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Investigating the effect of financial literacy and financial inclusion on operational and sustainable supply chain performance of SMEs

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The purpose of this study was to analyze the effect of financial literacy on operational performance, financial inclusion on operational performance and the effect of financial literacy on sustainable supply chains and the impact of financial inclusion on sustainable supply chains in SMEs in Indonesia. The research method is quantitative through online surveys with the Google form, data collection by distributing online questionnaires to 590 SMEs owners in Indonesia who were selected by simple random sampling. The online questionnaire was designed using a Likert scale of 5 and distributed via social media. Data analysis used structural equation modeling of partial least squares (SEM-PLS) with data processing tools using SmartPLS 3.0 software. The stages of data analysis are validity-reliability test and hypothesis, or significance test used in this study using a Google form which will be distributed to respondents. This questionnaire measurement method uses a Likert Scale of 5, namely Strongly Disagree (STS), (2) Answers Disagree (TS), (3) Neutral Answers (N), (4) Answers Agree (S), Strongly Agree (SS). The results of this study indicate that financial literacy had a positive and significant effect on operational performance, financial inclusion had a positive and significant effect on operational performance, financial literacy had a positive and significant effect on sustainable supply chains and financial inclusion had a positive and significant effect on sustainable supply chains in SMEs in Indonesia. The novelty of this research is the model relationship between Financial Literacy and Financial Inclusion, Operational Performance, SME Sustainable Supply Chain which has never been explained in previous studies.

1. Introduction

In the digital era and industrial revolution 4.0, Micro, Small and Medium Enterprises (MSMEs) are one of the biggest contributors to solutions to unemployment problems and improving the quality of society in Indonesia. Strengthened by data from the Central Agency, in 2022 it is stated that the number of MSMEs is around 99% of the business unit population and accommodates more than 92% of the workforce and contributes to a growth rate of around 3.0% of the 5.0% national economic growth rate. According to Akbar et al. (2021) this indicates a higher business growth rate compared to large businesses. The main problem of SMEs is the readiness of SMEs in facing competition in free trade. Currently, SMEs have not received much attention to be developed and managed by the Indonesian government (Sánchez-Flores et al., 2020). There are many human resources but not qualified and have a high entrepreneurial spirit, lack of innovation in producing products, limited business capital, no clear goals to be achieved by SMEs, and lack of skills and knowledge to develop a business. The consumptive nature of the Indonesian people has led to the underdevelopment of SMEs because they cannot compete with foreign products (Sharma et al., 2022).

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The opening of free markets such as the AEC (ASEAN Economic Community) makes most Indonesian people threatened by increasingly tight and competitive job opportunities (Belhadi et al., 2021). This raises a separate polemic in Indonesian society, especially among people of productive age. It is undeniable that the depleting number of jobs means that the productive age population must be demanded to be more creative and innovative so that they can continue to be competitive with other workers. One of the facilities or containers that can be used as a solution to overcome this is through the Small and Medium Enterprises (SMEs) program (Trianto et al., 2021). SMEs can create jobs and absorb a reliable and professional workforce. SMEs are considered as a business sector that is not vulnerable to various external changes that occur in the economic market. As a sector that is considered capable of surviving even in times of crisis, SMEs can support long-term, stable and sustainable economic development. SMEs can grow and develop quickly because of the nature of SMEs that can stand up with low capital or investment. SMEs are one of the main driving elements of the Indonesian economy. This is what makes the Minister of Cooperatives and Small and Medium Enterprises. According to Buchdadi et al. (2020), this sector will receive the most attention by the government. SMEs are the mainstay sector of a nation because they are still able to operate during any crisis. Based on the 2017 BPS data, it shows that SMEs make a major contribution in providing employment opportunities of 97.22% of gross domestic product (GDP) formation of 61%. SMEs also contribute to the addition of foreign exchange in the form of export revenues of 27,700 billion and create a role of 4.86% of total exports (Sehnem et al., 2019; Alzoubi et al., 2020).

Supply chain management is an alternative to increase the competitiveness of SMEs (Narimissa et al., 2020). Collaboration between suppliers, companies and customers allows SMEs to manage the flow of materials, products as well as information efficiently (Babajide et al., 2021). Currently, SMEs must face global competition to survive in the market (Somjai & Jermsittiparsert, 2019). Supply chain management is a complete cycle chain management starting from raw materials from suppliers to operational activities in the company, continuing through distribution to consumers. This concept is the key to business processes in integrating from suppliers to final customers (Sharma et al., 2022; Shen et al., 2023). Managing the supply chain enables organizations to provide fast service with differentiated and high-quality products. The application of supply chain management in SMEs is expected to increase productivity and have competitiveness. SMEs that have competitiveness may survive and thrive in a global competitive market (Tseng et al., 2021)

Several studies have shown that SMEs that apply financial knowledge to entrepreneurial activities with a higher level can be more successful in running their business (Ramzan et al., 2021). Financial literacy guides business actors to make the right financial decisions and use a choice of increasingly complex financial products offered by the financial system fairly (Trivellas et al., 2020). Babajide et al. (2021) observe that financial literacy can help business actors as economic agents to gain proper knowledge, skills and financial capabilities in preparing business financial strategies. This statement is consistent with Trianto et al. (2021) which revealed that the existence of financial literacy training in small-scale businesses has a significant positive impact on their performance. Ingale and Paluri (2022) revealed that financial literacy positively affects the performance of businesses that tend to prefer saving and have better risk management by securing themselves through insurance or the right investments. There are four indicators that can measure financial literacy, namely behavior, skill, attitude and knowledge. Financial literacy is needed and has become part of small business actors who can facilitate the effective use of financial products and services according to their needs (Yang & Zhang, 2020). Financial literacy is an interesting issue in both developed and developing countries and has given rise to rapid changes in the financial industry. Financial literacy is the ability for someone to read, analyze, manage and communicate financial conditions that affect their well-being. Financial literacy includes concepts that start with awareness and understanding of financial products, financial institutions, and concepts regarding financial skills. In high-income countries, financial literacy is considered a complement to consumer protection. Whereas in low-income countries, financial research is much more limited. The role of financial literacy will help developing countries to focus more on increasing access to finance and financial (Trianto et al., 2021).

2. Theoretical framework and hypothesis development

2.1 Operational Performance of SMEs

Analysis in sales by segment is useful in assessing profitability. Performance is the result of one or more factors, price changes, volume changes, and exchange rate changes. Performance reflects the ability of the company from time to time. The higher the level of performance of a company, the better success in carrying out the strategy. Performance shows the extent to which the company can increase its sales compared to total sales. According to Gamboa et al. (2020), performance can be known through good business management mechanisms by reviewing the arrangement of recording financial reports. In addition, it will be easy for a business to know whether sales are growing or not from the debt turnover that has been managed. Then, the budget that has been prepared through evaluation can also increase business performance as well as sales. SMEs performance is a level of one's success in achieving what SMEs have done which reflects sales, capital, number of employees, market share, and profits that continue to grow. However, with the current pandemic causing the performance of SMEs to decline drastically, it has been proven that sales are decreasing because business actors cannot work optimally and the space for movement is limited which ultimately has implications for the profits earned which also decline.

2.2 Financial literacy

Financial literacy and the quality of financial management greatly affect financial performance even though the income level of SME owners is high, without good and proper financial knowledge and management, financial security will be difficult to achieve. A lack of knowledge and access to financial resources has been linked to the company's inability to achieve its goals. Financial difficulties not only occur in someone who has a low income or small income, but financial difficulties can also occur in someone who does not know or does not understand how to manage money properly. This is in line with Liu et al. (2022) that SME performance is influenced by knowledge of access to finance and SME financial management skills. They indicate there is a simultaneous effect of financial knowledge on SME performance management.

2.3 Financial inclusion

Consultative Group to Assist the Poor explains that financial inclusion is access owned by households and businesses towards the effective use of financial products and services. These financial products and services must be available in a sustainable and properly regulated manner. According to Mavlutova et al. (2022) financial inclusion is defined as access to financial products and services that are useful and affordable in meeting the needs of the community and their businesses in this case transactions, payments, savings, credit and insurance that are used responsibly and sustainably (Wellalage et al.,2021). In addition, there are still many benefits to be gained if inclusive finance is created, including increasing economic efficiency, supporting financial system stability, reducing shadow banking or irresponsible finance, supporting financial market deepening, providing new market potential for banks, and supporting the Human Development Index (HDI). According to the World Bank, financial inclusion is a key proponent of reducing poverty and increasing well-being. Still, according to the same organization, since 2010 more than 55 countries have made commitments to financial inclusion, and more than 60 countries have launched or are developing national strategies.

2.4 Sustainable Supply Chain Management

There are a number of definitions of sustainable supply chain management (SSCM). According to Lăzăroiu et al. (2020) and Liu et al. (2022), SSCM is an expanded supply chain that aims to minimize the environmental impact of a product throughout its life cycle, such as implementing green design, saving resources, reducing hazardous materials, and recycling products. SSCM is an integration between sustainable development and supply chain management (Mangla et al., 2020; Mavlutova et al., 2022). SSCM integrates and achieves the social, environmental, and economic objectives of the organization in a systematically coordinated manner so that inter-organizational business decisions lead to an increase in the long-term economic performance of the organization and its supply chain (Tseng et al., 2021). SSCM is the management of material, information and capital flows as well as cooperation among companies along the supply chain while taking the objectives of the three dimensions of sustainability, such as, economic, environmental and social, into account originating from customer requirements and stakeholders. A well-designed sustainable supply chain does not harm the environment and society (Khanfar et al., 2021). In addition, non-economic dimensions such as environmental and social must complement the economic dimensions and vice versa. To achieve sustainability, organizations are required to redesign their current supply chain to incorporate sustainability objectives into their operations from purchasing to distribution (Wellalage et al., 2021).

2.5 The Effect of Financial Literacy on SMEs Operational Performance

The important role of SMEs in supporting economic growth, especially during the Covid-19 Pandemic is to strengthen the SMEs sector itself. According to Mangla et al. (2020) and Mavlutova et al. (2022), there are different strategic ways to improve the performance, one of which is financial literacy. Financial literacy is a person's knowledge, behavior and attitude in managing the finances. It is hoped that business actors will not only know and understand financial services but also be able to increase their capability in making decisions. SMEs performance will be realized if the knowledge, behavior, and attitudes related to business finance have been well implemented, the business will experience sales growth so that the profit earned will continue to increase. Thus, the hypothesis taken is:

H$_1$: *Financial literacy has a positive and significant effect on SMEs Operational Performance.*

2.6 The Effect of Financial Inclusion on SMEs Operational Performance

According to Khan et al. (2021), Financial inclusion is the availability of financial access to financial services to improve people's welfare. The problem for business actors is that they still have difficulties in developing their business due to the difficulty of access to financial services. According to Ingale and Paluri 2023), the difficulty of access to financial services, especially access in terms of financing, occurs because the requirements for financing applications are not met. Therefore, to deal with these problems, the action that can be taken in dealing with problems related to capital is by applying financial inclusion, it can improve community performance by reducing economic inequality through increasing and equalizing public access to financial products and services (Wellalage et al., 2021) which means that when access to finance is easy, financing capital which is the most important indicator in improving SMEs performance will grow which will eventually have implications for increasing operating profit as well. The results of a study conducted on Kusuma et al. (2022) indicate that financial inclusion has an influence on the performance of SMEs. Mavlutova et al. (2022) also confirm that if financial inclusion is carried out well, then financial inclusion will be able to have an impact on performance in a business. Thus, the hypothesis taken is:

H_2: *Financial inclusion has a positive and significant effect on SMEs Operational Performance.*

2.7 The Effect of Financial Literacy and Financial Inclusion on MSME Performance

Supply Chain Sustainability refers to companies' efforts to consider the environmental and human impacts of their product's journey through the supply chain, from the sourcing of raw materials to production, storage, shipping, and at any transportation link in between (Tseng et al., 2021; Zimon et al., 2020). Based on this it can also be concluded that the supply chain is a coordinated network of all companies, facilities and activities involved in the development, manufacture, and delivery of business products. If business actors in the SMEs sector have adequate financial literacy skills, the business and financial decisions made will lead to improved development over time, increasing the ability of businesses to survive during a crisis, and ultimately will make the business have long-term sustainability. Knowledge of finance also has an impact on the growth and sustainability of MSMEs. Financial literacy influences the performance of SMEs, supported by findings on the more dominant indicators, namely economic transaction indicators and types of practice, with a mean of 3.55 which is in the high category. This shows that SMEs actors already have an understanding regarding economic transactions and the types of practices. Financial literacy will affect financial skills, namely the ability to understand the basic concepts of economics and finance and to know how to apply them appropriately. The goal of supply chain sustainability is to minimize environmental damage from factors such as energy use, water consumption, and waste production while having a positive impact on people and communities in and around company operations. It also enables potential partners to demonstrate adherence to the best industry standards for worker safety, environmental protection, and business ethics. Sustainability of the supply chain not only benefits the interests of the company itself but also society and the earth in general. Companies have realized that climate change, for example, could jeopardize their business continuity with extreme weather disruptions and increasing resource scarcity.

H3: *Financial inclusion has a positive and significant effect on Sustainable Supply Chain Management.*

H4: *Financial inclusion has a positive and significant effect on Sustainable Supply Chain Management.*

H5: *Operational performance has a positive and significant effect on Sustainable Supply Chain Management.*

3. Method

This research method is quantitative through online surveys with the Google form, data collection is accomplished by distributing online questionnaires to 590 SMEs owners in Indonesia who were selected by simple random sampling. The online questionnaire was designed using a Likert scale of 7 and distributed via social media. Data analysis used structural equation modelling of partial least squares (SEM-PLS) with data processing tools using SmartPLS 3.0 software. The questionnaire measurement method uses a Likert Scale of 5, namely Strongly Disagree (STS), (2) Answers Disagree (TS), (3) Neutral Answers (N), (4) Answers Agree (S), Strongly Agree (SS).

There are four variables in this study, namely financial literacy, financial inclusion, sustainable supply chain performance and business performance. Financial literacy consists of some financial-related knowledge and abilities possessed by individuals to be able to manage or use a certain amount of money to improve their standard of living. Financial inclusion refers to the condition of a person in which he can access various financial institutions, products and services as needed and provides benefits for increasing welfare in the future. Business performance is a condition that refers to the level of achievement of the business in a certain period. The type of data used is primary data related to respondents' statements about financial literacy, financial inclusion, business performance and comes from respondents (small business actors) by distributing questionnaires. To analyze the research data obtained, two methods were used, namely descriptive statistical analysis and inferential statistical analysis. Descriptive statistical analysis aims to describe the characteristics of the respondents studied and each variable in the form of the number of respondents and percentage figures. Fig. 1 shows the structure of the proposed study.

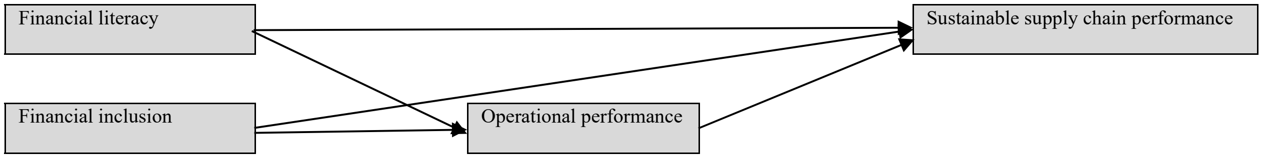

Fig. 1. The proposed study

4. Result and discussion

Data analysis was carried out in two stages, namely testing the outer model and inner model.

Outer Model Test

The outer model test or convergent validity aims to determine the validity of indicators with other variables, the accepted standard is a validity value above 0.70 (Hair et al., 2012).

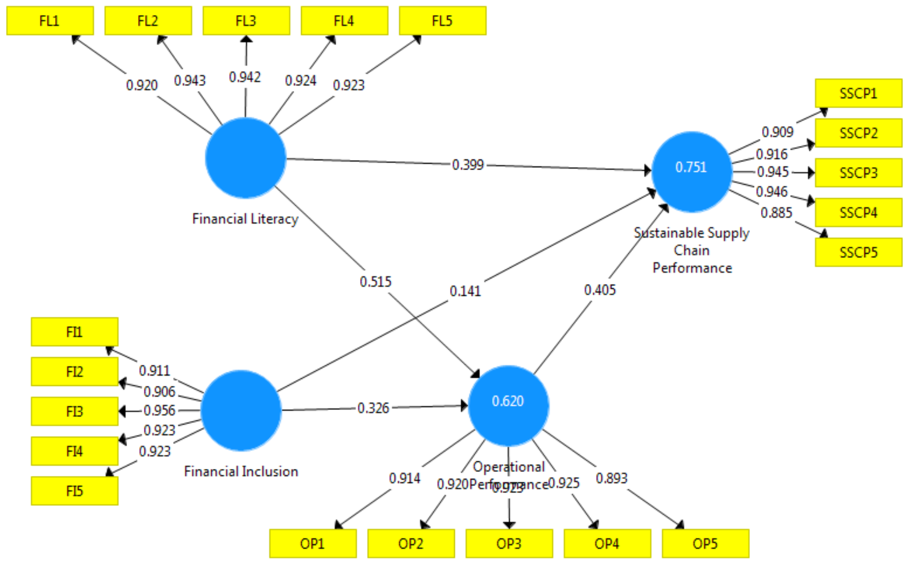

Fig. 2. Convergent Testing

Fig. 2 shows the validity value of all indicators above 0.70 so that all indicators are concluded to be valid. Another test is reliability, a variable is called valid if the AVE value is above 0.50 and the Cronbach Alpha value is above 0.70. The following is a discriminant validity test in this study.

Table 1
Average Variance Extracted (AVE)

Variables	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Financial Literacy	0.787	0.864	0.632
Financial Inclusion	0.731	0.834	0.635
Operational Performance	0.798	0.876	0.631
Sustainable Supply Chain Performance	0.787	0.813	0.687

Table 1 shows that all Cronbach alpha and average variance extracted values exceed the minimum limit so that all variables are declared valid.

Inner model test

The inner model test contains an explanation of the R-Square, while the R-square value in this study is as follows:

Tabel 2
R Square

Variable	R-Square	Adjusted R-Square
Operational performance	0.620	0.607
Sustainable supply chain performance	0.751	0.732

From the results of data analysis in the R-square table, it can be concluded that 62% of operational performance is influenced by Financial Literacy and Financial Inclusion, while the remaining 28% is influenced by other variables outside the research. From the R square table, it can be concluded that 75.1% of Sustainable Supply Chain performance is influenced by operational performance, financial literacy and financial inclusion, while the remaining 24.9% is influenced by other variables outside of research.

In addition to reliability in the inner model test there is also a hypothesis test, while the hypothesis test in this study is as follows:

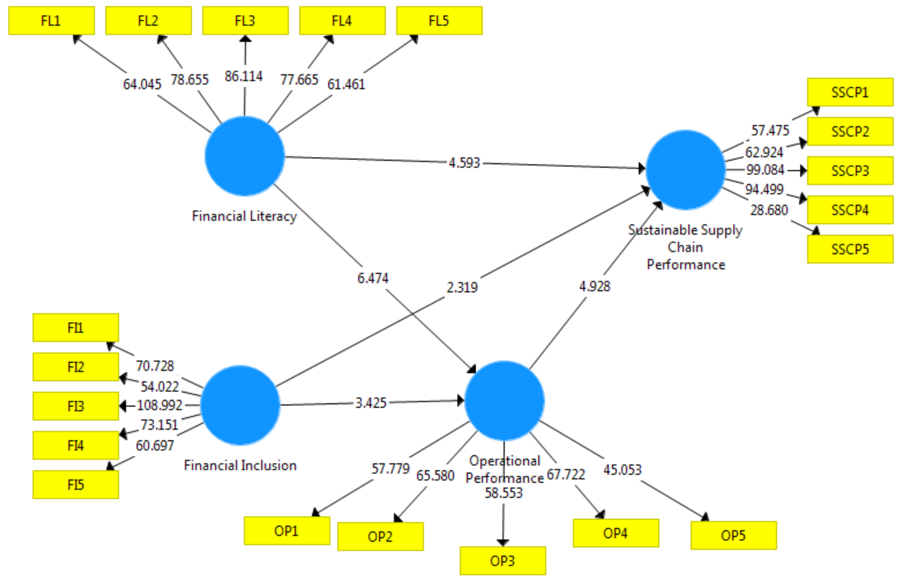

Fig. 3. Hypotheses Testing

Table 3 demonstrates the results of testing the hypotheses.

Table 3
The summary of testing the hypotheses

	T Statistics	P Values	Result
H1: Financial literacy on operational performance	6.474	0.001	Supported
H2: Financial on operational performance	3.425	0.001	Supported
H3: Financial literacy on sustainable supply chain performance	4.593	0.001	Supported
H4: Financial inclusion on sustainable supply chain performance	2.319	0.001	Supported
H5: Operational performance on sustainable supply chain performance	4.928	0.001	Supported

From the value of the hypothesis testing table, it is known that all hypotheses in the study are accepted because they have a p-value below 0.05.

f^2 Effect Sizes Evaluation

Hair et al. (2012) explain that the guidelines for assessing **f^2** are that values of 0.02 (= small), 0.15 (= moderate), and 0.35 (= large), respectively, represent small, medium, and low effects. large (Hair et al. 2020).

Table 4
f^2 Effect Sizes Evaluation

	Performance
Financial Literacy	0.42
Financial Inclusion	0.33
Operational Performance	0.31
Sustainable Supply Chain Performance	0.24

For the financial literacy variable, the **f^2** value of 0.42 represents a big effect, for the financial inclusion variable, the **f^2** value of 0.33 represents a large effect, and for operational performance, the **f^2** value of 0.31 represents a large effect. For the Sustainable Supply Chain Performance variable, the **f^2** value of 0.24 represents a large effect.

Q^2 Evaluation

Q^2 value is greater than 0 indicates that the model has predictive relevance for certain endogenous constructs. Conversely, values of 0 and below indicate a lack of predictive relevance (Hair et al., 2012).

Table 5
Q^2 Evaluation

Construct	Q^2
Operational Performance	0.532
Sustainable Supply Chain Performance	0.578

The value of Q^2 for the operational performance variable is 0.532> 0.000, meaning that this variable has predictive relevance. The value of Q^2 for the Sustainable Supply Chain Performance variable is 0.578 > 0.000, meaning that this variable has predictive relevance.

Correlation of Financial literacy and operational performance

Based on the results of data analysis, the path coefficient value is positive, and the p value is 0.001 <0.050 so there is a positive and significant relationship between two variables. Financial literacy has a positive and significant effect on operational performance. Financial literacy helps small businesses acquire the knowledge, skills and abilities to develop financial strategies to make decisions and choose financial services. Therefore, financial literacy facilitates small businesses to expand and increase profitability, productivity, and competitive advantage. Financial literacy helps business owners acquire the financial knowledge and skills necessary for them to make business plans, initiate financial plans, and make strategic investment decisions. The results of this study support the results of Lăzăroiu et al. (2020) and Mavlutova et al. (2022). Financial literacy builds one's self-confidence, makes business actors more informed and educated so they can take responsibility for financial matters and are able to play a more active role in the market for financial services. When the need for financial knowledge is inadequate, uneducated small-poor business actors are encouraged to seek alternative financing that is illegal and expensive. The process of financial literacy can benefit banks because they have the advantage of being a center of interaction with capital seekers, in this case business actors. The success or failure of a small business is strongly influenced by the skills and abilities of business actors and in the entrepreneurial process there are three basic categories of capital that contribute to a successful business, namely human capital, social capital, and financial capital. The results of this study indicate that financial literacy contributes quite a bit and improves the performance of SMEs, so it has an influence on the performance of SMEs. In accordance with previous studies conducted by Ingale and Paluri (2023) and Khanfar et al. (2021) which stated that there was an influence of financial literacy on the performance of MSMEs.

Correlation of Financial inclusion and operational performance

Based on the results of data analysis, the path coefficient value is positive, and the p value is 0.001 <0.050 so there is a positive and significant relationship between the variables. Financial inclusion has a positive and significant effect on operational performance. The next factor that affects the performance of MSMEs is financial inclusion. Financial inclusion is the availability of financial access to financial services to improve people's welfare. The distribution of SMEs influences the economic development of the community. Finally, they have broad opportunities in entrepreneurship, but business actors still have difficulties in developing their businesses due to difficulty accessing financial services. According to Khanfar et al. (2021) the difficulty of access to financial services, especially access in terms of financing, occurs because the requirements for financing applications are not met. Therefore, to deal with this problem, the action that can be taken in overcoming capital problems is to implement financial inclusion, which means that when access to finance is easy, financing (capital) is the most important indicator in improving the performance of SMEs which will ultimately have implications for increasing operating profits as well. This is in line with Sharma et al. (2022) and Shen et al. (2023) showing that financial inclusion influences performance. Unlike the case with studies conducted on Trianto et al. (2021) that there is no effect of financial inclusion on SMEs performance.

Correlation of Financial literacy and sustainable supply chain performance

Based on the results of data analysis, the path coefficient is positive, and the p value is 0.001 <0.050 so there is a positive and significant relationship between the two variables. Financial literacy has a positive and significant effect on sustainable supply chain performance. These results indicate that the financial literacy variable had a positive effect on SMEs performance. According to Khanfar et al. (2021), companies that have good financial literacy will be able to strategically identify and respond to changes in the business, economic and financial climate and decisions taken will create innovative and well-directed solutions to improve performance and business sustainability. The results of this study support the results of research from Mangla et al. (2020) and Mavlutova et al. (2022). Financial literacy builds one's self-confidence, makes business actors more informed and educated so that they are able to take responsibility for financial matters and are able to play a more active role in the market for finances. Small businesses who are uneducated and lack financial knowledge will be pushed towards illegal and expensive financing alternatives. The process of financial literacy can benefit banks because they have the advantage of being a center of interaction with seekers of capital, in this case business actors. However, the research results are different from the results of research from Trianto et al. (2021) which state that there is no relationship between financial literacy and business growth and performance of SMEs.

Correlation of Financial inclusion and sustainable supply chain performance

Based on the results of data analysis, the path coefficient value is positive, and the p value is 0.001 <0.050 so there is a positive and significant relationship between two variables. Financial inclusion has a positive and significant effect on sustainable supply chain performance. The results of this study support the results Sharma et al. (2022) and Trianto et al. (2021). The results of this study prove that the financial inclusion variable can increase the growth of small businesses. Financial inclusion opens the way for business actors to access availability of financial services, the welfare of users of financial products and services which can later be used and utilized in the process of business activities to increase sales growth, capital, employment and profit growth. Many studies indicate that access to finance for small businesses to develop the economy is to make productive investments in the context of business development, obtaining the latest technology, achieving competitiveness and encouraging innovation. The informal sector through increased business capitalization will create long-term job opportunities and income growth.

The effect of financial inclusion on the performance of SMEs is since SMEs actors in Pekanbaru City have obtained and used access to finance. The even distribution of financial services such as banking in makes it easy for people to reach them so that they feel helped by the existence of financial services. This proves that the existence of financial services and financial access can facilitate the performance of SMEs in terms of finance so that prosperity for MSMEs can be achieved (Sehnem et al., 2019). The inability to access banking services has a major impact on the success of a business. Therefore, the performance of SMEs needs to be supported by easy access in providing credit for business capital and other banking services. According to Khanfar et al. (2021), easily accessible banking services will certainly make it easier for the community, especially for SMEs actors, to build assets and assist their business activities (Wellalage et al.,2021). The results of this study indicate that financial inclusion has an important role in improving the performance of SMEs, so that it has an influence on the performance of SMEs. It is proven that indicators of financial inclusion in the form of dimensions of access to finance can improve their performance through additional capital. Meanwhile, we can see the welfare dimension that SMEs players find it helpful because the cost of maintaining accounts at financial services is affordable and the products provided by financial services can increase profits. This is also in accordance with previous studies conducted by Mangla et al. (2020) and Mavlutova et al. (2022) where there is an influence financial inclusion on SMEs performance.

Correlation of operational performance and sustainable supply chain performance

Based on the results of data analysis, the path coefficient value is positive, and the p value is 0.001 <0.050 so there is a positive and significant relationship between the variables. Operational performance has a positive and significant effect on sustainable supply chain performance. Based on the three indicators, namely behavior, knowledge, and attitudes, SMEs actors will respond to feel encouragement towards the operational performance variable (Trianto et al., 2021). The influence of operational performance on sustainable supply chain performance is because SMEs' actors already know how to manage finances properly. Thus, it is very important to improve operational performance management since a good business needs support with good financial management (Tseng et al., 2021). Therefore, financial literacy facilitates SMEs businesses to expand and improve sustainable supply chain performance. The results of this study support the theory and results of previous studies (e.g. Lăzăroiu et al., 2020; Liu et al., 2022) since business actors in the SMEs sector have adequate operational performance capabilities, then the business and financial decisions made will lead to better development from time to time, increase the business's ability to survive in the midst of a crisis, and will ultimately make the business have long-term sustainability.

4. Conclusion

The results of this study have indicated that financial literacy has a positive and significant effect on operational performance, financial inclusion has a positive and significant effect on operational performance and financial literacy has a positive and significant effect on sustainable supply chains and financial inclusion has a positive and significant effect on sustainable supply chains in SMEs in Indonesia. This research still has many limitations so there is still a lot of room to develop further research in depth. This research focuses on small businesses in the Province of East Kalimantan so the research object under study does not involve other MSME scales, namely micro or medium scale and the area coverage of the research location is not too broad, which also cannot represent small businesses. The use of the research model only examines the effect of constructs or variables linearly, so the results still allow for research by examining the relationship between variables and describing the overall effect. Therefore, future studies may adopt the use of longitudinal research to investigate the behavior of SMEs in developing the economy, which can increase business actors' knowledge and access to finance. Future research can develop existing models by adding other variables and expanding the object of study. Good financial management is management in obtaining funds and using these funds efficiently, so that the company earns profits and can survive in the future. Good financial management can prevent companies from business failure. so that most respondents responded positively by proving that the quality of management. Business finance is something that needs attention in making decisions that will improve the financial performance of SMEs.

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