OPTIMIZING THE FINANCIAL MANAGEMENT BEHAVIOR OF MSME ACTORS THROUGH DIGITAL FINANCIAL KNOWLEDGE IN THE DIGITAL ERA

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are not foreign because when the economic crisis hit the Indonesian nation, MSMEs were able to survive the turmoil of the crisis. It has been proven that the MSME sector can stand up and survive in the face of an economic crisis. However, not all MSMEs can manage finances, even though this habit of managing finances is critical. This research aims to determine, analyze and provide recommendations regarding Digital Financial Knowledge and Financial Management Behavior in MSMEs in Bandung City. The research method uses an explanatory method with a quantitative approach. They are collecting data using a questionnaire instrument selected by the researcher with a simple random sampling technique. Then the data were analyzed using descriptive analysis and structural equations Structural Equation Modeling (SEM) with the help of Smart-PLS. Conclusion: The findings show that the relationship between financial behavior management variables and digital financial knowledge is unidirectional and significantly positive so that the description equation model is obtained, namely, the higher the level of financial management behavior of MSME actors, the more digital financial knowledge tends to increase. MSME knowledge about digital financial risks, digital financial risk control knowledge, and understanding of how to secure personal information still needs to be improved to align with the smart city vision of the Bandung City Government. Other factors that affect digital financial knowledge have not been studied, and these factors become recommendations for further research.

Keyword: MSMEs, Financial Management Behavior, Digital Financial Knowledge, Smart City

INTRODUCTION

The rapid discovery of information technology has changed almost the entire structure of human life. Digitalization and all its implications are also very close to MSME actors, especially those in urban areas with the emergence of digital financial services, such as online purchases and online payments. (Lee et al., 2010). The emergence of digital financial services provides benefits for MSMEs to offer more convenient, more accessible, faster, safer, more accurate, and timely transactions, on the other hand, which can improve business process efficiency, reduce costs, and increase customer satisfaction.

Technological developments create new opportunities for business improvement in Industry 4.0, enabling SMEs to manage resources and flexibility (Moeuf et al., 2018). However, many SMEs take advantage of technological capabilities for successful SMEs with high productivity. The low growth in SMEs is caused by the lack of adequate knowledge and skills in Human Resources to apply relevant techniques to utilize technology, especially for the benefit of business financial management (Lee et al., 2010).

Problem SMEs in Bandung managed to contribute as much as 80% of the GDP of the city of Bandung. MSMEs in the city of Bandung have the potential for incredible growth and development in improving the standard of living of many people. They are shown by the existence of MSMEs, which have reflected the proper form of the social and economic life of the most significant part of the people of Bandung City. Currently, the Bandung City MSMEs recorded at the Ministry of Micro, Small, and Medium Enterprises (KUMKM) until the end of December 2019 obtained from the Bandung City KUMKM Service website are 4,285.

During the challenges of digitalization, most MSMEs are considered to have bad behavior towards financial management, especially digital financial knowledge. Financial management can indirectly affect a person's thinking about financial conditions and decisions (Machmud & Sidharta, 2014). Financial knowledge owned by MSME business actors will cause decisions to be taken and will most likely make MSME financial management behavior efficient, improved and responsible. Meanwhile, someone who does not know to manage money competently will most likely make mistakes in financial management. Such as misuse of credit and investments, not understanding which needs and desires must prioritize first life, and the absence of financial planning (Machmud & Sidharta, 2016).

From the MSME sector's positive prospects and growth trends, the poor ability of human resources in financial management and the low access to technological resources are the main problem areas for MSMEs because financial management is the center of the entire management system in small businesses (Singh et al., 2010). The ineffectiveness and inefficiency of financial management behavior have a detrimental effect on the longevity and performance of MSMEs.

Financial knowledge, both primary and digital, is needed because one of the responsibilities of MSME actors is to improve and secure long-term financial well-being and the context of the financial decision-making process (van de Vrande et al., 2009). Positive and responsible financial behavior can improve the financial well-being and achieve greater financial satisfaction (Morgan et al., 2019).

Financial knowledge and digital financial knowledge are needed to support financial decisions. Digital financial knowledge is closely related to financial knowledge. So, understanding digital financial knowledge requires an initial understanding of financial knowledge (Lestari & Santoso, 2019). Financial knowledge, commonly called financial knowledge, certainly plays a vital role in improving financial management behavior because financial knowledge is a fundamental element of financial decision-making. Financial knowledge is usually interpreted as an integral part of financial literacy. Digital financial knowledge is a multidimensional concept that includes financial and digital knowledge.
Financial knowledge, commonly called financial knowledge, certainly plays a vital role in improving financial management behavior because financial knowledge is an essential element of financial decision-making (Nugroho, 2015). Financial knowledge is usually interpreted as an integral part of financial literacy. Digital financial literacy is directly related to knowledge related to online purchases, online payments, and online banking.

Financial literacy has a significant effect on financial behavior. Financial knowledge is the main predictor in shaping financial behavior. Subjective and objective financial knowledge significantly affects financial management behavior (Normawati et al., 2021). One's intelligence in managing finances will be able to filter the information needed for financial management to provide benefits and improve welfare. Sound financial management behavior will help individuals have and maintain more excellent financial stability, avoid feelings of economic pressure, and enable them to achieve financial goals.
In the form of financial management behavior and financial management practices that utilize technological developments, especially in urban communities, it is a commonplace to use and access financial digitization. The literature on MSME financial management focuses recently on the issue of

funding needs. This study contributes to the literature by analyzing in an interdisciplinary manner between the behavior and knowledge of HR for Micro, Small, and Medium Enterprises (MSMEs) with financial management.

LITERATURE REVIEW

In general, management is an art in science and organization, in the form of planning, forming, and organizing an organization, movement, control, or supervision (Rahmat & Ardiansyah, 2021). Management is the science and art of regulating and utilizing human resources as a process of planning, organizing, coordinating, and controlling resources to achieve goals (goals) effectively and efficiently (Rahmat & Hadian, 2019). Financial management is a management activity based on its function, which seeks to ensure that the business activities can achieve their objectives economically, measured by profit. The tasks of financial management include planning where business financing will be obtained and how the capital that has been obtained is allocated appropriately in the business activities carried out. Financial management talks about how a financial manager can perform (to manage) these management functions, especially in the field of corporate finance.

The function of human resources (HR) in small and medium enterprises is slow to adopt technological innovations in managing finances. The ability of HR to utilize digitalization in the financial sector can impact the competitiveness of SMEs (Maksum et al., 2020). MSMEs must develop technical skills and professional competencies that result in HR behavior open to rapid technological and information changes (Rahmat et al., 2022).

Financial management behavior or financial management behavior emerged along with the development of the business world and academia, which requires behavioral elements in making financial and investment decisions. Financial management describes individual behavior when faced with financial decisions that must be made (Rahmat et al., 2022). Financial management behavior is a science in which the interactions of various disciplines are interrelated and continuously integrated so that the discussion is not carried out separately. Financial management behavior is one of the most important financial concepts in a person's life. Financial management behavior arises from the impact of a person's desire to fulfill his life needs following the level of income earned.

According to (Chen & Volpe, 1998), financial knowledge includes four things, namely:

1. General Knowledge (general knowledge of finance) General knowledge of finance is defined as knowledge of how individuals manage income and expenses and the ability of individuals who understand basic financial concepts to manage personal financial assets.
2. Saving and Borrowing (knowledge of savings and loans) Knowledge of savings is defined as a person's knowledge in managing money savings or many funds that are not used at a specific time. At the same time, loan knowledge is knowledge about funds obtained from other parties with specific considerations.
3. Insurance (insurance knowledge) Insurance knowledge is knowledge about financial protection to get reimbursement from unexpected events (risks that may arise) through payment of many funds (policy) to the risk insurer.
4. Investment (investment knowledge) Investment knowledge is knowledge about the behavior of issuing funds now, with the hope of obtaining capital flows by obtaining large amounts of funds in the future.

Financial knowledge is the ability to understand, analyze and manage finances to make the right financial decisions to avoid financial problems (Herdjiono & Damanik, 2016). Financial knowledge, in this sense, refers to a basic understanding of financial concepts and procedures and the use of this

knowledge to solve financial problems. Based on this understanding, some dimensions can be used, namely basic understanding and solving financial problems.
Peter J. Morgan, Bihong Huang, and Long Q. Trinh (Morgan et al., 2019) from the Asian Development Bank Institute proposed the digital financial literacy dimension. There are four dimensions,
like :

a. Digital products and services, a basic understanding of today's digital products and services, realizing the difference between traditional products and services;
b. Digital financial risks: additional risks when using digital products and services, the risks of using these products and services are more significant than using traditional products and services. Possible risks include phishing, pharming, spyware, and SIM card swaps. In addition, the public must understand that there is a digital footprint when accessing the internet, so the public needs to understand things such as hacking and profiling. On the other hand, with ease of access, there is a risk of over-borrowing and high-interest rates. Therefore, it is crucial for users to fully understand the contract they signed, in addition to other points contained in the contract, such as access to the use of data for third parties;
c. Digital financial risk control; understanding of all risks posed by the use of digital products and services, for example, how to secure their password or PIN and secure their personal information when using digital products and services;
d. consumer rights and redress procedures; if users of digital products and services bear the above risks, users must know their rights as consumers, know where to complain, and how to take care of compensation if they become victims or suffer losses.

In principle, the distinction between Micro, Small, Medium, and Large Enterprises is generally based on the initial asset value (excluding land and buildings), the average annual turnover, or the number of permanent workers (Achanga et al., 2006). The goal or target to be achieved is the realization of strong and independent Micro, Small, and Medium Enterprises (MSMEs) that have high competitiveness and play a significant role in the production and distribution of basic needs, raw materials, as well as in capital to face free competition (Moeuf et al., 2018). MSMEs are productive business units that stand alone and are carried out by individuals or business entities in all economic sectors.

The education of various MSME actors affects the behavior and knowledge of financial management. MSME researchers, especially in the financial sector, have implemented financial management. The application of indicators in financial management that MSME actors most widely applied is recording and using the budget, which is still slightly digital. Therefore Financial Management Behavior and Digital Financial Knowledge of MSME actors need to be investigated further.

The MSME financial literacy index is still relatively low. This fact is faced with increasingly sophisticated financial technology advances that are not comparable to the ability of MSME actors to utilize it. They tend to be the target of the digital market. Understanding finance is an essential and mandatory component of business management. Financial care behavior can be seen in how often someone uses financial products or makes financial plans (Bapat, 2020). Financial management behavior will help MSME actors make the right decisions in the future because less knowledgeable individuals will tend to make wrong decisions in managing their business.

Digital financial knowledge has an essential role in realizing financial management behavior. Someone who has the knowledge and makes payments digitally significantly affects the level of sound financial management. That is because it makes it easier for someone to manage finances in one application, make payment transactions, and monitor expenses and income more effectively and efficiently (Ameliawati & Setiyani, 2018).

Understanding digital finance related to financial planning and spending includes general knowledge about finance, savings, investment, insurance, and financial responsibility, so MSME actors will have a better level of financial management, which impacts financial decisions. Knowledge of digital finance has a positive and significant effect on financial behavior, which means that the higher the knowledge and ability of MSME actors in managing finances (Arianti & Azzahra, 2020). The wiser they are in making financial decisions and able to convince themselves to solve their financial problems, individuals try to manage their finances effectively, either by setting aside some of the funds to pay bills on time, for savings, insurance, or business investment.

METHOD

This explanatory research uses a quantitative approach to explain the position of the variables studied and the relationship between a variable and other variables (Rahmat et al., 2022). In this case, the researcher uses a tolerance (e) of 5%. Then it can be taken according to Isaac and Michael's table with an error rate of 5%, which is 90 SMEs for the minimum number of samples. Determination of respondents based on a simple random sampling technique. Then the data were analyzed using descriptive analysis by calculating the average variable score and assessed with the specified interpretation criteria (Rahmat et al., 2022; Rahmat & Hadian, 2019).

Next, analyzed using structural equations. Next, analyzed using structural equations Structural Equation Modeling (SEM) (Juliandi, 2018; Monecke & Leisch, 2012), which allows researchers to test and estimate model coefficients simultaneously from the theoretical relationships between the two combined variables from regression analysis, factor analysis, and path analysis. Test the validity and reliability using the outer model, namely:

1. Convergent Validity. The value of convergent validity is the value of the loading factor on the latent variable with its indicators expected value >0.7.
2. Discriminant Validity. This value is a cross-loading factor value that is useful for determining whether the construct has an adequate discriminant, namely by comparing the loading value on the intended construct, which must be greater than the loading value with other constructs.
3. Composite Reliability. Data that has composite reliability > 0.8 has high reliability.
4. Average Variance Extracted (AVE). Expected AVE value >0.5. 5. Cronbach Alpha. For all constructs, Cronbach's Alpha strengthened the reliability test expected value >0.6.

To predict the causality relationship between latent variables, the R-square test or goodness-fit model test [13] is carried out, namely:

1. R Square on the endogenous construct. The value of R Square is the coefficient of determination on the endogenous construct. The coefficient of determination (R Square) is carried out to measure the magnitude of the model's ability to explain the variation of the independent variables. Kd = R2 x 100%
2. Q-square is used to assess how well the model's observed values and parameter estimates are generated. If the Q-square score is greater than 0 (zero), it indicates that the model value has predictive relevance, whereas if the Q-square score is less than 0 (zero), it indicates that the model lacks predictive relevance. The following formula can obtain this value:

   $$\boldsymbol{Q^2 = 1 - (1 - R\ \frac{2}{1})(1 - R\ \frac{2}{2}) \ldots (1 - R_P^2)}$$

3. The estimate for Path Coefficients is the coefficient's value, the correlation's magnitude, or the effect of latent constructs with Bootstrapping procedure.

Indicators are drawn up following the results of comparisons from previous experts and researchers, described below :

Table 1
Dimensions and Indicators of Research Variables

Variable Financial Management Behavior		
Dimension	Indicator	Code
1) General Knowledge (general knowledge of finance)	1. Know how to manage business finances 2. Prepare good financial reports 3. Ability to project unexpected expenses	GKF1 GKF2 GKF3
2) Saving and Borrowing (knowledge of savings and loans)	1. Setting aside operating profit for savings 2. Make bill payments on time 3. Knowing service products and the risks of savings and loans	SAB1 SAB2 SAB3
3) Insurance (insurance knowledge)	1. Understand the basic principles of business and labor insurance 2. Setting aside operating profit for insurance 3. Knowing the types of trusted insurance services and products	IKW1 IKW2 IKW3
4) Investment (investment knowledge)	1. Invest in for own business development 2. Investing in a business outside of own business 3. Knowing the types of trusted investment services	INK1 INK2 INK3
Variable Digital Financial Knowledge		
Dimension	Indicator	Code
1) Digital products and services	1. Knowing the types and products of digital financial services 2. Realizing the advantages and disadvantages of digital financial service products	DPS1 DPS2
2) Digital financial risk	1. Knowing the risk of phishing, pharming, spyware, SIM card swaps 2. Understand the risks of digital footprints for hacking and profiling	DFR1 DFR2
3) Digital financial risk control	1. Know how to secure a digital financial account password or PIN 2. Understand how to secure personal information	DFC1 DFC2
4) Consumer rights and redress procedures	1. Knowing the procedure (how to take care of) compensation 2. Knowing the place and object of the complaint	CRP1 CRP2

The model of the structural relationship between variables by taking into account the aspects of the indicators can be described as follows:

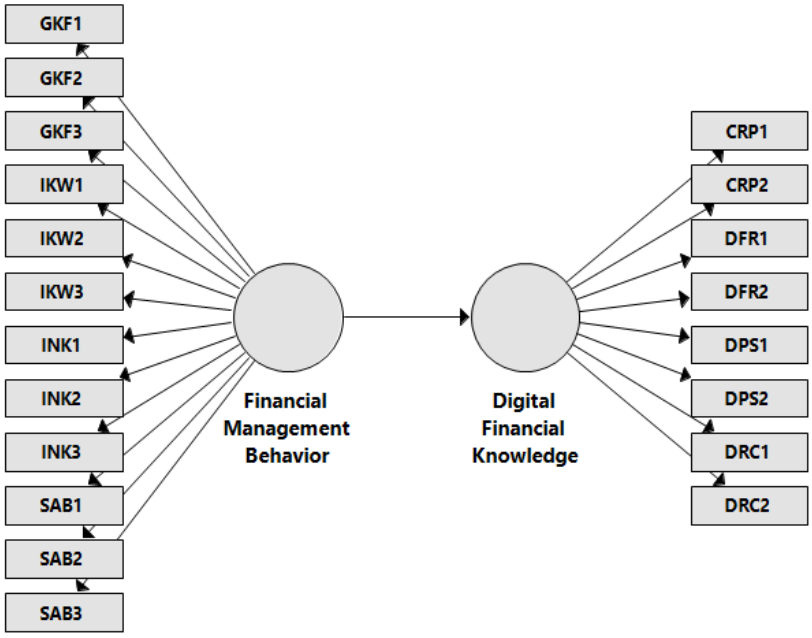

Image 1
Financial Management Behavior Correlation Structure Model
and Digital Financial Knowledge

RESULT AND DISCUSION

Descriptive Analysis

The measurement of these indicators is carried out quantitatively, namely through scoring on respondents' perceptions of various aspects of each indicator. Overall, respondents' perceptions of financial management behavior variables with the most answers are presented in the table below :

Table 2. Financial Management Behavior Index Small and Medium Enterprises in Bandung

Indicator	Average
1. Know how to manage business finances	3.70
2. Prepare good financial reports	3.56
3. Ability to project unexpected expenses	4.03
General Knowledge Index (general financial knowledge)	3.76
1. Setting aside operating profit for savings	3.91
2. Make bill payments on time	3.52
3. Knowing service products and the risks of savings and loans	3.86
Saving and Borrowing Index (knowledge of savings and loans)	3.76
1. Understand the basic principles of business and labor insurance	3.84
2. Setting aside operating profit for insurance	3.40
3. Knowing the types of trusted insurance services and products	4.10
Insurance knowledge index	3.78
1. Invest in for own business development	3.90
2. Investing in a business outside of own business	3.74
3. Knowing the types of investment services trusted	3.80

Investment knowledge index	3.81
Total Analysis of Financial Management Behavior	3.78

Ability to project unexpected expenses and knowledge of the types of services and insurance products that are trusted are the indicators that are perceived as the highest to measure financial management behavior. In contrast, the lowest indicator is the behavior of MSMEs in setting aside operating profits for insurance purposes. Overall, respondents' assessments show that the investment knowledge index is perceived to be the highest measure of the financial management behavior of MSME actors compared to the General Knowledge Index (general knowledge of finance). The Saving and Borrowing Index (knowledge of savings and loans) and the insurance knowledge index. The financial management behavior variable is perceived as suitable by the respondents. An average value of 3.78 indicates that the SMEs in Bandung City have good financial management behavior. Meanwhile, respondents' perceptions of the digital financial knowledge variable with the most answers are presented in table l below :

Table 3. Digital Financial Knowledge Index Small and Medium Enterprises in Bandung

Indicator	Average
1. Knowing the types and products of digital financial services	4.09
2. Realizing the advantages and disadvantages of digital financial service products	3.53
Digital products and services	3.81
1. Knowing the risk of phishing, pharming, spyware, SIM card swaps	3.81
2. Understand the risks of digital footprints for hacking and profiling	3.80
Digital financial risk	3.81
1. Know how to secure a digital financial account password or PIN	3.86
2. Understand how to secure personal information	3.27
Digital financial risk control	3.56
1. Know the procedure (how to administer) compensation	3.87
2. Knowing the place and object of the complaint	3.64
Consumer rights and redress procedures	3.76
Total Digital Financial Knowledge Analysis	3.73

The respondent's research shows that general knowledge about the types and products of digital financial services is the highest indicator of the digital financial knowledge variable, while the indicator of understanding of how to secure personal information is the lowest perceived by respondents to measure digital financial knowledge. As for accumulatively, MSME actors' knowledge of digital products and services is at a reasonable level compared to their knowledge of digital financial risks, digital financial risk control, and consumer rights and compensation procedures. However, overall, the respondents perceive the digital financial knowledge variable as suitable. An average range value of 3.73 indicates that MSMEs in Bandung City have good digital financial knowledge.

Data Analysis Results

In the outer model test, there are two measuring instrument tests: the validity test and the reliability test in terms of convergent validity and discriminant validity. Convergent validity is a test that shows the relationship between reflective items and their latent variables. The measurement of the latent variable is indicated by the size of the loading factor value. The decision-making provisions on the loading factor value are that the value obtained must be > 0.7, but if the value of the loading factor obtained is < 0.4, then the indicator must be eliminated.

Table 4. Convergent Validity Value

Variable	Indicator Code	Loading factor	Results
Digital Financial Knowledge	CRP1	0.883	Valid
	CRP2	0.832	Valid
	DFC1	0.856	Valid
	DFC2	0.809	Valid
	DFR1	0.877	Valid
	DFR2	0.874	Valid
	DPS1	0.872	Valid
	DPS2	0.844	Valid
Financial Management Behavior	GFK1	0.906	Valid
	GFK2	0855	Valid
	GFK3	0.874	Valid
	IKW1	0.897	Valid
	IKW2	0.864	Valid
	IKW3	0.850	Valid
	INK1	0.844	Valid
	INK2	0.790	Valid
	INK3	0.764	Valid
	SAB1	0.843	Valid
	SAB2	0.868	Valid
	SAB3	0.886	Valid

The table above shows that the value of outer loadings after elimination is done at a value above 0.7. Thus, these indicators are declared valid as a measure of the latent variable. In the Financial Management Behavior variable, it is known that each indicator is significant in forming the variable. However, the dominant/strongest indicator is the indicator of knowledge of how to manage business finances which is included in the General Knowledge dimension (general knowledge of finance). The Digital Financial Knowledge variable shows a magnificent significance. It means that the indicators that make up the Digital Financial Knowledge variable can reflect the variables very well, especially knowing the procedure (how to manage) compensation as the dominant indicator of the digital financial risk control dimension. Through the value of outer loadings obtained, it can be stated that each indicator in this study meets the requirements.

Discriminant validity is carried out to ensure that each concept of each latent variable is different from other variables. A model has good discriminant validity if each cross-loading value of a latent variable has the most significant value compared to other cross-loading values for other latent variables. In the table below, the results of the discriminant validity test for each variable are explained.

Table 5. Discriminant Validity (Cross Loading) Value

Code	Indicator	Digital Financial Knowledge	Financial Management Behavior
CRP1	Knowing the procedure (how to take care of) compensation	0.883	0.799
CRP2	Knowing the place and object of the complaint	0.832	0.733
DFC1	Know how to secure a digital financial account password	0.856	0.760

Code	Indicator	Digital Financial Knowledge	Financial Management Behavior
	or PIN		
DFC2	Understand how to secure personal information	0.809	0.688
DFR1	Knowing the risk of phishing, pharming, spyware, SIM card swaps	0.877	0.871
DFR2	Understand the risks of digital footprints for hacking and profiling	0.874	0.720
DPS1	Knowing the types and products of digital financial services	0.872	0.812
DPS2	Realizing the advantages and disadvantages of digital financial service products	0.844	0.741
GFK1	Know how to manage business finances	0.779	0.906
GFK2	Prepare good financial reports	0.721	0.855
GFK3	Ability to project unexpected expenses	0.755	0.874
IKW1	Understand the basic principles of business and labor insurance	0.770	0.897
IKW2	Setting aside operating profit for insurance	0.791	0.864
IKW3	Knowing the types of trusted insurance services and products	0.715	0.850
INK1	Invest in for own business development	0.756	0.844
INK2	Investing in a business outside of own business	0.825	0.790
INK3	Knowing the types of trusted investment services	0.715	0.764
SAB1	Setting aside operating profit for savings	0.830	0.843
SAB2	Make bill payments on time	0.768	0.868
SAB3	Knowing service products and the risks of savings and loans	0.746	0.886

The table shows that all cross-loading values for each indicator of each latent variable already have the most significant cross-loading value compared to the cross-loading value of other variable indicators. It shows that each latent variable already has good discriminant validity.

In addition to this method, testing the value of convergent and discriminant validity, it can also be done by looking at the value of Average Variance Extracted (AVE) value. A good AVE value is recommended greater than 0.5. The following is the result of calculating the AVE for each variable.

Table 6. Construct Validity and Reliability

Variable	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Digital Financial Knowledge	0.948	0.950	0.956	0.733
Financial Management Behavior	0.966	0.967	0.970	0.730

The table above shows that the AVE value resulting from this study is more than 0.5. Likewise, with the resulting cross-loading value. Shows that each indicator has met the predetermined criteria. Likewise, with the resulting cross-loading value, it can be seen that each indicator has complied with the predetermined criteria. The composite reliability value in this study is above 0.7, and Cronbach's alpha value of each variable in this study also has a value above 0.6. So it can be concluded that the data

from this study is reliable. So, from the results of the measurement model (outer model), further analysis can be conducted to evaluate the structural model (inner model).

Furthermore, the structural model (inner model) is tested to see the relationship between the constructs. Following are the results of the evaluation of the structural research model:

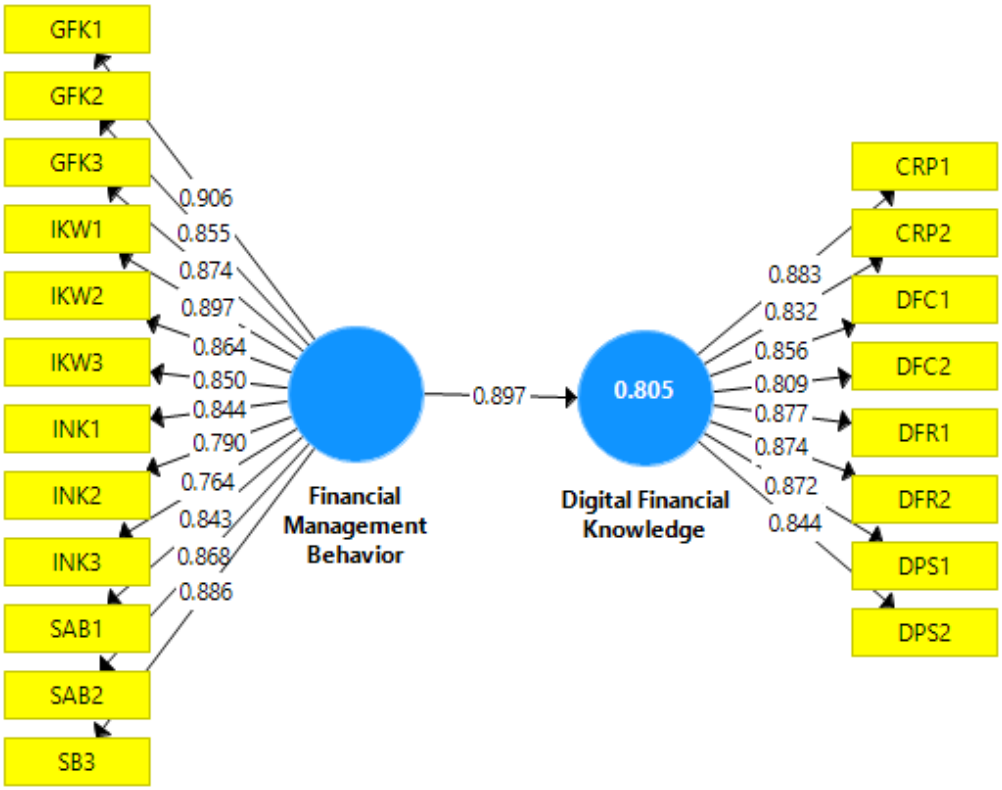

Figure 2. Structural Model
Source: Processed SmartPLS 3.00. data

The evaluation of the PLS structural model begins by looking at the coefficient of determination or R-square of each latent dependent variable. The coefficient of determination R-Square (R^2) tests the structural model for each dependent variable. Below are the results of the coefficient of determination test from this research:

Table 7. R-Square

	R Square	Adjusted R Square
Digital Financial Knowledge	0.805	0.803

Through the table, it can be concluded that the resulting R-value from this study amounted to 0.863. they are interpreted as having the effect of 86.3% of digital financial knowledge and financial attitude variables on financial management behavior. Besides that, it is known that 13.7% of financial management behavior is influenced by other variables not included in this study.

The path coefficient test in this study was carried out to see the relationship between variables. Here is the result of the path coefficient tested via bootstrapping:

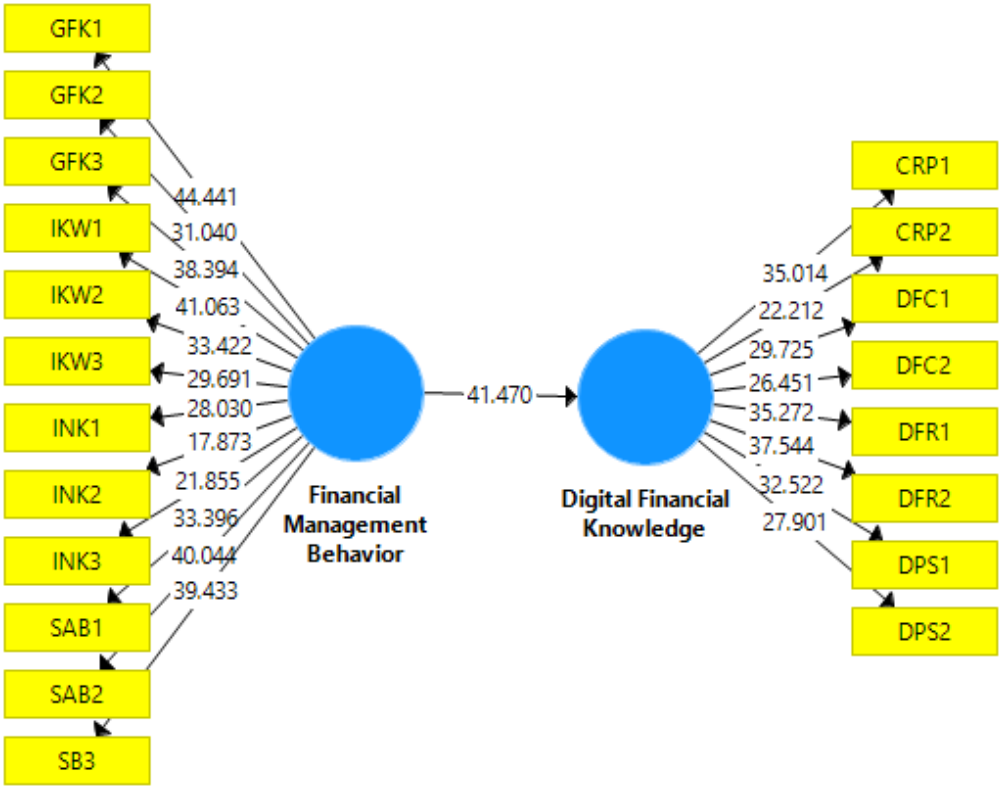

Figure 3. Bootstrapping

Table 8 . Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Financial Management Behavior -> Digital Financial Knowledge	0.897	0.898	0.022	41,470	0.000

Based on the path coefficient test results in the table above, it can be concluded that there is a reciprocal positive relationship between the financial management behavior variable and the digital financial knowledge variable, with a coefficient value of 0.897, or a total effect of $(0.897)^2 = 0.805$ with a percentage of 80, 5% with a significance level of 95%.

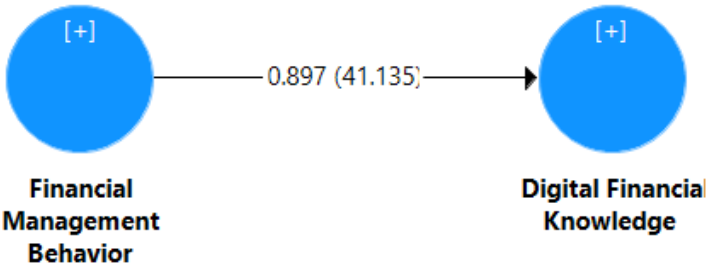

Figure 4. Path Coefficient

The results of the hypothesis analysis of the influence of Financial Management Behavior on Digital Financial Knowledge show a positive path, which is 0.897. The coefficient shows that the relationship between financial behavior management variables and digital financial knowledge is

unidirectional. The p-values show many 0.000 so that it is less than 0.05, and the t-statistic is 41,470, which is greater than the t-table, which is 1,662. It shows a significant positive effect on the relationship between financial knowledge on financial management behavior. This shows that the hypothesis is accepted, with a description model: the higher the level of financial knowledge, the higher the level of Digital Financial Knowledge.

The results showed that the respondents perceived the financial management behavior index of MSME actors in the city of Bandung. The contribution of the level of investment knowledge is felt to be the highest to measure the financial management behavior of MSME actors compared to general knowledge about finance, savings and loans, and insurance knowledge index. MSME actors already have a high ability to project unexpected expenses to measure financial management behavior, but the behavior of SMEs in setting aside operating profits for insurance purposes, both insurance for personal and business interests. It is also alleged that MSME actors still do not understand insurance benefits, even policies regarding occupational health and safety insurance for business actors.

Furthermore, the digital financial knowledge index perceived that the SMEs in Bandung City have good digital financial knowledge. MSME actors' knowledge of digital products and services is already reasonable compared to their knowledge of digital financial risks, digital financial risk control, and consumer rights and compensation procedures. General knowledge of MSME actors about the types and products of digital financial services is already very good in measuring digital financial knowledge variables. Because most of the MSME actors in the City of Bandung have, on average, already used a marketplace that demands that MSME actors be friendly with the digital transaction system. However, it is still seen as weak. It needs to be improved regarding the understanding of how to secure personal information as a result of the use of digital financial transaction platforms, so there is a need for education about digital security so that users do not experience losses from the leakage of personal information.

Having good financial management behavior will increase digital financial knowledge. Based on the path analysis model, it shows that the variable level of financial management behavior owned by MSME actors has a positive and significant effect on digital financial knowledge, with a coefficient value of 0.897, or a total effect of $(0.897)^2 = 0.805$ with a percentage of 80.5% with a significance level 95%. Following the findings of (Damayanti & Indriayu, 2020; Herdjiono & Damanik, 2016; Normawati et al., 2021; Yap et al., 2018) , which state that the higher the financial management behavior, the more digital financial knowledge will increase, along with the increase in the level of financial management behavior (Reuber & Fischer, 1997). Therefore, to realize a digital financial ecosystem in the MSME entrepreneur environment, digital financial knowledge needs to be improved by first building the behavior of MSME human resources in financial management.

CONCLUSION

The financial management behavior of MSME actors, especially in the behavior of digital products and services, needs to be maintained. In comparison, their knowledge of digital financial risk, digital financial risk control, and consumer rights and compensation procedures need to be improved to increase the level of financial management behavior. SMEs reasonably perceive Index Financial management behavior and digital financial knowledge index in Bandung City. On the other hand, knowledge, and understanding of how to secure personal information still needs to be improved so that the digital financial knowledge of SMEs in Bandung City becomes high.

Path coefficients and hypothesis testing show that the relationship between financial behavior management variables and digital financial knowledge is unidirectional and significantly positive. So

that the description equation model is obtained, namely, the higher the financial management behavior of MSME actors, the more digital financial knowledge tends to increase. Other factors that affect digital financial knowledge have not been studied, and these factors become recommendations for further research.

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