
**FINANCIAL BEHAVIOR, HUMAN RESOURCES, OPERATIONS, MARKETING,
AND GOVERNMENT POLICIES ON THE PERFORMANCE OF UMKM IN
MAGETAN REGENCY (STUDY ON MSMEs IN MAGETAN REGENCY)**

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ABSTRACT

The main study in this research discusses the performance of MSMEs in Magetan Regency. This research aims to determine the influence of financial behavior, human resources, operations, marketing and government policies on the performance of MSMEs in Magetan Regency. The type of research used is quantitative research with an associative approach, with the subjects of this research being MSME actors in Magetan Regency. The population in this study was 147,991 MSMEs, the sample was determined using the Cohen, Manion, and Marison (2015) technique with a sample size of 220 MSMEs. The data collection technique used a questionnaire with a total of 34 statements. The measurement scale in this study uses a Likert scale. The data analysis technique uses multiple linear regression analysis with the help of the SPSS 23 application. Based on the research results, it shows that financial behavior variables do not have a positive effect on the performance of MSMEs in Magetan Regency. Human resource variables do not have a negative effect on the performance of MSMEs in Magetan Regency. Operational variables do not have a positive effect on the performance of MSMEs in Magetan Regency. Marketing variables have a positive effect on the performance of MSMEs in Magetan Regency. And government policy variables have a positive effect on the performance of MSMEs in Magetan Regency. Based on this research, the author provides advice to MSME owners to improve the quality of human resources by participating in skills training. Apart from that, good communication between MSME owners and employees is important. It is hoped that the government or related agencies can provide training and guidance regarding financial management to MSME players. Apart from that, the government also has an important role in increasing the promotion of MSMEs so that MSME products can compete at the national level. For further research, it is hoped that this research can be used as a reference source for similar research by adding other variables outside this research.

Keywords: Financial Behavior, Human Resources, Operations, Marketing, Government Policy, And MSME Performance.

I. INTRODUCTION

To analyze the economic development of a country, the most important indicator is economic growth. Economic growth must prioritize the interests of the wider community and be evenly distributed. To move towards a prosperous nation, national development requires the implementation of an equitable economy. Prosperity can be achieved through economic development supported by economic democracy. Micro, Small and Medium Enterprises (MSMEs) are part of the process of achieving prosperity.

Micro, small and medium enterprises (MSMEs) are people who are able to see various natural and human potentials as new potentials in meeting their economic needs and for the Indonesian economy. Increasing the ability of MSMEs is the best step for progress and prosperity for the economy of all citizens. This is because MSMEs are able to increase the number of new jobs and can provide benefits to all citizens. MSMEs have an important role in improving the national economy. MSMEs as a wheel to drive community economic activities and serve as a source of hope and income for citizens, so that their standard of living is prosperous. This MSME business is one of the pillars of the country's economic growth.

A country's economy determines its success. A country that has a high income can be considered economically advanced. Economic growth is important to increase the output achievement as well as the real income of every citizen. Economic growth is considered a necessary condition to correct social problems and achieve development goals, such as increasing people's income and providing useful facilities.

Human resources (HR) and good and reliable governance are the most important components for building sustainable economic growth in a country. In this case, government policies and human resources will affect the performance of MSMEs. Munizu (2010) further explains that measuring MSME performance can be done by seeing if there is growth in a business. This explanation is then used as an indicator in measuring MSME performance. This research uses indicators from Purwaningsih & Haryono's (2019) research, namely growth in sales, capital, labor, market and profit (Purwaningsih & Haryono, 2019: 5).

Referring to past research, there are several components that influence the development of MSMEs, including financial behavior, human resources, operations, marketing, and government policies. From the review of previous research, the following results can be presented.

The first variable that affects MSME performance is financial behavior. Copur (2015) says financial behavior is the decisions a person makes about budget planning and financial management, as well as their ability to see the impact of these decisions. Indicators for measuring financial behavior based on research conducted by Puwaningsih & Haryono (2019) include budgeting, borrowing for needs, paying debts, controlling finances, determining long-term finances and saving intensity (Purwaningsih & Haryono, 2019: 5).

The study of financial behavior conducted by Purwaningsih & Haryono (2019) shows that there is a positive influence on the performance of MSMEs. This is supported by research by Wahyudiati & Isroah (2018), Rahmanto, et.al., (2020), Fibriyani & Mufidah (2017), Nizar (2018), Singthong et al., (2023), Mesfar, (2023), Zhang et al., (2023), Capiña (2021), Hadiyati (2015), Sharma & Kharub (2015) state the same results that financial behavior has a positive influence on MSME performance. Different research results were carried out by Fitria & Soejono, (2021), namely financial behavior has no influence on the performance of MSMEs. This is due to the lack of education and knowledge about financial literacy by MSME actors.

The second variable that affects MSME performance is human resources. Human resources encourage other forces in achieving goals. According to Wirawan (2009), without human resources and other forces there would be no meaning. The indicators in this study use Purwaningsih & Haryono's research (2019). The human resources aspect is divided into four indicators, including the selection and recruitment process, communication and motivation, training and development, welfare and compensation (Purwaningsih & Haryono, 2019: 394).

Based on research conducted by Wahyudiati & Isroah (2018), Nizar (2018), Dewantoro et al., (2023), Goswami et al., (2023), Rahmanto, et.al., (2020), Paeno & Ramdani, (2023), Capiña, (2021), and Hadiyati (2015) provide results that HR has a positive influence on the development of MSMEs, meaning that if the quality of human resources is good, the performance of MSMEs will increase.

Research conducted by Purwaningsih & Haryono (2019), Ari Sulistiogo (2019), Mesfar, (2023), and Sharma & Kharub (2015) shows different results where HR does not affect business development. This means that the quality of employee work will not affect the performance of the business itself. The third variable that affects MSME performance is operational. According to Stevenson (2009), operations is managing all the processes of making products or services. Production processes, also known as operational processes, are the stages used to convert raw materials into products. Operational indicators based on Purwaningsih & Haryono (2019) are the availability of raw materials, the use of raw materials, production equipment, maintenance of production equipment, and the use of modern tools (Purwaningsih & Haryono, 2019: 395).

Based on previous research by, Dewantoro et al., (2023), Paeno, (2023), Singthong et al., (2023), Capiña, (2021), Rahmanto, et.al., (2020), Rizal et al., n.d (2023) Hadiyati (2015) shows the results that operational variables have a positive influence on the performance of MSMEs. If distribution operations are carried out properly, the performance of MSMEs will also increase. Different results are shown from research conducted by Purwaningsih & Haryono (2019) and Ari Sulistiogo (2019) showing that operational variables have no effect on MSME performance. Thus, it can be interpreted that the quality of the company's production process will not have an impact on the performance of the company itself.

The fourth variable that affects the performance of MSMEs is marketing. Kotler and Keller (2012), Marketing is the process of meeting social and human needs. Marketing variables use Purwaningsih & Haryono's (2019) indicators, namely product demand, pricing with competitors, promotional activities and marketing segmentation areas (Purwaningsih & Haryono, 2019: 394-395).

The results of research conducted by Anugrah Lutfi (2021) show that marketing variables have no effect on the performance of MSMEs. Meanwhile, research conducted by Purwaningsih & Haryono (2019), Fibriyani & Mufidah (2017), Nizar (2018), Rahmanto, et.al., (2020), Goswami et al., (2023), Paeno (2023), Singthong et al., (2023), Hadi et.al., (2023), Mesfar (2023), Capiña (2021), S. Rizal et al., (2023) provides results that marketing variables have a positive influence on the performance of MSMEs. 5

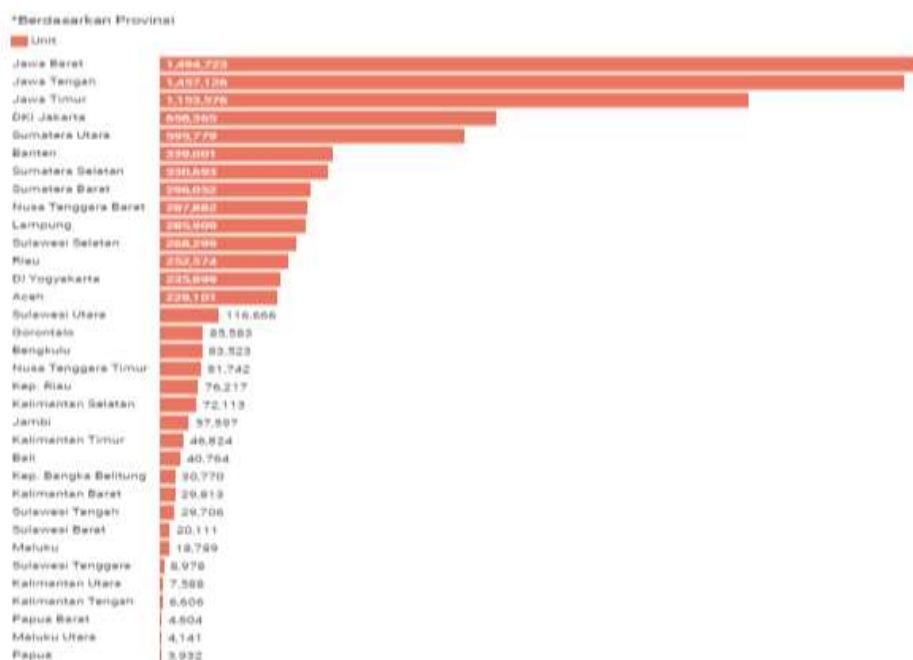
The last variable discussed in this research is the effect of government policy on MSME performance. According to Riawan (2009), because the government has the authority to regulate community activities, the government also has the authority to establish regulations or regulations that are beneficial to society. Government policy variables use indicators from Purwaningsih & Haryono (2019), namely capital and financing assistance, coaching programs by the government, establishment of rules and regulations, and provision of information (Purwaningsih & Haryono, 2019: 395).

The results of research conducted by Fibriyani, et.al. (2017) Santosa, et.al., (2021), and Hadi, et.al. (2023) show that government policies have a positive influence on the performance of MSMEs. Government policies have an impact on the growth of MSMEs. Different research results were shown by Purwaningsih & Haryono (2019), Zhang et al. (2023), Hadiyati (2015), and Sharma & Kharub (2015) that MSME performance is not influenced by government policies. This means that capital and training do not affect MSMEs. Even though MSMEs do not receive assistance, performance within MSMEs can be maintained.

It has been proven that small and medium enterprises (MSMEs) contribute significantly to the Indonesian economy. MSMEs have been at the forefront of advancing the Indonesian economy during difficult times, such as the 1998 monetary crisis and the COVID-19 pandemic. The existence of MSMEs has a direct impact on the entire society. It shows that Indonesian MSMEs can reduce 97% of unemployment, contribute 60.3% or around IDR 8,573 Trillion per year to GDP, and contribute 14.4% of export activities in 2021 (satudata. kemenkopukm.go.id).

MSMEs are spread throughout the archipelago that do not have access to technology so that they can help improve economic equality in Indonesia. Small and medium-sized businesses (MSMEs) are influential in generating foreign currency in Indonesia. Currently, MSMEs have a market share both domestically and abroad. For this reason, the government says that MSMEs have the influence to improve the quality of an independent economic system so that people's welfare can be fulfilled properly.

To help MSMEs register their businesses, the government launched the Online Single Submission Risk Based Approach (OSS RBA) system in 2021. By 2022, the number of MSMEs already registered in the system reached 8.71 Million units, with different locations as shown below :

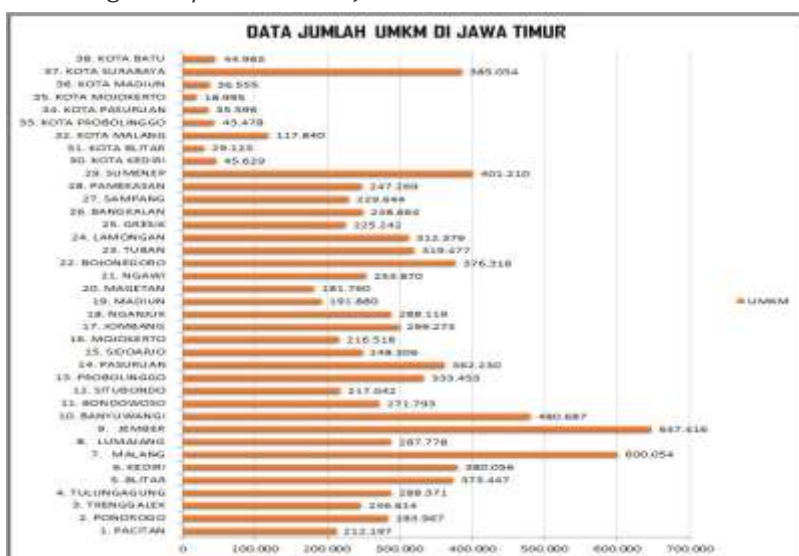


Graph 1: Number of MSMEs in Indonesia

Source: Ministry of Cooperatives and SMEs (processed by CNBC, 2023)

From this table, the number of MSMEs in East Java Province ranks third nationally after West Java and Central Java Provinces. Data from the Ministry of Cooperatives, Small and Medium Enterprises (Kementerian KUKM) shows that the number of MSME players in Indonesia will be 9.1 million by 2022. However, as reported by Kompas, the Ministry of Cooperatives and MSMEs is also targeting at least 10 million MSME units integrated in the OSS system by the end of 2023. This target may continue to change as the number of MSMEs registering in the OSS system increases.

In addition to having an important role in the local economy, MSMEs in East Java Province have proven to be independent, strong, flexible and tested business actors, especially in the face of economic crisis. The following is the number of MSMEs in regencies/cities in East Java Province.



Graph 2: Number of MSMEs in East Java (Data source: Economic Census 2016 and SUTAS 2018) taken from the Office of Cooperatives and SMEs of East Java Province (jatimprov.go.id)

Small and medium enterprises (MSMEs) are an important part of East Java's populist economy and play an important role in overall economic activity. MSMEs in East Java have a significant role as the main source of income for the people of East Java and play an important role in employment, cooperatives and SMEs have contributed more than 56% over the past five years, with a contribution of 57.25%.

Based on the Cooperative Online Data System (ODS), the number of active cooperatives is 22,979 as of December 2022. Meanwhile, the number of MSMEs in East Java is 9.78 million, with 5.16 million agricultural MSMEs and 4.61 million non-agricultural MSMEs according to SUTAS 2018. MSME activities have increased in Magetan Regency, one of the regions in East Java. In 2023, there were 157,421 MSMEs in Magetan Regency with the following business field classifications :



Graph 3: Number of MSMEs in Magetan Regency

Data source: ODS System Year 2023, Office of Kopersi and Micro Enterprises of Magetan Regency

Number of MSMEs in Magetan Regency

Based on graph 3, there are seven (7) business sectors. The highest number of MSMEs in Magetan Regency comes from the agriculture sector with 98,815 MSMEs. In the second position is the trade, hotel, and restaurant sector with 31,225 MSMEs. In the third position is the processing industry sector with 17,951 MSMEs, and the service sector with 6,081 MSMEs. Transportation sector with a total of 2,176 MSMEs. The mining and quarrying sector totals 671 MSMEs and the finance sector occupies the last position with a total of 290 MSMEs. MSMEs in Magetan Regency face the problem of slowing performance. The ability of MSMEs to manage their business to achieve certain goals is known as MSME performance. All types of small and medium enterprises (MSMEs) must have the goal of achieving good performance. To develop MSMEs, there needs to be good performance in various areas such as finance, human resources, production, distribution, and marketing.

The cause of the slow development of MSMEs in Magetan Regency comes from the human resource factor (HR). Those that exist are not optimally utilized by each MSME unit. This causes the operational process and marketing of MSME products to not be maximized. This factor affects the productivity of MSME performance, which decreases and its development slows down. HR is the key to improving the performance of micro and small enterprises. This is because the existence of a business is determined by the way the people who participate in managing the business. The development of MSMEs must be followed by good performance from human resources and followed by the development of human resources in all fields. To ensure the innovation of the products produced, the quality of human resources is very important, especially in the field of competence. The existence of good quality human resources will affect the operational processes of production, distribution and can expand its marketing segmentation. So that products can be accepted in national and international markets. Government policies also influence the performance of MSMEs.

Regulations made by the government will determine the sustainability of MSMEs. The Magetan Regency Government together with the Cooperative Office has made policies in the form of training and assistance to MSMEs so that they can produce superior products as a whole, starting from materials, packaging to product marketing. The Magetan Regency Cooperative Office is committed to optimizing the performance of MSMEs by holding annual MSME events. The MSME event aims to market and introduce MSME products to the community. In order for MSMEs in Magetan Regency to become more competitive, the government and the community must pay serious attention to their development. To support the growth and progress of small and medium enterprises in Indonesia, future government strategies must be made more efficient, innovative and superior.

In general, several things must be considered when developing working conditions, new business opportunities, information, financing, market access, improving product quality and human resources, availability of services for business development, group development, business networks, and competition (koperasiukm.com). Referring to all the explanations above, the researcher will carry out a study entitled "Financial Behavior, Human Resources, Operations, Marketing, and Government Policy on MSME Performance in Magetan Regency".

The number of small and medium enterprises (MSMEs) in Magetan Regency has enormous potential. However, its natural and human resources have not been fully utilized properly, this will have an impact on the performance of MSMEs, such as resulting in decreased productivity and decreased growth. This is indicated by various problems related to product quality and quantity. That way, various efforts are needed to improve product quality and quantity so that the products produced can be accepted by local and global market consumers. The government is expected to assist small and medium enterprises and build profitable partnerships between large entrepreneurs and small entrepreneurs. They should also participate in improving human resources.

The purpose of this study is to find out the best way to solve it and to determine how financial behavior, human resources, operations, marketing, and government policies impact the performance of small and medium enterprises (MSMEs) in Magetan Regency.

II. METHODOLOGY

Researchers use associative quantitative research methods to determine how much influence financial behavioral factors, human resources, operations, marketing, and government policies have on the performance of micro, small, and medium enterprises (MSMEs) in Magetan Regency. The current research is included in the quantitative approach using a questionnaire as a field data collection instrument. Respondents' answers to the questionnaire have a weight or score which is then subjected to statistical analysis. The quantitative research used in this study is included in causal research. Causal research as a study that has a direction in proving the causal hypothesis between variables (Malhotra et al., 2017). This is in accordance with the research objectives to test the causal relationship between variables or to test whether a variable causes another variable to change. Tests were conducted on the effect of communication and resilience on employee performance at the Magetan Regency Social Service.

Sugiyono (2014) states that population can be defined as a generalization area consisting of subjects or objects that have certain qualities and attributes that have been determined by researchers to study and then come to conclusions. This research focuses on MSMEs in Magetan Regency (Hanim & MS. Noorman, 2018). The population in this study was selected proportionally from the three largest MSME sectors, namely: 1) MSMEs from the agricultural sector with a total of 98,815 units. 2) MSMEs from the trade, hotel and restaurant sector with a total of 31,225 units. 3) MSMEs from the processing industry sector with 17,951 units. So that the population amounted to 147,991 MSMEs registered at Dinkop Kab. Magetan. The sample in this study was 200 by adding a 10% error rate so that the total sample used amounted to 220 MSMEs in Magetan Regency. Determination of this sample size is due to the author's limitations and the lack of participation of respondents during data collection. Based on the opinion of Cohen, Manion, and Marison (2015) Therefore, the sample size is considered a sufficient category.

This research uses a survey method by distributing questionnaires directly to respondents and using Google Form. Not all respondents understand technology, for this reason the researcher uses these two questionnaire distribution techniques which aim to make it easier for respondents to fill out this research questionnaire. A total of 34 closed statements were used to evaluate variables using a Likert scale. Statements were made referring to the indicators used from each variable. The researcher asked respondents to choose the answers that had been provided previously. Each answer choice has a score or value so that it can be calculated. The aim is to find out how the performance of MSMEs in Magetan Regency is influenced by the independent variable (X). Instrument tests in this study used validity tests and reliability tests. While the classic assumption test uses normality test, multicollinearity test, heteroscedasticity test.

The results and conclusions of the study were processed through quantitative data analysis using multiple regression data analysis techniques. Regression analysis is used to predict how one variable affects another and find the relationship between variables. (Jannah, 2016: 51) The technical selection of multiple regression analysis is because the researcher wants to know the relationship between the independent variable (X) and the dependent variable (Y) the performance of MSMEs in Magetan district.

III. ANALYSIS RESULTS

3.1. Respondent Characteristics

This study divides industries into three categories, namely agriculture as many as 27 MSMEs or 12.3%, the trade, hotel and restaurant sector as many as 103 MSMEs or 46.8%, and the industrial sector as many as 90 MSMEs or 40.9%. Thus, it can be seen that the classification of the most business types in this study is the trade, hotel and restaurant sector.

The number of employees of each MSME has a varied number, ranging from 0-100 employees. Based on the table, it can be seen that most MSMEs do not have employees or the number of employees is 0. MSMEs that do not have employees amount to 101 MSMEs or 45.9%. In this case, small and medium enterprises (MSMEs) carry out all production to sales processes independently without the help of others. There are only 8 MSMEs with more than 10 employees. This is because most of the MSMEs registered at the Magetan Regency Cooperative Office are household businesses that are classified as small scale. Therefore, these MSMEs do not need employees in the operational process.

In this study, the business time span is divided into 4 categories, namely under 1 year as many as 3 MSMEs or 1.4% of the total business, 1 - 5 years as many as 75 MSMEs or 34.1% of the total business, 6 - 10 years as many as 86 businesses or 39% of the total business, and more than 10 years as many as 56 businesses or 25.5% of the total business.

3.3. Descriptive Analysis

The results of the descriptive analysis in this study can be explained as follows:

1. The overall average resulted in a value of 4.19 which based on the three box method is a high criterion. This indicates that the financial behavior of MSME owners is relatively good. This is evident from the making of financial plans that have been carried out so far.
2. The overall average results in a score of 3.67 which based on the three box method is a high criterion. This indicates that the human resources of MSME owners are good. It is evident from the fact that MSME owners always give appreciation in the form of bonuses to employees who have good performance.
3. The overall average results in a value of 4.20 which based on the three box method is a high criterion. This indicates that the operations of MSME owners are classified as good. It is evident that MSME owners have the awareness to always renew more modern production equipment.
4. The overall average resulted in a score of 4.21 under the three box method, which is a high criterion. This indicates that the marketing of MSME owners is relatively good. It is evident that MSME owners always expand marketing segmentation.
5. The overall average resulted in a score of 4.20 based on the three box method, which is a high criterion. This indicates that government policy is good. It is proven that with the existence of government policies, MSME owners are helped in terms of capital and financing.
6. The overall average results in a score of 4.20 based on the three box method. This indicates that the performance of MSMEs is good. It is proven that the increase in MSME sales products continues to increase..

3.2. Instrument Test

All variable items in this study which include financial behavior, human resources, operations, marketing, government policy and business performance have a calculated r value greater than r table 0.132. So it can be concluded that all variable items in this study are declared valid and can be used for further data analysis.

All variables in this study which include financial behavior, human resources, operations, marketing, government policies and business performance have a Cronbach Alpha value above 0.60. This indicates that the statement items are credible and can be used as a research measure.

3.4. Classical Assumption Testing

The classic assumption test in this study consists of normality test, multicollinearity test, and heteroscedasticity test. The results of the normality test in this study are as follows:

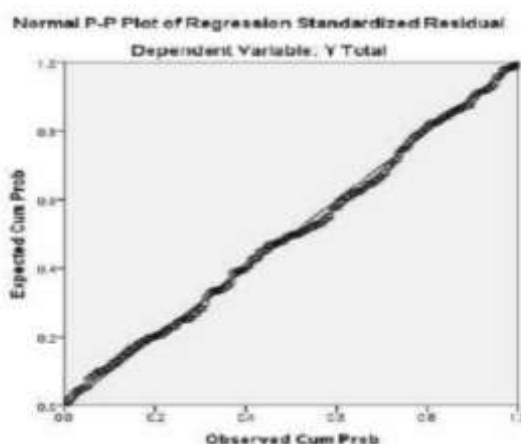


Figure 1: P-P Plot Normality Test

The data is normally distributed, as indicated by the points scattered around and following the direction of the diagonal line, as shown in the analysis shown in figure 1. Statistical analysis can also be used to enhance this

graphical analysis with a normality test. The normality test uses the Kalmogorov-Smirnov (K-S) nonparametric statistical test with a probability value of significance of the independent variable of more than 0.05 and a significance of $\alpha = 5\%$. The significance value of the normality test must be more than 0.05 to determine whether the residual value is normally distributed. If the significance value is more than 0.05, it is assumed that the data distribution is normal.

		Unstandardized Residual
N		220
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.06192135
Most Extreme Differences	Absolute	.037
	Positive	.037
	Negative	-.026
Test Statistic		.037
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Figure 2: Kolmogorov-Smirnov Normality Test

The Kolmogorov-Smirnov test results, gives the result of a significance test value of 0.200 from the Asymp Sig value showing a significance level value above 0.05. This means that the unstandardized residual results are considered normally distributed.

While the multicollinearity test results can be seen in the following table.

Table 1: Multicollinearity Test Results

Variabel	Tolerance	Nilai	VIF	Nilai	Keterangan
Perilaku keuangan (X1)	0,457	> 0,01	2,190	< 10	Tidak terjadi multikolinearitas
Sumber Daya Manusia (X2)	0,379	> 0,01	2,639	< 10	Tidak terjadi multikolinearitas
Operasional (X3)	0,411	> 0,01	2,431	< 10	Tidak terjadi multikolinearitas
Pemasaran (X4)	0,566	> 0,01	1,767	< 10	Tidak terjadi multikolinearitas
Kebijakan Pemerintah (X5)	0,570	> 0,01	1,753	< 10	Tidak terjadi multikolinearitas

Since the tolerance value is greater than 0.01 and the VIF value is less than 10, the regression model of this study does not show multicollinearity between independent variables.

To test for heteroscedasticity, the Glejser method was used to regress the independent variables on the absolute value of their residuals. Performed to determine whether there is an inequality of variance in the regression model between residuals and other observations. If the significance value (Sig) is greater than 0.05, there is no heteroscedasticity problem.

Table 2: Glejser heteroscedasticity test

Variabel	Taraf Signifikan	Nilai Sig.	Keterangan
Perilaku keuangan (X1)	> 0,05	0,463	Tidak terjadi heteroskedastisitas
Sumber Daya Manusia (X2)	> 0,05	0,905	Tidak terjadi heteroskedastisitas

Operasional (X3)	> 0,05	0,224	Tidak terjadi heteroskedastisitas
Pemasaran (X4)	> 0,05	0,052	Tidak terjadi heteroskedastisitas
Kebijakan Pemerintah (X5)	> 0,05	0,258	Tidak terjadi heteroskedastisitas

All variables used do not show heteroscedasticity problems because the significance between each independent variable is above 0.05.

3.5. Multiple Linear Regression Analysis

Using multiple linear regression, this study tested the variables on the dependent variable of MSME performance. The results of the regression equation of this study are as follows :

Table 3: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std.Error	Beta		
(Constant)	6.812	1.746		3.902	.000
X1 Total	.045	.061	.056	.749	.455
X2 Total	-.009	.065	-.012	-.145	.885
X3 Total	.079	.086	.072	.919	.359
X4 Total	.451	.068	.444	6.663	.000
X5 Total	.381	.088	.288	4.334	.000

Based on the calculation results, it can be concluded that:

- Of the five independent variables, there are two variables that affect the dependent variable, namely marketing and government policy.
- X4 is the regression coefficient of the marketing variable with a value of 0.451, which means that if this value increases by 1 unit, the performance of MSMEs will increase by 0.451.
- X5 is the regression coefficient of the government policy variable with a value of 0.381, which means that if this value increases by 1 unit, the level of MSME performance will increase by 0.381.
- Error is the value of other variables outside this study, for example, financial behavior characteristics, access to information), entrepreneurial orientation and environmental conditions.

IV. UJI HIPOTESIS

a. Simultaneous Hypothesis Test (F Test)

The F test is conducted to determine whether the dependent variable and the independent variable interact with each other. If the calculated F value is greater than the F table or the significance value is less than 0.05, then the regression model that has been made is considered appropriate. The results of the Hypothesis Test (F Test) can be seen in the following table.

Table 4: F Statistical Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	799.149	5	159.830	36.735	.000 ^b
Residual	931.083	214	4.351		
Total	1730.232	219			

The table above shows the calculated F value of 36.735 and a significance value of 0.000. The basis for decision making is based on the belief that the calculated F value is greater than the F table with a significance level of

5% or 0.05. The analysis results show that the F table value is 2.25, which means that the calculated F value is greater than the F table, namely 36.735 is greater than 2.25, and the significance value of 0.000 is lower than 0.05. As a result, H_a is accepted and H_0 is rejected. Therefore, it can be concluded that the performance of small and medium enterprises (MSMEs) is influenced overall by financial policies, human resources, operations, marketing, and government policies..

b. Partial Hypothesis Test (t Test)

The effect of the independent variables on the dependent variable partially or one by one is examined through the t test. The goal is to find out how each variable affects variable Y. If the t statistic is greater than the t table and significant (α) is less than 0.05, the hypothesis is accepted. Hypothesis test results (t test) can be seen in the following table.

Tabel 5: Uji Statistik t

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std.Error	Beta		
(Constant)	6.812	1.746		3.902	.000
Perilaku Keuangan (X1)	.045	.061	.056	.749	.455
Sumber Data Manusia (X2)	-.009	.065	-.012	-.145	.885
Operasional (X3)	.079	.086	.072	.919	.359
Pemasaran (X4)	.451	.068	.444	6.663	.000
Kebijakan Pemerintah (X5)	.381	.088	.288	4.334	.000

Based on table 4.18, the following are the results of hypothesis testing for each variable:

1. Financial behavior variable (X1): Based on the results of the previous table, the calculated t value is 0.749 and the t table value is 1.971, so the calculated t value < t table, and the significance value is 0.455 > from 0.05, so H_1 is rejected and H_0 is accepted. This means that financial behavior partially has no positive effect on the performance of MSMEs.
2. According to the results of the previous table, the human resources variable (X2) found that the t value was -0.145 and the t table value was 1.971, so the t value < t table. With a significance value of 0.885 > from 0.05, H_1 is rejected and H_0 is accepted so that it can be interpreted that the human resource variable partially has no negative effect on the performance of MSMEs.
3. According to the results of the previous table, the operational variable (X3) produces a calculated t value of 0.919 and a table t value of 1.971, so that the calculated t value < t table, and a significance value of 0.359 > 0.05, so H_1 is rejected and H_0 is accepted so that it can be interpreted that the operational variable partially has no positive effect on the performance of MSMEs.
4. Based on the results of the previous table, the marketing variable (X4) found a t value of 6.663 and a t table value of 1.971, so the t value is greater than the t table. H_1 is accepted and H_0 is rejected with a significance value of 0.000 < 0.05, so it can be interpreted that the marketing variable partially has a positive effect on the performance of MSMEs.
5. Based on the results of the previous table, the marketing variable (X5) found a calculated t value of 4.334 and a table t value of 1.971, so that the calculated t value is greater than the t table. With a significance value of 0.000 smaller than 0.05, H_1 is accepted and H_0 is rejected, so it can be interpreted that the government policy variable partially has a positive effect on the performance of MSMEs..

V. RESULT AND DISCUSSION

1. Effect of Financial Behavior on MSME Performance

Looking at the results of the t test, it can be explained that financial behavior does not have a positive influence on MSMEs. It can be interpreted that good or bad financial behavior does not affect the performance of micro, small and medium enterprises. MSMEs can continue to run even though MSME actors do not have good financial behavior. Based on the results of filling out the questionnaire, 3.2% of MSME owners do not always set

aside the profit from their business for savings. Even as many as 10.5% of MSME owners disagreed with the statement stating that there was financial control regarding their business income and expenses. This means that business owners do not control and also do not set aside business profits. Because profits are always used for their business capital turnover. MSME owners do not have an understanding of financial knowledge. So they cannot manage finances properly. They do not do bookkeeping which includes controlling sales, expenses, and business income. As behavior finance theory explains, humans act based on the information they receive. Because MSME owners do not have information and knowledge about financial management, they do not optimize financial control. In line with the theory of planned behavior (TPB) which describes attitudes and behavior is a factor behind a person's behavior. In this case, the behavior of MSME owners in making decisions can have an impact on the business they manage. The results of this study were corroborated by Fitria et.al., (2021). Fitria et.al.'s research (2021) explains that there is no effect of financial behavior on the performance of MSMEs. This means that better financial behavior has no influence on improving business performance.

2. Effect of Human Resources on MSME Performance

The t test results explain that HR does not have a negative influence on the performance of MSMEs. It can be interpreted that the quality of HR does not affect the performance of MSMEs. And whether or not a job is maximized will not affect the performance of MSMEs. Based on the results of filling out the questionnaire, 2.3% of MSME owners disagreed with the statement that MSME owners always establish good communication with their employees. This is supported by 3.6% of MSME owners who disagreed with the statement that they always pay attention to the welfare of their employees. This means that employee welfare is not the main factor that can determine the quality of their work. The main factor that determines the running of their business is the skills of employees who make their skills develop. In addition, employees who have good performance will be given appreciation in the form of bonuses. This indicates that MSME owners really appreciate the contribution made by employees optimally to their business. This discussion is in accordance with research conducted by Purwaningsih & Haryono, (2019). HR does not have an influence on the performance of MSMEs. This is the same as the results of research by Sulistiogo (2021), Mesfar (2023), and Sharma & Manjeetkharub, 2015. This means that even though the completion of work by employees is not optimal, it will not affect the performance of the business.

3. Effect of Operations on MSME Performance

Based on the results of the hypothesis testing, it can be seen that the operational process variable cannot have a positive influence on the MSME performance variable. In other words, whether the production process of MSME businesses is not optimal, it will not affect their business performance. Even though there is no use of more modern production equipment, this will not affect the performance of MSMEs. Based on the results of filling out the questionnaire, 1.4% of MSME owners disagreed with the statement that they always carry out regular maintenance of production equipment. This was supported by 9% of MSME owners who disagreed with the statement that they always renewed more modern production equipment. This means that MSME owners do not have attention to the importance of renewing production equipment to support their businesses. This discussion is similar to the research of Purwaningsih & Haryono (2019). The study shows that operational variables have no effect on the performance of micro, small and medium enterprises. In line with the results of research conducted by Sulistiogo, (2021). This is because some MSMEs still have problems in the production process.

4. The Effect of Marketing on MSME Performance

The results of the hypothesis (t) test explain that marketing has a positive influence on MSME performance; in other words, the more marketing done, the better the business performance. The marketing efforts that have been made by MSME owners so far have succeeded in increasing public awareness of their goods and services. Thus, the number of product sales is high, which in turn increases the profitability and performance of MSMEs. Based on the results of filling out the questionnaire, 42.7% of business owners agreed with the statement that they always expand the market segmentation of their business products. This is supported by 54.5% of business owners who agreed with the statement that the marketing area of their products has expanded over time. Expanding market segmentation can result in increased demand for products. The increase in demand for products is due to MSME business owners continuing to make product adjustments according to market

demand. In addition, the existence of a variety of typical Magetan products can attract the attention of customers to buy these products. Not only that, the marketing of MSME products has now entered retail stores in Magetan Regency. Similar research results were described by Purwaningsih & Haryono (2019). The study shows that marketing variables have an influence on business performance. Fibriyani & Mufidah, (2018), Nizar (2018) reinforces the results of this discussion. His research explains that effective marketing can support the growth of micro, small and medium enterprises. This means that the increase in MSME products is due to the implementation of an effective marketing strategy.

5. The Effect of Government Policy on MSME Performance

The t test results can explain that the government policy variable has a positive influence on the MSME performance variable. The existence of a government role in MSME empowerment programs can help advance businesses and expand the marketing area for their business products. Based on the results of filling out the questionnaire, 45.5% of business owners agreed with the statement that the existence of coaching and training programs from the government was very beneficial for their business. This was supported by 47.7% of business owners who agreed with the statement regarding capital assistance and financing from the government which greatly helped their businesses. The government in empowering MSMEs prepares assistance in the form of capital and also coaching programs and training through related agencies. The training and coaching carried out aims to increase the knowledge and skills of business owners in managing their businesses. As a form of appreciation, the Magetan Regency Government is committed to holding an exhibition of MSME products. The exhibition aims to attract local residents and tourists to buy MSME products on display. The hope is that it can help business owners in expanding the marketing of their products. This research is corroborated by the research of Fibriyani & Mufidah, (2018). Showing the results of government policy has an influence on the sustainability of micro, small and medium enterprises. This discussion is in accordance with the research developed by Santoso et. al., (2021). This means that MSME owners are helped by government policies in the form of capital, coaching and training programs, rules or regulations, and important information related to the development of MSMEs.

VI. CONCLUSION

The results of the above exposure can be summarized as follows:

1. Financial behavior has no positive effect on the performance of micro, small and medium enterprises. It can be interpreted that whether or not financial behavior does not affect business performance. This happens because business owners do not have knowledge about financial literacy so that it has an impact on their financial management behavior. MSME owners do not control their business income and expenses. Even so, the ability to manage finances does not make their business performance decline. This is evidenced by the fact that their business is still running until now.
2. Human resources have no negative effect on the performance of micro, small and medium enterprises. It can be interpreted that the maximum or not HR does not affect the performance of Micro, Small and Medium Enterprises. This happened because there was no good communication between MSME owners and their employees. Even so, MSME owners always give appreciation to employees who have good performance. So that this problem does not make the performance of the business go down.
3. Operations have no positive effect on the performance of micro, small and medium enterprises. This means that the quality of the production process will not affect the performance of MSMEs. This happens because MSME owners do not carry out maintenance and renewal of their production equipment. MSME owners do not have an awareness of the importance of updating more modern production equipment to support their businesses. Even so, they have sufficient production equipment so that it does not hinder and affect the performance of their business.
4. Marketing has a positive effect on the performance of micro, small and medium enterprises. This means that the better the marketing is done, the better the business performance. MSME owners always expand the market segmentation of their products. So as to make product demand more and more and sales increase. Although currently their business products are still at the regional level, it does not rule out the possibility that Magetan Regency MSME products can compete in the national market.

5. Government policy has a positive effect on the performance of Micro, Small and Medium Enterprises. This means that the better the government policy, the better the impact on the performance of MSMEs. Programs made by the government such as training and coaching for MSME actors are very helpful in training their skills. In addition, capital assistance and financing from the government are considered very helpful for MSME owners for the continuity of their business.

VII. REFERENCES

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