME Performance***

SME performance reflects the ability of a business to achieve its goals through increasing sales, capital, market share, and profits. Good performance shows the efficacy and outcome of resource oversight and strengthens this competitiveness also sustainability of the business amidst market changes. Good

financial management is the main key to maintaining the stability and growth of SMEs. Low financial literacy often leads to weak financial planning, which has a direct effect on limitations of business development (Widiastuti et al., 2024). Therefore, increasing financial literacy and skills of SMEs is very important to encourage appropriate decision making and business sustainability (Damayanti & Mardiana, 2023).

### ***Financial Literacy***

Understanding finance equips individuals to handle and apply financial details to make wise choices. For SMEs, good financial literacy allows for more effective business financial management, proper business strategy planning, and accurate and timely decision making (Widiastuti et al., 2024). Adequate financial understanding helps business actors analyze business situations, respond strategically to economic dynamics, and minimize financial risks. Low financial literacy can hinder performance and increase the risk of business failure (Buchdadi et al., 2020). Financial literacy indicators in this study include the ability to understand, plan, and allocate financial resources to achieve better welfare (Rochmah et al., 2023).

### ***Financial Access***

Economic inclusion is the capacity of people or organizations to acquire and use financial products like loans, credit, insurance also payment systems (Buchdadi et al., 2020). This access is very important in supporting economic activities, improving welfare, and encouraging business growth. Access to credit is key in driving financial inclusion and expanding economic participation. Financial inclusion allows people who were previously not covered by the banking system to obtain formal financial services, thereby supporting economic stability and reducing illegal practices and transactions (Putri et al., 2023). Indicators of financial access in the context of SMEs include:

1. Access/ Availability: Affordability and location of financial services.
2. Usage: How frequently and effectively financial services are used by business actors
3. Quality: Relevance and satisfaction with the financial services available (Adomako et al., 2016).

### ***Financial Risk Attitude***

Financial risk mindset indicates how entrepreneurs confront financial upheaval. A solid grasp of risk enables SMEs to innovate and adapt when facing unpredictable market conditions. A strong understanding of finance allows SMEs to effectively navigate and mitigate various risks, so they are able to balance potential profits and losses more effectively. Financial attitudes reflect how individuals perceive and respond to financial situations, which are greatly influenced by their knowledge, beliefs, and self-confidence. Good financial attitudes such as discipline, planning, and self-control are important in healthy and sustainable financial management (Djou & Lukiastuti, 2021). To measure financial risk attitudes, Ye & Kulathunga (2019) develop two main indicators, namely:

1. Risk perception: The extent to which an individual feels uncertainty about the effect of a fiscal decision.
2. Risk propensity: Someone's inclination to take financial risks in investment choices.

### *The Influence of Financial Literacy on Financial Risk Attitude*

Financial knowledge is a person's competence to assess and apply financial data effectively for decision making (Rizani et al., 2024). Financial literacy components include knowledge, skills, beliefs that shape healthy financial attitudes also behaviors. In context of decision-making, good financial literacy enables individuals to be better prepared to face financial risks with a rational and balanced attitude (Wati et al., 2022). Earlier studies highlighted the crucial importance of fiscal knowledge in influencing the bond smong financial mindsets also business success. The Last supper Febriyanti & Lestari (2024), as well as in influencing SME performance through innovation capabilities and risk attitudes (Meldona et al., 2023). Financial knowledge aids business leaders in directing finances and organizations successfully (Kmmcb et al., 2020). Considering the research and empirical evidence, the next hypothesis is proposed:

**H1: Financial literacy has a positive effect on financial risk attitude.**

### *The Influence of Financial Access on Financial Risk Attitude*

Financial attitudes reflect the use economic theories in decision making and resource management. These attitudes are formed from an individual's knowledge, experience, and feelings about finance (Fitria, 2024). Access to finance empowers individuals or businesses to secure services like borrowing, investment, investment. Good access allows business actors to grow, invest, and survive in competition. This access also increases self-confidence in facing risks, because business actors feel they have resource support. Conversely, limited access makes business actors more careful about risks. In light of this, the hypothesis is developed:

**H2: Financial access has a positive effect on financial risk attitude.**

### *The Influence of Financial Literacy on SME Performance*

Essential life skill for each person's skill to comprehend, control, and employ financial information and skills in decision making (Widiastuti et al., 2024). For SMEs, financial literacy is very important for resource management, wise decision making, viable economic progress (Putri et al., 2023). Previous research demonstrates that financial literacy plays a key role in the sustainability of SME outcomes (Fitria, 2024; Putri et al., 2023; Rizkiana et al., 2022; Widiastuti et al., 2024). SMEs that have good individuals educated in finance usually excel in financial management and increasing their business results. Accordingly, we present the following hypothesis:

**H3: Financial literacy has a positive effect on SME performance.**

### *The Influence of Financial Access on SME Performance*

Financial availability refers to the capacity of people or enterprises to secure and employ financial services like loans, deposits, and protection and payment systems (Buchdadi et al., 2020). This access supports better financial management, opens up economic opportunities, and improves welfare (Putri et al., 2023). Adequate financial access provides a strong foundation for business growth and stability. Earlier studies indicate that financial access positively impacts SME success (Anisa Salsabila Kemala Fikri & Nahda, 2023; Dedy Sukmana, 2024). In light of this, the hypothesis is developed:

**H4: Financial access has a positive effect on SME performance.**

### *The Influence of Financial Risk Attitude on SME Performance*

Financial attitude is this application of financial principles in choices and supply chain oversight to create and maintain value. This attitude is formed from the knowledge, feelings, and experiences of individuals in managing finances (Febriyanti & Lestari, 2024). In the business world, risk is unavoidable due to market uncertainty, regulatory changes, and economic conditions. SMEs often ignore risk management due to limited capital and focus on daily operations. In fact, proactive risk management is important to maintain business continuity (Jikrillah et al., 2021). In light of this, the hypothesis is developed:

**H5: Financial risk attitude has a positive effect on SME performance.**

### *The Influence of Financial Literacy on SME Performance through Financial Risk Attitude as a Mediating Variable*

Financial literacy helps business actors understand and manage financial risks wisely, thereby minimizing the potential for business failure (Buchdadi et al., 2020). Attitudes towards monetary risks frequently impact strategic choices made by organizations, especially regarding investment and financial management. Earlier research showed that capital risk attitudes are a key factor linking financial literacy to SME performance, especially in developing countries (Kmmcb et al., 2020; Priyantoro et al., 2023). The right combination of literacy and risk attitudes strengthens the ability of SMEs to face market challenges. In light of this, the hypothesis is developed:

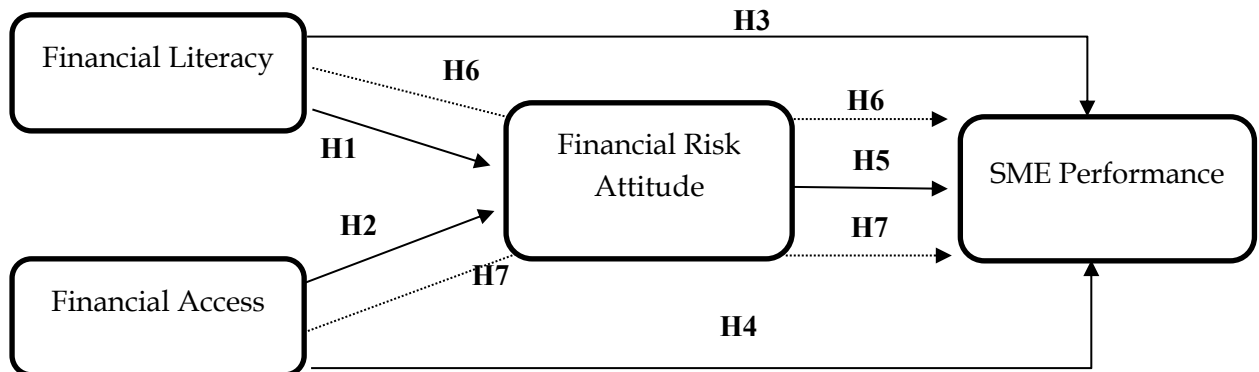
**H6: Financial literacy influences SME performance through financial risk attitude as a mediating variable.**

### *The Influence of Financial Access on SME Performance through Financial Risk Attitude as a Mediating Variable*

SMEs often face obstacles such as low morale, support, expertise and access to capital (Pratama & Wijayanka, 2019). Financial access is crucial for ensuring business continuity and resilience, especially in terms of financing and cash flow management. Ease of obtaining credit allows SMEs to grow and adapt to market changes. Attitudes towards financial risk reflect the readiness of business actors to face uncertainty and make risky financial decisions. Robust financial planning boosts SMEs' funding access services and make the right decisions (Anisa Salsabila Kemala Fikri & Nahda, 2023). Thus, financial risk

perception can bridge financial availability and advancing SME performance. Hence, the subsequent hypothesis is crafted:

**H7: Financial access influences SME performance through financial risk attitude as a mediating variable.**



**Figure 1. Conceptual Framework**

## METHODOLOGY

The approach utilizes a quantitative research method. Clinical trials and observational studies primary data sources using surveys and distributing questionnaires to participants. The questionnaire will be distributed to obtain data from Creative economy SMEs located on Lombok Island. The questionnaire is in the form of organized inquiry questions employing a Likert Scale with 5 rating categories. Because the demographic in this research is uncertain, it is difficult to determine the exact number of samples that will fulfill the specified requirements. As a result, a cohort of 140 SMEs within this creative industry on Lombok Island was established. This sampling approaches adopted featured purposive and chance sampling. Data interpretation was executed with the SEM-PLS version 4.0 structural equation technique.

## RESEARCH RESULT

### *Respondent Characteristics*

Most respondents were female, which was 58%, while male respondents were 42%. Thus, it can be concluded that female respondents are more numerous than male respondents. This means that female participants possess greater financial literacy skills so they tend to be more selective in determining the source of financial access that will be used and consider financial risks more. Based on skill level, the majority of respondents (55%) have a minimum educational background of a bachelor's degree (S1) at minimum, or higher. This means that respondents have improved critical thinking skills be more interested similarly develop a stronger insight into the vital impact of financial education and security access in promoting MSME success so that they can assist in the competence to interpret financial ideas and in forming attitudes towards financial risks. In terms of role in business, as many as 60% of respondents are MSME actors, while the remaining 40% are employees who have work experience in the creative economy sector. The means that respondents who are MSME actors are more actively involved in managing finances and facing

business risks directly. In terms of age, the largest group of respondents is aged 21-30 (50%), with the 31-40 range next (20%), then the 41-50 demographic (15%), and the 20 and younger group (10%). The smallest is the 51 and older category, which is only 5% of the total respondents. This shows that young MSME actors have a fairly high interest in running a business and show openness to innovation, including in using sources of financial access. This age group is usually more responsive to financial risks that can contribute to more effective business decision-making.

**Convergent Validity**

This measurement seeks to establish the validity of every connection between the indicator and its latent variable. According to Ghazali, (2021) individual indicators with correlation values above 0.7 are considered reliable. However, in the study of increasing scales, acceptable loading factor values are between 0.5 and 0.6, and convergent validity occurs when each variable's AVE is greater than 0.5 (Ghozali, 2021). The findings of concurrent validity assessment are shown table 1.

Table 1. Convergent Validity Results

	X1	X2	Y	Z
X1.1	0.840			
X1.2	0.876			
X1.3	0.776			
X1.4	0.848			
X1.5	0.796			
X1.6	0.831			
X2.1		0.830		
X2.2		0.775		
X2.3		0.916		
X2.4		0.913		
X2.5		0.839		
Y1			0.789	
Y2			0.819	
Y3			0.843	
Y4			0.819	
Y5			0.745	
Z1				0.786
Z2				0.871
Z3				0.820
Z4				0.835

Source: SEM-PLS 4.0 Output (Data Processed by Researchers 2025)

The indicators of the research variables show outer loading values above 0.7, indicating dependable convergent validity, as shown in Table 1 above. This result validates the indicators' validity and significance, indicating that they accurately reflect their respective conceptions and merit additional research.

**Discriminant Validity**

Average Variance Extracted (AVE) shows the average variance for each specific indicator, allowing for an understanding of how well each item correlates with others. Ghozali (2012) states that the AVE must exceed 0.5.

Table 2. Average Variance Extracted (AVE)

Variables	Average Variance Extracted (AVE)
Financial Literacy (X1)	0.686
Financial Access (X2)	0.733
SME Performance (Y)	0.646
Financial Risk Attitude (Z)	0.686

Source: SEM-PLS 4.0 Output (Data Processed by Researchers 2025)

Table 2, the AVE value for the savings behavior variable (X1) is 0.686, the loan approval rate variable (X2) is 0.733, the startup success variable (Y) is 0.686, and the investment outlook variable (Z) is 0.786. is 0.5.

**Reliability Test**

When evaluating reliability, one must use composite reliability and Cronbach's alpha as key instruments. An acceptable score for composite reliability is 0.6-0.7, while Cronbach's alpha should preferably be above 0.7 (Ghozali, 2021).

Table 3. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability
Financial Literacy	0.909	0.929
Financial Access	0.908	0.932
SME Performance	0.862	0.901
Financial Risk Attitude	0.847	0.897

Source: SEM-PLS 4.0 Output (Data Processed by Researchers 2025)

Cronbach's alpha values over 0.7 and composite reliability indicate that the variable is dependable, as indicated in Table 3.

**R-Square Test**

In a regression study, the coefficient of determination, or R-square, measures how much one variable affects another. As stated by Hair et al., (2014), The R-Square value is classified as follows: 0.25 indicates weak, 0.50 indicates moderate, and 0.75 indicates high.

Table 4. Adjusted R-square

Variables	Adjusted R-square
SME Performance	0.487
Financial Risk Attitude	0.633

Source: SEM-PLS 4.0 Output (Data Processed by Researchers 2025)

In light of table 4, It shows that the SME performance variable's modified R-square value is 0.487, meaning that financial access and financial literacy variables can explain 48.7% of the SME performance variable. Hence, it can be deduced that the model is deemed moderate. With an adjusted R-square value of 0.633 for the financial risk attitude variable, it suggests that financial literacy, financial access, and SME performance can account for 63.3% of the financial risk attitude variable. Therefore, the model is regarded as moderate.

**Hypothesis Testing**

*Direct influence*

This research applies hypothesis testing via the bootstrapping method utilizing SmartPLS 4.0 software to assess the proposed hypothesis's acceptance or rejection. The path coefficient in this study ranges from -1 to +1, indicating a positive and robust relationship as values near +1, while negative and weak relationships are defined by values that approach -1 (Hair et al., 2014). In hypothesis testing, a p-value is generated, indicating significance if it is below 0.05. The bootstrapping analysis yields path coefficient values shown Table 5 below.

Table 5. Direct Influence Test

	<b>Original sample (O)</b>	<b>Sample mean (M)</b>	<b>Standard deviation (STDEV)</b>	<b>T statistics ( O/STDEV )</b>	<b>P values</b>	<b>Conclusion</b>
<b>X1 -&gt; Z</b>	0.451	0.451	0.078	5.805	0.000	Accepted
<b>X2 -&gt; Z</b>	0.404	0.408	0.077	5.232	0.000	Accepted
<b>X1 -&gt; Y</b>	0.241	0.242	0.120	2.004	0.045	Accepted
<b>X2 -&gt; Y</b>	0.380	0.377	0.120	3.166	0.002	Accepted
<b>Z -&gt; Y</b>	0.149	0.153	0.102	1,466	0.143	Rejected

*Source: SEM-PLS 4.0 Output (Data Processed by Researchers 2025)*

From Table 5 above, it can be inferred that:

- 1) With a coefficient of 0.451 and a P-Value of 0.000, financial literacy demonstrates a notable and positive effect on financial risk attitude, thus supporting the acceptance of hypothesis H1.
- 2) Financial access displays a coefficient of 0.404 and a P-Value of 0.000, suggesting a strong and significant effect on financial risk attitude, thus allowing acceptance of the H2 hypothesis.
- 3) With a coefficient of 0.241 and a P-Value of 0.045, financial literacy shows a significant positive effect on SME performance, thereby validating hypothesis H3.
- 4) Access to finance shows a coefficient of 0.380 and a P-Value of 0.002, reflecting a positive and significant effect on SME performance; therefore, hypothesis H4 is accepted.
- 5) Risk attitude towards finance shows a coefficient of 0.149 and a P-Value of 0.143, suggesting a positive yet insignificant effect on SME performance, thus hypothesis H5 is rejected.

**Indirect Influence**

With financial risk attitude serving as a mediator, the study of the relationship between financial literacy and SME performance yields a P value of 0.164 and a path coefficient of 0.067, as shown in table 6. This indicates that financial risk mindset has a mediating role, is positive yet not significant, causing the rejection of hypothesis 6 (H6). Equally, the impact of capital resources on SME success with risk orientation as a mediating element demonstrates that the P value is 0.179 and the path coefficient is 0.060. This indicates that the influence of financial access on SME outcomes, with financial risk inclination as a mediating variable, is positive yet insignificant, rendering hypothesis 7 (H7) invalid.

Table 6. Indirect Effect Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P values	Conclusion
X1 -> Z -> Y	0.067	0.069	0.048	1,391	0.164	Rejected
X2 -> Z -> Y	0.060	0.063	0.045	1,343	0.179	Rejected

Source: SEM-PLS 4.0 Output (Data Processed by Researchers 2025)

**DISCUSSION**

***The Influence of Financial Literacy on Financial Risk Attitude***

It is clear from the results of the first hypothesis statistical analysis (H1) that financial risk attitude is positively influenced by the financial literacy component. This suggests increased financial literacy leads to better decisions of SMEs in the creative economy sector on Lombok Island, the better their attitude towards financial risk will be. And when financial literacy decreases, business actors tend to have a limited understanding of risk, so they have the potential to make inappropriate financial decisions. Consequently, the outcomes of this investigation support the primary hypothesis that financial literacy enhances financial risk attitude.

This issue is highly pertinent to the circumstances encountered by SMEs in the Lombok Island creative economy sector. As is known, most businesses in this sector are engaged in crafts, culinary, traditional weaving, and other local products that are highly dependent on market trends and the tourism sector. In a situation full of dynamics and uncertainty like that, the ability to understand and manage risk becomes very important.

The description of the questionnaire results shows that the financial knowledge metric falls within the upper tier. This signifies that participants possess a solid grasp of essential financial principles, such as budgeting, savings, and effective use of financial tools and resources. High financial literacy not only improves the ability of SMEs to manage finances in general, but also forms a more careful and rational attitude in dealing with financial risks. Individuals with good financial literacy tend to have confidence in considering the benefits and risks of each financial decision taken. Thus, business actors are able to assess risks

more objectively and make decisions that support business stability and growth. The report's conclusions are consistent with research performed by Febriyanti & Lestari (2024); Meldona et al. (2023); Kmmcb et al. (2020) this shows that financial education shapes views on financial risks.

### ***The Influence of Financial Access on Financial Risk Attitude***

According to the statistical review of the second hypothesis (H2), it is found that financial access plays an important and affirmative role in financial risk attitude. The means that the easier it is for SMEs to access formal financial services, the better the attitude of business actors in dealing with financial risks. Good financial access provides opportunities for business actors to become more familiar with various financial products. Understanding and experience in using these services will indirectly form a more rational and measurable attitude towards financial risk. Creative economy SMEs located on Lombok Island have great potential in supporting the local economy and tourism, but are also very vulnerable to market uncertainty, fluctuations in tourist demand, and limited capital.

The questionnaire results show that most respondents can utilize a range of financial services from banks and other institutions. This ease of access gives them confidence in making financial decisions. Thus, SMEs become more accustomed to assessing opportunities and risks, and are better prepared to face financial uncertainty. This study is in line with Buchdadi et al. (2020) this indicates that financial access significantly influences financial risk behavior positively.

### ***The Influence of Financial Literacy on SME Performance***

The findings from the third hypothesis's (H3) statistical analysis show that financial literacy positively affects SME performance. This suggests that higher financial literacy levels for SMEs in Lombok's creative economy is directly related to SME effectiveness. A drop in financial literacy leads to poorer SME results.

Description of the questionnaire results shows that the majority of Small businesses in the creative sector on Lombok Island are financially literate, these entrepreneurs run businesses based on local culture and are supported by the potential for tourism that continues to grow, so that a deep insight into financial management is an important factor in maintaining business stability and sustainability. Financial education is the comprehension, abilities, and values that affect personal attitudes and actions to enhance decision making and administration in financial matters. The outcomes of this investigation to work done by Widiastuti et al. (2024); Putri et al. (2023); Rizkiana et al. (2022); Fitria (2024) this shows that financial skills enhance SME success likelihood.

### ***The Influence of Financial Access on SME Performance***

According to the findings of statistical analysis related to the fourth hypothesis (H4), it is evident that the financial access factor positively influences SME performance significantly. This suggests that increasing access levels of business actors to financial services, the better the performance of SMEs. Good financial access allows business actors to obtain capital support, savings and loan

services, insurance, and other financial products that are important in running and developing a business.

The description of the questionnaire results shows that most respondents have access to formal financial institutions, both banking and non-banking. Many Creative economy SMEs located on Lombok Island are now starting to utilize financial facilities that have a direct impact on improving business performance, both in terms of profit, operational efficiency, and competitiveness in the market. This ease of access provides greater opportunities for SMEs to obtain financing, manage cash flow, and invest in business development. This research aligns with findings from earlier research Dedy Sukmana (2024); Anisa Salsabila Kemala Fikri & Nahda (2023) demonstrated that financial access significantly enhances the performance of SMEs.

### *The Influence of Financial Risk Attitude on SME Performance*

The results of the fifth hypothesis (H5) statistical test show that the financial risk attitude variable influences SME performance in a positive but negligible way. The suggests that although SME actors in the creative economy sector on Lombok Island have a positive attitude in facing financial risks, this is not strong enough to play a crucial role in SME development.

This findings from the survey results indicate that perceptions of financial risk fall within the fairly good category. The shows most SMEs within the artistic industry on Lombok Island are aware of the importance of considering risks before making decisions, but have not yet fully implemented this principle in daily business practices. This condition can occur due to limited capital, minimal risk management training, or because business actors focus more on short-term operations than long-term business development. This research aligns with findings from earlier research Ferli (2023) which highlighted that SMEs remain unaware of how external funding sources can drive their development and often choose to evade risks when making strategic business decisions.

### *The Influence of Financial Literacy on SME Performance through Financial Risk Attitude as a Mediating Variable*

The results from the statistical test show that the financial risk attitude fails to affect the relationship between SME performance and financial literacy. This demonstrates how financial risk mindset mediates the beneficial but insignificant impact of financial literacy on SME performance., leading to the rejection of the sixth hypothesis (H6). This means that even though SME actors have a good financial understanding and are able to assess risk, this is not enough to link financial literacy to achieving higher performance. This is caused by several factors, such as low implementation of risk management, strong influence from external implementation factors such as market conditions or limited access to capital, or even a mismatch between attitudes towards risk and real decisions taken by business actors.

Most of the creative economy sector SMEs in Lombok Island are still cautious or tend to avoid risks, even though they have good financial literacy knowledge. This is due to limited experience, fear of failure, or because they are not used to making decisions that involve risks on a larger scale. As a result, high

financial literacy has not been fully followed by the courage or readiness to take strategic steps that are risky but contribute to better business results overall. The results of this investigation are consistent with earlier studies by Hanifa Asti Afriani & Lasmini (2023); Hidayati et al. (2021) which highlights that the way in which financial risks is not the exclusive factor linking financial literacy and business success.

### ***The Influence of Financial Access on SME Performance through Financial Risk Attitude as a Mediating Variable***

Results from the statistical tests reveal that financial risk attitude has little bearing on how financial access and SME performance interact. This suggests that financial risk mindset mediates the relationship between financial availability and SME performance, yet insignificant, leading to the rejection of the seventh hypothesis (H7). This indicates that SME actors who have wider access to financing sources do not directly have an attitude towards risk that can encourage increased SME performance. The financial access obtained may be used more for short-term needs than for productive business development, so that attitudes towards risk are not the main key factor in improving performance.

Most of the creative economy sector SMEs in Lombok Island prefer financial access to meet short-term needs, such as daily operations, rather than for risky but long-term impactful expansion or innovation steps. This shows that even though financial access is available, not all SMEs have the attitude and courage to optimally utilize these opportunities to boost company results. These conclusions from the review coincide with previous studies Ferli (2023) which suggests that SMEs often do not possess a strategic long-term plan aimed at reducing risks while making critical business choices. According to Esiebugie, Richard, & Emmanuel (2018), most SME managers and owners have poor financial attitudes, indicated by poor future perspective, fear of taking chances, and little involvement in fiscal education courses.

## **CONCLUSION AND RECOMMENDATIONS**

This research investigates the influence of financial literacy and access to finance on the performance of SMEs, considering financial risk attitude as a mediator among creative economy practitioners in Lombok Island. Research indicates that both financial access and literacy positively impact SME performance, with financial literacy enhancing the ability of entrepreneurs to navigate financial uncertainties. Nonetheless, financial risk perception does not notably influence SME success and does not act as a mediator between financial literacy and access to finances impacting SME performance.

These conclusions imply that boosting financial skills and simple access to financial services remain key factors in supporting business growth and sustainability. While risk attitudes have not proven to be a significant connecting path, their role remains important in the context of business decision-making.

Therefore, SMEs are advised to continue to improve their financial understanding through training, literature, and direct practice, to ensure they can handle their finances with care and strategy. Moreover, enhancing their capacity to evaluate and respond to risks is essential so that the financial choices made

will be more targeted and positively influence business results. Coupled with proper financial education and resources, SMEs are expected to be able to adapt, grow, and compete sustainably amidst increasingly complex economic dynamics.

### **ADVANCE RESEARCH**

This study has several limitations, for researchers who want to study similar topics it is recommended to use a wider and more varied sample, both geographically and in business sectors to increase the generalizability of the results. Adding moderator or control variables, such as business experience, technological support, or external environment that may affect the effectiveness of financial risk attitude mediation.

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