Available online at: http://journal.uinsgd.ac.id/index.php/ks
Khazanah Sosial, Vol. 5 No. 2: 368-386

DOI: 10.15575/ks.v5i2.29477

Sharia-Based Financial Performance Optimization for MSMEs in Banten Province, Indonesia

Itang Itang[1*], Sam'un Jaja Raharja[2], Rusdin Tahir[3], Wawan Wahyuddin[4]

[1,4]Universitas Islam Negeri (UIN) Sultan Maulana Hasanuddin, Banten, Indonesia
[2,4]Universitas Padjadjaran, West Java, Indonesia
*Corresponding Author E-mail: itang@uinbanten.ac.id

Abstract

Economic growth will be influenced by stable Small and Medium Enterprises (SMEs) and optimal financial performance based on the use of sharia fintech. This study aims to examine the financial sustainability and performance of MSMEs from the perspective of Islamic economics; examine the impact of sharia fintech use on the financial sustainability and performance of SMEs; and strengthen human resource capacity, business diversification, business productivity, and product marketing to enhance the financial sustainability and business sustainability of SMEs. The survey was conducted with a quantitative approach. Data was obtained through questionnaires distributed to 303 respondents in 4 cities and 4 districts in Banten Province. The findings indicated that company diversification and human resource capacity had an impact on the financial performance of MSMEs. The viability of SME firms is positively impacted by sharia fintech, human resource capability, company diversification, business productivity, and financial performance. Our study recommends SME business management based on the use of sharia fintech in supporting SME business sustainability in Banten Province, Indonesia. Our research contribution, apart from being empirical evidence of how to optimize MSME financial performance, also provides understanding for MSME managers in inventorying alternatives to improve financial performance by studying human resource capacity, business diversification, sharia Fintech, and business productivity, which in turn has an impact on economic growth.

Keywords: Sharia fintech, sharia-based investment, sharia financial institution, human resource capacity, business diversification, business productivity.

Abstrak

Pertumbuhan ekonomi akan dipengaruhi oleh Usaha Kecil dan Menengah (UKM) yang stabil dan kinerja keuangan yang optimal berdasarkan penggunaan fintech syariah. Penelitian ini bertujuan untuk menguji keberlanjutan keuangan dan kinerja UMKM dari perspektif ekonomi Islam; mengkaji dampak penggunaan fintech syariah terhadap keberlanjutan keuangan dan kinerja UKM; dan memperkuat kapasitas sumber daya manusia, diversifikasi usaha, produktivitas usaha, dan pemasaran produk untuk meningkatkan kesinambungan finansial dan kesinambungan usaha UKM. Survei dilakukan dengan pendekatan kuantitatif. Data diperoleh melalui kuesioner yang dibagikan kepada 303 responden di 4 kota dan 4 kabupaten di Provinsi Banten. Hasil penelitian menunjukkan bahwa diversifikasi perusahaan dan kapasitas sumber daya manusia berdampak pada kinerja keuangan UMKM. Kelangsungan hidup perusahaan UKM dipengaruhi secara positif oleh fintech syariah, kemampuan sumber daya manusia, diversifikasi perusahaan, produktivitas bisnis, dan kinerja keuangan. Studi kami merekomendasikan pengelolaan bisnis UKM berdasarkan penggunaan fintech syariah dalam mendukung keberlanjutan bisnis UKM di Provinsi Banten, Indonesia. Kontribusi riset kami, selain sebagai bukti empiris bagaimana mengoptimalkan kinerja keuangan UMKM, juga memberikan pemahaman bagi pengelola UMKM dalam menginventarisasi alternatif untuk meningkatkan kinerja keuangan dengan mempelajari kapasitas SDM, diversifikasi usaha, fintech syariah, dan produktivitas usaha, yang pada akhirnya berdampak pada pertumbuhan ekonomi.

Received: June 28, 2023; Revised: September 07, 2023; Accepted: September 29, 2023

Kata kunci: Fintech syariah, investasi berbasis syariah, lembaga keuangan syariah, kapasitas sumber daya manusia, diversifikasi usaha, produktivitas usaha.

INTRODUCTION

The majority of nations have two key parts to their financial systems: financial markets and financial institutions, which include both conventional and Islamic financial systems. This financial system is crucial for generating savings and allocating funds to investment initiatives. In spite of flawed financial markets, the presence of asymmetric information in financial institutions has spurred numerous scholars to develop the investment process. The issues with asymmetric information between lenders and borrowers lead to a discrepancy in the cost of internal financing (via interest) compared to external financing, which gives internal finance a crucial role in the firm's investment choice.

Therefore, a financial system's contribution to economic growth can be seen in a variety of ways, such as in the mobilization of savings, the distribution of those funds, and competing investment initiatives. As a result, some nations concentrate on developing the banking system while others focus on developing the capital market. How do businesses in developing nations decide between equity and debt (bank design vs. capital market design)? Numerous theoretical and empirical evaluations demonstrate that these tasks differ between a market-based system and a system based on banks.

Studies on the above have been widely conducted. However, studies examining the relationship between investment and financial design for Islamic companies in Indonesia have not been widely found. As of June 2022, the financial services sector's capability was maintained in the first half of 2022. One indicator is that the JCI index has strengthened by 5.02% year to date to 6,911.58 at the end of June 2022. In line with JCI, year-to-date ISSI also increased by 6.02%. Furthermore, there are 23 IPO issuers with total emissions of IDR 18.29 trillion. Of the total issuers, there were 17 issuers whose shares were designated as sharia securities with total emissions of Rp3.54 trillion or 19.34% of the total emissions throughout the period. In terms of sharia securities issuance by raising funds through Securities Crowdfunding (SCF), there was also an increase.

Based on data from Indonesian Crowdfunding Service Association (ICSA), as of June 28, 2022, the number of sukuk collected through SCF reached IDR 54.32 billion, a significant increase of 859% from the end of 2021. The amount of sukuk reaches 98% of the total sukuk and bonds collected through SCF as of June 28, 2022 (OJK, 2022). Thepercentage of Islamic securities to the total securities listed on the Indonesia Stock Exchange reached 98%. Therefore, it is important for researchers to explore the role of financial design at the investment level in listed Islamic companies more explicitly in the future. In addition, many empirical studies on the relationship between finance and growth have been dominated by cross-country studies. Although the findings of this study provide useful direction on the financial-growth relationship, it is difficult to have results in a general point of view. Therefore, Indonesia is the only country selected for this study compared to other cross-border studies.

On January 26, 2022, SEOJK Number 3/SEOJK.04/2022 has been stipulated concerning Mechanisms and Procedures for Determining Equity Securities as Sharia Securities in Information Technology-based Crowdfunding Services. The issuance of this SEOJK is a further provision of POJK No.57/POJK.04/2020, especially article 29 paragraph 3 related to the mechanism and procedure for determining equity securities as sharia securities.

Until then, this SEOJK is a guideline for organizers in determining equity securities as sharia securities, accommodating the needs of issuers who want their shares to meet the criteria for sharia

securities, and accommodating the needs of investors who want to invest in Sharia shares in Crowdfunding Services (LUD). Information Technology-based. Socialization to stakeholders related to this regulation has been carried out on March 8, 2022.

Through the support of financial technology and the involvement of financial institutions in Islamic business governance, development policies that are centered on economic growth and integrated with sharia economic development will speed up and encourage the advancement of sharia financial performance and business sustainability (Cai & Song, 2022; Jan et al., 2019; Saleem et al., 2021; Thathsarani et al., 2021). The development of a sharia economy based on technology and implemented through partnerships between large corporations and SMEs will accelerate economic growth. (Rabbani, Ali, et al., 2021; Saleem et al., 2021; Solahudin & Fakhruroji, 2020). Additionally, SMEs will require sharia-based fintech support to enhance their financial performance in order to increase their economic output (Elida Elfi Barus et al., 2021; Najib et al., 2021; Poon et al., 2020). In order to expand access to financial services, the construction of a sharia-based economy will require agreement among all players and backing from government policy (Azman et al., 2020; Poon et al., 2020).

This indicates that the employment of technology-based science and technology supported by skilled human resources to enable greater business productivity and economic stability is closely tied to the financial success of SMEs (Kijkasiwat & Phuensane, 2020; Mallinguh et al., 2020; Surya, 2015b). Furthermore, industrialization and technologically-based company modernisation, along with supportive investment policies, have a significant role in determining economic growth (Hamadamin & Atan, 2019; Surya, 2015a). One of the key factors supporting the stability of an economy is information technology (M. H. Lee et al., 2018; Oseni & Ali, 2018; Toader et al., 2018). In order to improve financial performance, sharia-based economic firms will develop faster thanks to fintech innovation, healthy investment, and financial industrialisation (Azman et al., 2020; Bahrini & Qaffas, 2019; Surya, 2015a).

The number of Muslims worldwide has risen to 1.6 billion, or 25% of the entire world's population. This population contributes to the growth of the sharia economy in the global community, which is in the region of 7 billion people. Furthermore, the world's GDP has increased by almost $6.7 trillion as a result of up to 56 countries with a majority of Muslims (Kaplinsky, 2019). This figure indicates that there is significant room for the Islamic economy around the world to expand. With a $3.7 trillion contribution in 2019, the food and beverage sector has a lot of opportunity (Rohim & Priyatno, 2021). The general public may become interested in this as producers and consumers on a global scale. This suggests that the situation will revive the Islamic economy globally with the assistance of SMEs, who have historically acted as the sector's management hub.

One of the avenues for the rise of sharia SMEs in the global economy today is the United Kingdom (UK), which has established itself as the center of Islamic finance in the Western world. With the aid of Islamic financing for SME enterprise undertakings, the concept was created (Adinugraha, H.H.; Sartika, M.; Ulama'i, 2019). A number of continents and regions, including Asia, Africa, Australia, Europe, America, Canada, the Middle East, and others, have seen an increase in the use of Islamic financing. In actuality, the value of all Islamic financial assets as of this writing is $882 billion (Damhuri, 2014).

The findings of studies that underpin this investigation include: (1) a research project by Alaabed, et al., (Rabbani, Bashar, et al., 2021), discovered that financial technology is organically practicable in the banking industry and enables the modelling of the Islamic financial system globally; (2) Research conducted by Xirogiannis et al., (Finocracy & Mirakhor, 2017), by stating that variables influencing the improvement of business performance include knowledge and expertise of human resources; (3) Research conducted by Hakim Ghazali (2018); Xirogiannis et al., (2008) confirmed by the finding that the

 ISSN 2715-8071 (online)

majority of respondents supported raising awareness of SMEs' use of financial technology. (4) The study conducted by Hasan et al., (Hakim Ghazali, 2018), concluded that Islamic financial technology can stimulate Islamic financial institutions to perform efficiently in terms of customer retention, transparency, and accountability. (5) Research conducted by Smith (Hasan, R.; Hassan, M.K.; Aliyu, 2020), states that one of the sources a company can mobilize to improve performance is the capacity of technological innovation. (6) Research conducted by Hsien Wang, (M. M. and B. A. U. J. Al Dabbas, 2023; M. M. N. Al Dabbas, 2023; Kurniawan et al., 2023; Oktavia et al., 2023); relates a company's aptitude for identifying opportunities, innovation in decision-making, marketing capabilities, production capacity, and capital capacities to technological innovation. The study's findings identified a number of variables that influence how well businesses and SMEs perform financially, including (a) financial technology, (b) human resource capabilities, (c) technological innovation, and (d) the relationship between technological innovation and the company's overall financial performance. This study also attempts to strengthen the moral principles of SMEs and enhance their financial performance from an Islamic economics perspective. This study also examines how Islamic financial technology, increased labor capacity, company diversification, product promotion, and higher business productivity might assist SMEs in being more financially successful and sustainable.

Research Problem, atau juga dikenal sebagai problematika penelitian atau masalah penelitian, merupakan pernyataan masalah yang menjadi fokus utama dalam sebuah penelitian (Creswell, 2012; Creswell and Clark, 2018). Hal ini menjadi landasan dari seluruh studi penelitian dan menentukan apa yang akan diteliti, mengapa hal itu penting, dan apa tujuan dari penelitian tersebut. Research problem menggambarkan area tertentu yang akan diselidiki dan menunjukkan masalah yang perlu dipecahkan dalam penelitian. Penelitian ini berfokus pada pemahaman akar masalah, penyebabnya, dampaknya, serta upaya untuk menemukan solusi atau rekomendasi yang dapat mengatasi masalah tersebut (Kerlinger, 1973). To increase economic growth, improve public welfare, and close the socio-economic gap between conventional business and sharia business, MSMEs have a sustainable financial performance. Therefore, in an effort to improve the financial performance of the sharia-based MSMEs sector towards sustainable business is very important to promote the expansion and stability of Islamic companies, create jobs, and improve community welfare.

Thus, the *research Question*: (1) How can the financial performance of MSMEs be improved from the perspective of Islamic economics? (2) How can fintech be used to improve the financial performance and sustainability of MSMEs? (3) How can human resources, business diversification, productivity, and product marketing improve MSME's sustainable financial performance?

RESEARCH METHOD

Research Design

This study uses a quantitative approach with a survey method. The quantitative approach is aimed at testing and analysing the financial performance management of SMEs based on the sharia economy in Banten Province's Indonesia.

We collected data using indirect communication techniques through instruments in the form of questionnaires in proportional random sampling, namely 303 managers and 303 management (concurrently owners and managers) of MSMEs in Banten Province with creative product business units. Taking into account the distribution of the study population spread across 4 cities (South Tangerang City, Tangerang City, Serang City, and Cilegon City) and 4 Regency (Serang, Pandeglang, Tanggerang, and

Lebak) in Banten Province, the number of MSMEs studied was 303 units with 303 managers. Sample selection refers to the unit of analysis to meet the requirements of using *Structural Equation Modeling* (SEM) analysis. In order to find uniformity of understanding and to create the principle of consistency in writing, an explanation of research variables is needed.

Table 1. Population Size and Sample Size

City/Regency	Population Size (Ni)	Sampel Size (ni)
Serang Regency	1,438	54
Pandeglang Regency	604	23
Tangerang Regency	1,591	60
Lebak Regency	852	32
Serang City	1,147	43
South Tangerang Selatan City	689	26
Tanggerang City	1,163	44
Cilegon City	558	21
Total	8,042	303

Source: Central Statistic Agency of Banten Province (CSABP), Indonesia (2023)

Furthermore, the testing and analysis in this study are focused on examining the characteristics of SMEs, financial technology, human resource issues, business diversification, business productivity, marketing products, financial performance, and SMEs' business sustainability. Data collection was carried out using questionnaires and documentation. The survey in this study emphasizes the views of respondents based on the classification and type of economic business developed by SMEs actors. Furthermore, this research is also predictive, in the sense that each word influence in this study refers to predictions that show the relationship between variables and other variables to be formulated in conclusions. Thus, for this research, the analytical tool used is Partial Least Squares (Hair et al., 2014; Ungerman, O.; Dedkova, 2019).

The quantitative approach in this study is aimed at explaining the phenomena and symptoms in the dynamics of MSMEs business activities. Basic considerations and references in our research include: (1) The role of financial technology in Islamic financial transactions has not been maximized in supporting the financial performance and business sustainability of MSMEs; (2) The role of human resources has not been optimal in supporting the improvement of financial performance and business stability of MSMEs; (3) Business diversification has not been implemented properly in encouraging the improvement of financial performance and sustainability of SMEs; (4) Marketing products have not been optimal in supporting the improvement of financial performance and sustainability of SMEs; and (5) MSME economic business productivity has not been optimal in supporting MSME financial performance and its effect on the economic growth parameters of Banten Province.

Study Area

This study was conducted in Banten Province in relation to the potential of economic business developed by SMEs business actors. The selection of the research location was based on the consideration that Banten Province plays an important role in Indonesia's economic development and is experiencing very progressive growth from various sectors. Banten's economy in 2022, measured based on Gross Regional Domestic Product (GRDP) based on current prices, reached IDR 747.25 trillion and GDP per

 ISSN 2715-8071 (online)

capita of IDR 60.99 million or USD 4,107.67; Banten's economy in 2022 grew 5.03 percent compared to 2021. In terms of production, the highest growth occurred in the Transportation and Warehousing business which reached 26.68 percent. Meanwhile, in terms of expenditure, the Total Net Export Component experienced the highest growth of 25.87 percent; Banten's economy grew 4.03 percent (y-on-y) in the fourth quarter of 2022 compared to the fourth quarter of 2021. In terms of production, the Transportation and Warehousing business experienced the highest growth of 23.05 percent. In terms of expenditure, the Total Net Export Component experienced the highest growth of 24.79 percent; Banten's economy in the fourth quarter of 2022 against the third quarter of 2022 experienced growth of 1.91 percent (q-to-q). In terms of production, the highest growth occurred in the business field of Government Administration, Defense and Compulsory Social Security which reached 13.00 percent. In terms of expenditure, the highest growth was owned by the Total Net Export Component of 21.89 percent; The economic structure of provinces throughout Java Island in the fourth quarter of 2022 is still dominated by DKI Jakarta, which contributes to the GDP of Java Island by 29.64 percent. Then followed by East Java and West Java with contributions reaching 24.99 percent and 22.40 percent. While Banten Province contributed 7.00 percent (BPS, 2023).

Banten is a province on the island of Java, Indonesia. Its capital and seat of government is Serang City. This province is the westernmost province on the island of Java. This province was once part of the province of West Java, but this province became an Expansion area in 2000, with the decree of Law Number 23 of 2000. The original tribe is the Sundanese tribe of Banten located in the southern part of Serang Regency, Pandeglang Regency, Lebak Regency, as well as most of Tangerang Regency, and indigenous communities, namely the Baduy tribe who inhabit the Mount Kendeng and Leuwidamar areas in the Regency Lebak (Government of the Republic of Indonesia, 2023).

Banten area is located between 5º7'50"-7º1'11" South Latitude and 105º1'11"-106º7'12" East Longitude, based on the Law of the Republic of Indonesia Number 23 of 2000 the area of Banten is 9,160.70 km^2. Banten Province consists of 4 cities, 4 districts, 155 sub-districts, 313 wards (Neighborhoods), and 1,238 villages (Government of the Republic of Indonesia, 2023). Banten has a sea area that is one of the strategic sea lanes, namely the Sunda Strait. By using large ships, the Sunda Strait becomes a connecting route between Australia and New Zealand with the Southeast Asian region, especially Thailand, Malaysia, and Singapore. In addition, the Banten Sea area is a connecting route between Java and Sumatra (Anam, Sudrajat, and Syarifudin, 2022). Banten geographically and governmentally acts as a buffer zone for Jakarta. This role mainly functions in the Greater Tangerang area which includes Tangerang City, Tangerang Regency, and South Tangerang City. Economically, Banten has many industries. Banten Province also has several seaports developed in anticipation to accommodate excess capacity from seaports in Jakarta and intended to become alternative ports besides Singapore (Ridwan, 2021).

Furthermore, the study was conducted for 1 year from April 2022 to April 2023. The data collection area is adjusted to each MSMEs location spread across 4 cities and 4 regencies in Banten Province, Indonesia. The scope of SMEs' economic business studied in this study, among others: (1) food and beverage business, (2) clothing and textile business, (3) technology business, (4) cosmetics, (5) automotive business, (6) business souvenirs, and (7) agriculture. Furthermore, there are 8,042 SMEs currently developing in Banten Province. Sharia SMEs are dominantly developed in centers of economic activity and their location is very strategic in terms of accessibility and makes it easier for consumers to get services based on their expected needs. The existence of economic businesses developed by SMEs currently predominantly uses technology tools in marketing their products, although they are still limited to simple

predominantly uses technology tools in marketing their products, although they are still limited to simple applications so innovation is still needed in the use of digital platforms that are more precise, workforce involvement is still relatively small and has not been standard.

Method of Collecting Data

Two types of data were used in our study, namely primary data and secondary data. SMEs in 4 cities and 4 districts in Banten Province identified as respondents were given questionnaire instruments to fill out to collect primary data. By conducting visits (conservation) and interviews with respondents who were the research sample and utilizing questionnaire instruments, primary data were collected on the spot. Meanwhile, secondary data is accessed through papers and documents related to research issues, including studies of the growth of the number of MSMEs in Banten Province. Furthermore, the object of this research is SMEs that have developed in Banten Province, while the subject of this research is the type of MSME's business.

Research Questionnaire

A questionnaire was used to collect quantitative data. This study's survey, which focuses on financial performance and the use of Fintech which is sharia-based and is conducted through organized interviews with pre-set questions, uses a questionnaire instrument. To gather, examine, investigate, process, analyze, present, and extract information about the expanding MSMEs economy in Banten Province, the questionnaire in this study was employed. The questionnaire's questions were also modified to take into account the previously identified research variables, including the effectiveness of human resources, the usage of financial technology, the productivity of MSMEs, and the function of Islamic financial institutions. Each inquiry made by the respondent in the questionnaire was designed to help the study's findings be more focused.

The question is designed in such a way into a form that is relatively easy to understand by the respondent and is stated in the form of a positive value. Furthermore, the questionnaire was distributed to all respondents who had been selected based on the research sample that had been determined. Respondents are spread throughout the Banten Province area covering 4 cities and 4 regencies, this is intended to obtain a proportional diversity of information and data quality.

Respondents

Respondents are a sample selected from the population of SMEs in Banten Province. Determination of samples using the probability sample method, in this case, provides equal opportunities for all SMEs in Banten Province to be selected as samples. Furthermore, the sampling approach is determined using the purposive sampling method, which is determined by researchers based on certain criteria based on the area of cities and districts in Banten Province. This technique is intended to obtain a proportional sample that can truly understand the focus and objectives of the research to be achieved and consider the characteristics of the growing MSME business in Banten Province. The selection of respondents in our study refers to several criteria, namely (1) business location based on the characteristics of MSME businesses, (2) consistent in running their business, (3) having regular customers, (4) involving families in business, and (5) economic businesses that have been running for at least five years.

 ISSN 2715-8071 (online)

Data Validity and Reliability

To determine with certainty if the instrument is valid or not, measurement and testing are necessary when using it in this study. If a research instrument performs a predetermined size function or yields measurement data that are consistent with the stated purposes and objectives, it is considered to be valid.

Table 2. Construct reliability test results

Variable	Cronbach's Alpha	Composite Reliability	Description
Shariah Fintech (SF)	0.821	0.861	Reliable
Product Marketing (PM)	0.782	0.821	Reliable
Human Resources Capacity (HRC)	0.767	0.872	Reliable
Business Diversification (BD)	0.789	0.812	Reliable
SME's Productivity (SP)	0.783	0.829	Reliable
Financial Performance (FP)	0.896	0.997	Reliable
Sustainability of SME's (SS)	0.903	0.982	Reliable

Source: PLS output, Processed by the author (2023)

The purpose of the validity test in this study is to present a summary of the variables used in the data collection process for each SME organization.

The reliability test in this study uses the PLS 3 platform, where, through the results of this test, it is obtained that data that can be used in measuring reliability are above the Cronbach alpha > 0.50) and composite reliability value of 0.70 (>0.70), both for each variable and for all variables in the model. Composite reliability is better at estimating the internal consistency of a construct. The results of the complete construct reliability test are presented in Table 2.

Table 3. Construct validity test results

Variable	Indicator	Outer Loading	Description		
			Validity	AVE	Validity
Shariah Fintech	SF1	0.756	valid	0.798	Valid
	SF2	0.823	valid		
	SF3	0.723	valid		
	SF4	0.892	valid		
Product Marketing	PM1	0.778	valid	0.779	Valid
	PM2	0.754	valid		
	PM3	0.784	valid		
	PM4	0.734	valid		
Human resources Capacity	HRC1	0.723	valid	0.782	Valid
	HRC2	0.892	valid		
	HRC3	0.778	valid		
Business Diversification	BD1	0.864	valid	0.792	Valid
	BD2	0.723	valid		
	BD3	0.892	valid		
SMEs Productivity	SP1	0.778	valid	0.791	Valid
	SP2	0.892	valid		
	SP3	0.778	valid		

Financial Performance	FP1	0.754	valid	0.756	Valid
	FP2	0.784	valid		
	FP3	0.734	valid		
Sustainability of SME's	SS1	0.892	valid	0.764	Valid
	SS2	0.778	valid		
	SS3	0.754	valid		
	SS4	0.784	valid		
	SS5	0.734	valid		

Source: PLS output, Processed by the author (2023)

In this study, validity testing was carried out using Pearson's product moment approach. This validity test is carried out through correlation analysis for each statement item with a predetermined number of scores for each variable. Statistically, the correlation number obtained is then compared with the table value for the r value. This validity test was carried out with the help of SEM PLS 3.

RESULTS AND DISCUSSION

Result

Factors Affecting the Sustainability and Financial Performance of SMEs SME companies greatly boost employment and economic expansion (Cantele et al., 2020). This shows that SMEs produce and provide the goods and services that the community needs. Additionally, SMEs use a lot of manpower in their manufacturing procedures. Thus, its stability and existence are very much needed by the community. This means that efforts to maintain the consistency and presence of SMEs will require efforts to improve financial performance and business sustainability (Mansoor et al., 2020; Manzaneque et al., 2019). To reduce unemployment, company performance and the sustainability of SMEs would be aided by the availability of sufficient and dependable workforce (Ellitan, 2018). Financial success and business sustainability of SMEs are influenced by a number of elements, including I sharia fintech, (ii) human resource capability, (iii) company diversification, and (iv) SMEs productivity. Table 4 below displays the conclusions of the analysis that was done.

Table 4. Summary of the results of the regression coefficient significance test

Correlation	Coefficient	R^2	Error	t	p-value
Sharia Fintech Toward Financial Performance	0.153	0,023	0,988	0.452	0.051
Sharia Fintech Toward Sustainability of MSME's	-0.149	0.022	0,989	2.987	0.052
Product Marketing Toward Financial Performance	-0.193	0,037	0,981	1.068	0.049
Product Marketing Toward Sustainability of MSME's	0.182	0,033	0,983	1.718	0.000*
Human resources Capacity toward Financial Performance	0.536	0,287	0,844	3.882	0.000**
Human resources Capacity toward Sustainability of MSME's	0.529	0,280	0,849	10.116	0.000**
Business Diversification Toward Financial Performance	0.472	0,223	0,882	4.217	0.000**
Business Diversification toward Sustainability of MSME's	0.434	0,188	0,901	2.387	0.000**
SMEs Productivity Toward Financial Performance	0.334	0,112	0,943	1.287	0.000**
SMEs Productivity toward Sustainability of SME's	0.324	0,105	0,946	3.282	0.000**
Financial Performance toward Sustainability of SME's	0.568	0,323	0,986	3.180	0.000**
Regression Residual		R_{Square}		R_{Square} Adjusted	
Financial Performance		0.711		0.492	
Sustainability of MSME's		0.628		0.562	

Notes: *p<0.05; **p<0.01

 ISSN 2715-8071 (online)

Table 4 shows the variable that has the most influence on the financial performance of MSMEs is a human resources capacity value of 28.7% with a path coefficient value of 0.536 with a t-table value of 3.882 and p-value 0.000. Furthermore, the Sustainability of MSME's is influenced by four variables, namely human resources capacity (52.9%), business diversification (18.8%), MSMEs productivity (10.5%), and sharia fintech (2,2%). The variables that did not significantly affect the financial performance of MSMEs were Fintech Sharia (2.3%) with a path coefficient of 0.153, and product marketing (3.7%) with a path coefficient below -0.193, while the variable that most influenced the sustainability of MSMEs was Human resources Capacity (28.0%) with a path coefficient of 0.529. The variable that does not significantly affect the sustainability of MSMEs is sharia fintech (2,3%) with path coefficients -0.149. Furthermore, the relationship between financial performance variables to the sustainability of MSMEs was quite significant (32.3%) with a path coefficient of 0.568. Thus, it can be concluded that there is a significant relationship between financial performance and the sustainability of MSMEs in Banten Province (R2=0.711) or 71.1%.

SEM analysis shows the relationship model between sharia fintech variables, marketing products, human resources capacity, business diversification, and SMEs productivity on financial performance and SMEs business sustainability. The results of the SEM analysis are presented in Figure 4 below. Figure 2 shows the relationship model of sharia fintech, product marketing, human resources capacity, business diversification and MSMEs productivity, financial performance, and MSMEs business sustainability.

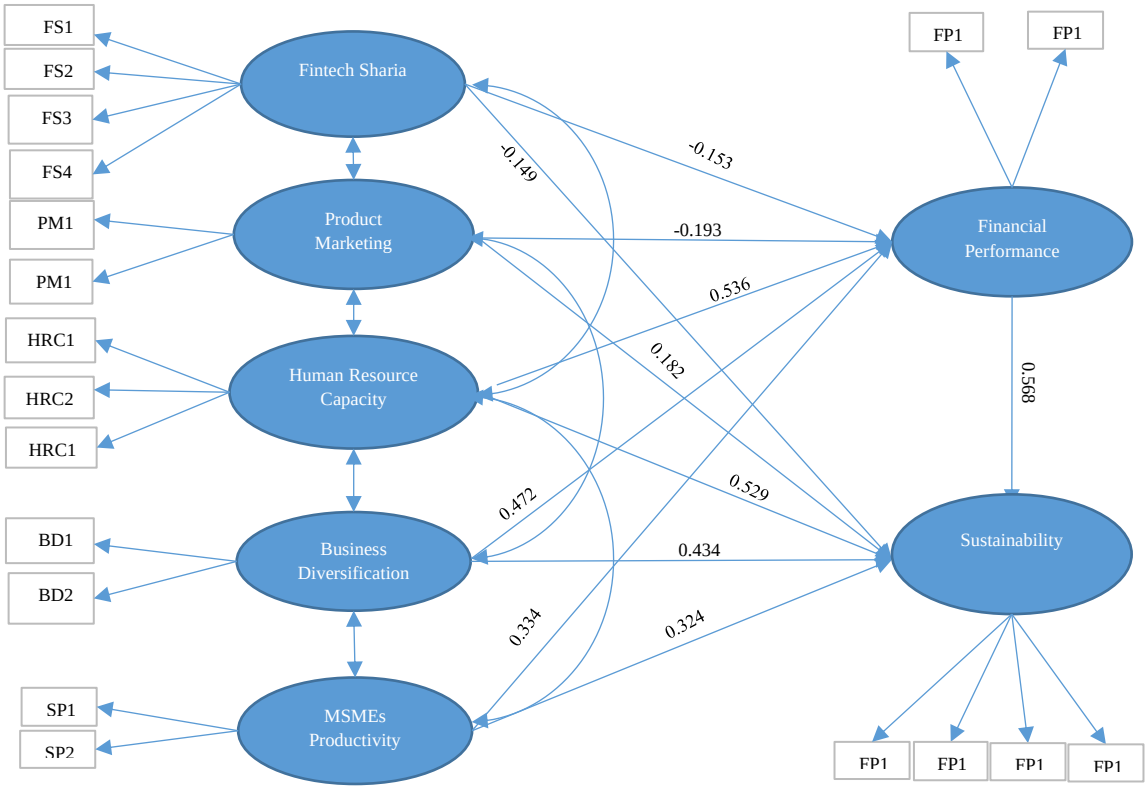

Figure 2. Structure equation modelling (SEM)

The results of the SEM analysis of the model built in this study are categorized as a fit model, marked by several test results that show numbers that match the goodness of fit test category, such as; The results of the chi-square test showed that the value of 159,651 with NFI = 0.549 was between 0 and 1, but closer

to lift 1, the SRMR value was 0.1380, d–ULS 3680, d–G = 1982 and RMS–theta = 0.265. These results illustrate that the research model is categorized as a fit model. Furthermore, the total effect of sharia fintech on financial performance is (-0.153)^2 or 3.2%. Product marketing is (-0.193)^2 or 3.7%, human resources capacity is (0.536)^2 or 28.7%, business diversification is (0.472)^2 or 22.3% and SMEs productivity is (0.334)^2 or 11,2%. Meanwhile, the total effect of sharia fintech on SMEs business sustainability is (-0.149)^2 or 2.2%, product marketing is (0.193)^2 or 3.7%, human resources capacity is (0.529)^2 or 28.0%, business diversification is (0.433)^2 or 11.2%, SMEs productivity is (0.324)^2 or 10.4%, and finally the total effect of financial performance on business sustainability is (0.568)^2 or 32.3%.

The utilization of sharia fintech itself has not been optimally utilized in MSMEs' economic businesses so that it affects business productivity and financial performance is still low. The facts found in the field illustrate that the understanding of the use of sharia fintech as a new model in conducting business activities is not yet familiar to SMEs in Banten Province. This means that SMEs actors have not been able to get involved and optimize the use of sharia fintech. SMEs actors in relation to the use of fintech only use payments and financing.

The use of fintech by SMEs in Banten Province is presented in Table 7 below. Figure 2 shows the relationship model of sharia fintech, product marketing, human resources capacity, business diversification and SMEs productivity, financial performance, and SMEs business sustainability. The results of the SEM analysis of the model built in this study are categorized as a fit model, marked by several test results that show numbers that match the goodness of fit test category, such as; The results of the chi-square test showed that the value of 159,651 with NFI = 0.549 was between 0 and 1, but closer to lift. The use of fintech by SMEs in Banten Province is presented in Table 5.

Table 5. Illustration of the use of fintech in MSMEs business processes in Banten Province

Business Process	Interaction	MSMEs Involvement
Payment	C2C	Moderate
Investment	B2C	Low
Financing	B2B	Moderate
Insurance	B2C	Low
Advisory	C2C	Low
Cross Process (e.g., Big data analysis and predictive Modelling)	B2B	Low
Infrastructure (e.g., security)	B2C	Low

Notes: C2C= Customer to Customer; B2C= Business to Customer; B2B=Business to Business
Source: Primary Data processed by the author (2023)

Discussion

The use of fintech in MSMEs business processes in Banten Province is still comparatively low, as shown in Table 5. Fintech-based business activities include not only payments and financing, which are categorized as moderate business activities, but also investment, insurance, advice, cross-process, and infrastructure, which are low business activities. Several things caused this condition to occur, among others: (1) Limited sources of information obtained by SMEs actors; (2) Access to financial capital is still limited; (3) The quality of human resources in terms of skills and ability to utilize technology is still limited; and (4) The developed economic business is still traditional. These four factors cause the asset turnover of MSMEs to be less developed and tend to stagnate. Government policy support is needed. The use of fintech in MSMEs business processes in Banten Province is still comparatively low, as shown in Table 7. Fintech-

 ISSN 2715-8071 (online)

based business activities include not only payments and financing, which are categorized as moderate business activities, but also investment, insurance, advice, cross-process, and infrastructure, which are low business activities. This state was brought on by several factors, including (1) Limited information sources that MSMEs actors could access; (2) Limited access to financial capital; (3) Limited human resource quality in terms of skills and technological aptitude; and (4) Traditional developed economic practices. These four elements result in a less advanced and often stagnant asset turnover for SMEs. Government policy support is needed (Masocha, 2019; Nettekoven, 2017; Surya et al., 2020).

Sharia Economics and Open Innovation

It is crucial and strategically significant to use the Sharia economy to assist the development and innovation of economic business by SMEs in Banten Province to help the improvement of their business performance. This strategy has been applied in numerous nations with numerous technological discoveries and breakthroughs (Surya, et al., 2021). As a result, it is crucial for the economic ventures created by SMEs to innovate and adapt to a Sharia-based business model. Sharia fintech is a creation and innovation of business people. Thus, the Sharia MSMEs' economic business in Banten Province is developed towards optimizing the use of technology at the production level, all the way to the marketing of business products.

The productivity of MSMEs in Banten Province will depend on future government policy support through Sharia business innovation efforts toward economic business sustainability. Therefore, it is imperative and strategically important to collaborate with Bank Indonesia (BI) and the Financial Services Authority to enhance Sharia-based business operations through digital financial innovation (FSA). Fintech is the application of technology in the financial system to enhance the efficiency, smoothness, security, and dependability of the payment system. In Indonesia, this endeavour has been carried out by Bank Indonesia Regulation (BIR) number: 19/12/PBI/2017.

The goal of fintech is to modernize business procedures, create new business models, and create financial instruments that can enhance the financial performance of small SMEs. As a result, it is crucial and strategically vital for SMEs in Banten Province to focus on the development of information technology-based digital innovations for them to manufacture goods and for customers to easily access them to fulfill their projected needs.

Increasing the Financial Performance of SMEs

The financial performance of SMEs in Banten Province requires development support towards the use of sharia fintech, increasing human resource capacity, business diversification, increasing business productivity, and developing more modern product marketing. This means that the optimization of the financial performance of SMEs can be driven through various technological innovations and the use of sharia fintech (Arner et al., 2020; Surya, Salim, et al., 2021). Furthermore, steps to improve SMEs financial performance can be taken through various breakthroughs, namely (i) increasing revenue volume by prioritizing product quality, (ii) business diversification through improving product quality, packaging, brands and business locations, (iii) increasing business productivity through the use of appropriate technology that can improve the quality and quantity of products, (iv) strengthening the capacity of human resources involved as workers through educational support, courses and training according to the needs of SMEs to adapt in the 4.0 industrial revolution era, (v) a better marketing mix more modern to expand the reach of potential markets and increase business market share, (vi) increase the obedience of sharia economic based business managers. These five things are oriented towards obedience to the sharia

economy to increase business blessings and business stability. Obedience to sharia is often analogous to the formation of spiritual values in a person. Thus, the economic business developed by SMEs economic actors refers to spiritual values, namely honesty, trustworthiness*, fathanah* and *tabligh* (Baboshkin et al., 2021).

The use of sharia fintech also needs to be a concern for strengthening the financial performance of sharia SMEs towards digitalization of technology to get used to using business application platforms to ensure business stability and sustainability (Yang, 2020). This means that the use of fintech will provide a lot of convenience, security, and comfort and can even spoil consumers and producers. Furthermore, sharia fintech can be developed in various platforms, namely digital payments, digital authentication, P2P lending, crowdfunding, and even zakat and *qardh al hasan* including cryptocurrencies (Qalati et al., 2021; Syed et al., 2020).

Thus, fintech can be used to develop business innovation and expand marketing reach because it can be accessed online, where, and whenever consumers want to make transactions, as long as various other requirements are met, such as networks, quotas, and other obstacles that often arise when using fintech. In addition, business productivity, product design, brands, halal certification, and so on, are areas of innovation that must be grown as an organizational culture within SMEs. The sharia fintech approach can also guarantee the implementation of good financial performance to ensure the stability and sustainability of SMEs' economic business (Gheeraert, 2014).

Sustainability of SMEs and Open Innovation

Financial performance is one of the guarantees in developing the sustainability of SMEs (K. Lee, 2020; Menne, 2017; Surya, Menne, et al., 2021). Furthermore, the strategy for achieving SMEs sustainability will require various supports in its implementation, including:

First, increasing the role of sharia fintech, which can be reduced to several alternative developments, namely (i) instilling awareness to SMEs regarding the importance of sharia fintech to provide convenience, increase competition and can improve business efficiency and effectiveness, (ii) financial stability support from the government through the ease of providing adequate fintech facilities and easy access and various alternative variants, (iii) increasing the use of sharia fintech in various business transactions, (iv) facilitating access to business capital through formal financial institutions. Thus, the use of fintech and digital technology will encourage business sustainability from various possible changes in the business climate (J. W. Lee, 2020).

Second, increasing the capacity of human resources, which can be translated into several strategies, namely (i) increasing the capacity of SME actors, especially in mastering technology, (ii) strengthening the capacity of human resources and workforce through education and training, both formal and informal, (iii) instilling awareness in human resources that the experience of interacting with customers can improve business performance, and (iv) building good communication patterns to customers as part of the strategy to strengthen human resources (Babeľová et al., 2020; Babeľová & Stareček, 2021).

SMEs business sustainability is improving financial performance towards a strategy, namely (i) building the spirit of SMEs to always make profits (profit-oriented), (ii) maintaining SMEs liquidity by hastening the payment of any existing obligations supported by healthy working capital, (iii) increasing the ability of SMEs while maintaining the activity ratio, (iv) encouraging the financial performance of SMEs while still considering SMEs' adherence to spiritual values as taught in a religious perspective. Meanwhile, the open innovation that has been and will be developed by SMEs in Banten Province is the use of various technology platforms, especially those related to the use of information technology. The innovation model

 ISSN 2715-8071 (online)

in the financial technology sector is a significant innovation development and continues to develop from time to time. Sharia fintech as a derivative of the innovation model in the financial sector marks a change in the financial governance model. There is a supply ecosystem from sharia fintech as an entry point in changing the use of technology in financial transactions, such as artificial intelligence and machine learning, big data and data analytics, robotic process automation, and blockchains (Arner et al., 2020).

Decision-making in sharia fintech will be accelerated by the use of artificial intelligence and backed by analytical data generated by the technology. Additionally, the creation of a technical innovation model will accelerate and simplify the examination of financial data from SMEs. The work process that was originally carried out repeatedly and manually can be done using technological devices such as the use of robotic automation which can simplify and speed up the completion of work. This automation can be carried out in business activities including in the preparation of SME financial reports. The expansion of technological innovation and digitalization within SMEs can help SMEs remain viable over the long term and potentially play a significant role in boosting corporate rivalry and economic growth (George & Schillebeeckx, 2021; Moro-Visconti et al., 2020). The adaptation of all fintech operations in Islamic finance, which forbids usury-based transactions, speculation, and investment in the non-halal sector, is one component that takes the feeling of security and comfort into account. Transactions that are established continue to prioritize profits and the economic viability of the business and are always based on real assets (Boikova et al., 2021; Carolina Rezende de Carvalho Ferreira et al., 2016; Pizzi et al., 2021). As a result, SMEs are working to improve their financial performance, company sustainability, and innovation in order to improve management, continue to uphold Islamic law, and fulfil *halal* criteria (Karim et al., 2021).

A healthy ratio of profitability, liquidity, and SME activity, namely I a sizable profit rate, (ii) a proportionate quantity of company debt, (iii) a liquid debt return rate, and (iv) a debt collection rate, all point to SMEs' success in managing their businesses. Good and fluid. In order to ensure the sustainability of SMEs, solid financial performance will promote business productivity and business stability. Furthermore, the utilization of technology, expanding the human resource capacity, boosting output, and company diversification are all crucial to the sustainability of SMEs. Creating a creative and quantifiable business environment through the production of appealing packaging, acquisition of branded companies, and halal certification is how open innovation is carried out. Small and medium-sized businesses (SMEs) face barriers to market entry in the face of fierce competition, necessitating government policy support. In addition, SMEs are expected to join existing online businesses or digital business platforms, launch new digital businesses, develop business plans, and establish networks. So, in order to increase the performance of SMEs, synergy is required. This may be reinforced by enhancing the quality of human resources, next by mastering technology, enhancing the quality of production, and finally by enhancing marketing.

CONCLUSION

Referring to the first question of this study, How can the financial performance of MSMEs be improved from the perspective of Islamic economics?, then the financial performance of SMEs is closely related to human resource capacity and business diversification. Thus, efforts are needed to strengthen human resource capacity towards increasing business productivity through the use of sharia fintech. SMEs' business development orientation is focused on the use of technology to produce new products, services, and business models towards the creation of optimal, efficient, smooth, safe, and reliable financial management performance in conducting economic transactions.

Referring to the second question, how can fintech be used to improve the financial performance and sustainability of MSMEs? Furthermore, improving financial performance coupled with strengthening human resource capacity will encourage business diversification, increased productivity, product marketing according to consumer needs and demands, competitive prices, marketing distribution channels, and the development of an efficient and measurable marketing mix. SMEs' business sustainability can be implemented through the use of sharia fintech, human resources capacity, business diversification, SMEs productivity, and effective and efficient financial performance.

Refer to the third question, how can human resources, business diversification, productivity, and product marketing improve MSME's sustainable financial performance? So, Good financial performance will create sustainability and business growth towards increasing the income and welfare of SMEs actors. Improving product quality and business competitiveness and optimal business management coupled with service quality that satisfies customers, product quality assurance, and increased sales volume will create business stability towards increasing the prestige of SMEs. Thus, support for Islamic fintech-based technological innovation, ease, and acceleration of transaction processes, attractive packaging, and support for business branding using halal certification will encourage SMEs to move towards a more advanced direction towards the fulfillment of halal standards and adherence to Islamic rules.

This research was conducted in a limited scope and the aspects studied were not comprehensive, so further research is still needed. To support the results of this study, it is suggested several titles for further research to complement the results of the research that has been carried out, namely: (1) Implementation of sharia fintech based on empowerment of small and medium enterprises (SMEs); and (2) business productivity based on technology digitization and SMEs business management strategies.

REFERENCES

Adinugraha, H.H.; Sartika, M.; Ulama'i, A. H. A. (2019). Halal Lifestyle in Indonesia. *Nisbah J. Sharia Econ*, *5*, 57–81.

Al Dabbas, M. M. and B. A. U. J. (2023). The Role of Islamic Finance in the Development of Small and Medium Enterprises in Jordan. *Journal of System and Management Sciences*, *13*(3), 177–192.

Al Dabbas, M. M. N. (2023). The Impact of Operating and financial leverages on the Financial Performance of the Jordanian Industrial Companies. *Journal of Logistics, Informatics and Service Science*, *10*(2), 231–248. https://doi.org/10.33168/JLISS.2023.0216

Arner, D. W., Buckley, R. P., Zetzsche, D. A., & Veidt, R. (2020). Sustainability, FinTech and Financial Inclusion. *European Business Organization Law Review*, *21*(1), 7–35. https://doi.org/10.1007/s40804-020-00183-y

Azman, N. H. N., Zabri, M. Z. M., Masron, T. A., & Malim, N. A. K. (2020). the Utilisation of Islamic Fintech (I-Fintech) in Promoting Sustainable Inclusive Growth: Evidence From Micro-Entrepreneurs in Malaysia. *Journal of Islamic Monetary Economics and Finance*, *6*(3), 555–576. https://doi.org/10.21098/jimf.v6i3.1180

Babeľová, Z. G., Stareček, A., Koltnerová, K., & Cagáňová, D. (2020). Perceived organizational performance in recruiting and retaining employees with respect to different generational groups of employees and sustainable human resource management. *Sustainability (Switzerland)*, *12*(2), 574. https://doi.org/10.3390/su12020574

Babeľová, Z. G., & Stareček, A. (2021). Evaluation of industrial enterprises' performance by different generations of employees. *Entrepreneurship and Sustainability Issues*, *9*(2), 346–362. https://doi.org/10.9770/jesi.2021.9.2(23)

Baboshkin, P., Yegina, N., Zemskova, E., Stepanova, D., & Yuksel, S. (2021). Non-classical approach to identifying groups of countries based on open innovation indicators. *Journal of Open*

Innovation: Technology, Market, and Complexity, *7*(1), 1–27. https://doi.org/10.3390/joitmc7010077

Bahrini, R., & Qaffas, A. A. (2019). Impact of information and communication technology on economic growth: Evidence from developing countries. *Economies*, *7*(1), 21. https://doi.org/10.3390/economies7010021

Boikova, T., Zeverte-Rivza, S., Rivza, P., & Rivza, B. (2021). The determinants and effects of competitiveness: The role of digitalization in the european economies. *Sustainability (Switzerland)*, *13*(21), 11689. https://doi.org/10.3390/su132111689

Cai, X., & Song, X. (2022). The nexus between digital finance and carbon emissions: Evidence from China. *Frontiers in Psychology*, *13*(7289). https://doi.org/10.3389/fpsyg.2022.997692

Cantele, S., Vernizzi, S., & Campedelli, B. (2020). Untangling the origins of sustainable commitment: New insights on the small vs. large firms' debate. *Sustainability (Switzerland)*, *12*(2), 671. https://doi.org/10.3390/su12020671

Carolina Rezende de Carvalho Ferreira, M., Amorim Sobreiro, V., Kimura, H., & Luiz de Moraes Barboza, F. (2016). A systematic review of literature about finance and sustainability. *Journal of Sustainable Finance and Investment*, *6*(2), 112–147. https://doi.org/10.1080/20430795.2016.1177438

Damhuri, I. M. dan E. (2014). Industri Keuangan Syariah Inggris Makin Meningkat. In *Republika*.

Elida Elfi Barus, M.Yasir Nasution, & Andri Soemitra. (2021). Effectiveness of Fintech-Based Sharia Cooperative Development in the New Normal Era : Interpretative Structural Model Approach. *International Journal of Science, Technology & Management*, *2*(1), 120–126. https://doi.org/10.46729/ijstm.v2i1.164

Ellitan, L. (2018). Creating Sustainability of Small and Medium Enterprises in Surabaya and Surrounding Area. *International Journal of Research in Management, Economics and Commerce*, *8*(1), 157–167.

Finocracy, A. A., & Mirakhor, A. (2017). Accelerating risk sharing finance via fintech : NextGen Islamic finance. *The 1st International Colloquium on Islamic Banking and Islamic Finance*, 1–10.

George, G., & Schillebeeckx, S. J. D. (2021). Digital sustainability and its implications for finance and climate Digital sustainability and its implications for finance and climate change change. *Ink.Library.Smu.Edu.Sg*, *1*, 103–109.

Gheeraert, L. (2014). Does Islamic finance spur banking sector development? *Journal of Economic Behavior and Organization*, *103*. https://doi.org/10.1016/j.jebo.2014.02.013

Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review*, *26*(2), 106–121. https://doi.org/10.1108/EBR-10-2013-0128

Hakim Ghazali, N. (2018). Awareness and Perception Analysis of Small Medium Enterprise and Start-up Towards FinTech Instruments: Crowdfunding and Peer-to-Peer Lending in Malaysia. *International Journal of Finance and Banking Research*, *4*(1), 13. https://doi.org/10.11648/j.ijfbr.20180401.12

Hamadamin, H. H., & Atan, T. (2019). The impact of strategic human resource management practices on competitive advantage sustainability: The mediation of human capital development and employee commitment. *Sustainability (Switzerland)*, *11*(20), 5782. https://doi.org/10.3390/su11205782

Hasan, R.; Hassan, M.K.; Aliyu, S. (2020). Fintech and Islamic Finance: Literature Review and Research. *Int. J. Islamic Econonomis Financ*, *3*, 75–94.

Jan, A., Marimuthu, M., Hassan, R., & Mehreen. (2019). Sustainable business practices and firm's financial performance in islamic banking: Under the moderating role of islamic corporate governance. *Sustainability (Switzerland)*, *11*(23), 6606. https://doi.org/10.3390/su11236606

Kaplinsky, R. (2019). Technology and Innovation for Sustainable Development. In *The Palgrave Handbook of Development Economics: Critical Reflections on Globalisation and Development* (pp. 589–626). Palgrave Macmillan. https://doi.org/10.1007/978-3-030-14000-7_17

Karim, A., Setiawan, M., Indrawati, N. K., & Mugiono, M. (2021). Impact of halal standards on logistic employee performance. *Acta Logistica*, *8*(3), 269–276. https://doi.org/10.22306/al.v8i3.237

Kijkasiwat, P., & Phuensane, P. (2020). Innovation and Firm Performance: The Moderating and Mediating Roles of Firm Size and Small and Medium Enterprise Finance. *Journal of Risk and Financial Management*, *13*(5), 97. https://doi.org/10.3390/jrfm13050097

Kurniawan, Y., Putra, A. B. Y., & Cahyadewi, N. P. (2023). Get to Know P2P Lending and Investors Learning Process at Indonesia. *Journal of System and Management Sciences*, *13*(1), 241–265. https://doi.org/10.33168/JSMS.2023.0114

Lee, J. W. (2020). Green finance and sustainable development goals: The case of China. *Journal of Asian Finance, Economics and Business*, *7*(7), 577–586. https://doi.org/10.13106/jafeb.2020.vol7.no7.577

Lee, K. (2020). The Politics of Global Tobacco Control. *The Oxford Handbook of Global Health Politics*, 659–683. https://doi.org/10.1093/oxfordhb/9780190456818.013.38

Lee, M. H., Yun, J. H. J., Pyka, A., Won, D. K., Kodama, F., Schiuma, G., Park, H. S., Jeon, J., Park, K. B., Jung, K. H., Yan, M. R., Lee, S. Y., & Zhao, X. (2018). How to respond to the Fourth Industrial Revolution, or the second information technology revolution? Dynamic new combinations between technology, market, and society through open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, *4*(3), 21. https://doi.org/10.3390/joitmc4030021

Mallinguh, E., Wasike, C., & Zoltan, Z. (2020). Technology Acquisition and SMEs Performance, the Role of Innovation, Export and the Perception of Owner-Managers. *Journal of Risk and Financial Management*, *13*(11), 258. https://doi.org/10.3390/jrfm13110258

Mansoor, M., Ellahi, N., Hassan, A., Malik, Q. A., Waheed, A., & Ullah, N. (2020). Corporate governance, Shariah governance, and credit rating: A cross-country analysis from asian islamic banks. *Journal of Open Innovation: Technology, Market, and Complexity*, *6*(4), 1–15. https://doi.org/10.3390/joitmc6040170

Manzaneque, L. M., Alfaro, C. E., & Cruz, A. M. P. (2019). Stakeholders and Long-Term Sustainability of SMEs. *Who Really Matters in Crisis Contexts, and When. Sustainability*, *11*, 6551.

Masocha, R. (2019). Social sustainability practices on small businesses in developing economies: A case of South Africa. *Sustainability (Switzerland)*, *11*(12), 3257. https://doi.org/10.3390/SU11123257

Menne, F. (2017). *Nilai-nilai Spiritual Entitas Bisnis Syariah* (p. 178).

Moro-Visconti, R., Rambaud, S. C., & Pascual, J. L. (2020). Sustainability in FinTechs: An explanation through business model scalability and market valuation. *Sustainability (Switzerland)*, *12*(24), 1–24. https://doi.org/10.3390/su122410316

Najib, M., Ermawati, W. J., Fahma, F., Endri, E., & Suhartanto, D. (2021). Fintech in the small food business and its relation with open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(1), 88. https://doi.org/10.3390/joitmc7010088

Nettekoven, H. H. and Z. M. (2017). The Role of Small and Medium-sized Enterprises in Development: What Can be Learned from the German Experience? In *Nigerian Chapter of Arabian Journal of Business and Management Review* (Vol. 4, Issue 4, pp. 36–40).

Oktavia, T., Yahya, E. T., Adiscaputri, M. G., & Wijaya, Z. Z. (2023). Analysis of the Intention to Use Digital Banking as Personal Financial Services among Gen X. *Journal of System and Management Sciences*, *13*(3), 177–192. https://doi.org/10.33168/JSMS.2023.0312

Oseni, U. A., & Ali, S. N. (2018). Fintech in Islamic Finance. In *Fintech in Islamic Finance: Theory and Practice* (pp. 3–16). Routledge; Taylor & Francis Group. https://doi.org/10.4324/9781351025584-1

Pizzi, S., Corbo, L., & Caputo, A. (2021). Fintech and SMEs sustainable business models: Reflections and considerations for a circular economy. *Journal of Cleaner Production*, *281*, 1. https://doi.org/10.1016/j.jclepro.2020.125217

Poon, J., Chow, Y. W., Ewers, M., & Ramli, R. (2020). The role of skills in Islamic financial innovation: Evidence from Bahrain and Malaysia. *Journal of Open Innovation: Technology, Market, and Complexity*, *6*(6), 47. https://doi.org/10.3390/JOITMC6030047

Province, B. B. (2019). Banten Tourism in 2019 Figures. *Banten Provincial Tourism Office*, 39.

Qalati, S. A., Li, W., Ahmed, N., Mirani, M. A., & Khan, A. (2021). Examining the factors affecting sme performance: the mediating role of social media adoption. *Sustainability (Switzerland)*, *13*(1), 1–24. https://doi.org/10.3390/su13010075

Rabbani, M. R., Ali, M. A. M., Rahiman, H. U., Atif, M., Zulfikar, Z., & Naseem, Y. (2021). The response of islamic financial service to the covid-19 pandemic: The open social innovation of the financial system. *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(1), 85. https://doi.org/10.3390/JOITMC7010085

Rabbani, M. R., Bashar, A., Nawaz, N., Karim, S., Ali, M. A. M., Rahiman, H. U., & Alam, M. S. (2021). Exploring the role of islamic fintech in combating the aftershocks of covid-19: The open social innovation of the islamic financial system. *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(2), 136. https://doi.org/10.3390/joitmc7020136

Ridwan, I. (2021). *Bantenan Studies in Historical Records*. Indonesian Educational Media.

Rohim, A. N., & Priyatno, P. D. (2021). Consumption Patterns in the Implementation of Halal. *Maro; Jurnal Ekonomi Syariah Dan Binsin*, *4*(November), 26–35.

Saleem, A., Sági, J., & Setiawan, B. (2021). Islamic financial depth, financial intermediation, and sustainable economic growth: ARDL approach. *Economies*, *9*(2), 49. https://doi.org/10.3390/economies9020049

Solahudin, D., & Fakhruroji, M. (2020). Internet and islamic learning practices in Indonesia: Social media, religious populism, and religious authority. *Religions*, *11*(1), 19. https://doi.org/10.3390/rel11010019

Surya, B. (2015a). Spatial interaction pattern and the process of city activity formation system (Case Study, Ternate, Tidore Archipelago and SofifiCity of North of Maluku). *Research Journal of Applied Sciences*, *10*(12), 880–892. https://doi.org/10.3923/rjasci.2015.880.892

Surya, B. (2015b). The dynamics of spatial structure and spatial pattern changes at the fringe area of Makassar city. *Indonesian Journal of Geography*, *47*(1), 11–19. https://doi.org/10.22146/ijg.6926

Surya, B., Menne, F., Sabhan, H., Suriani, S., Abubakar, H., & Idris, M. (2021). Economic growth, increasing productivity of smes, and open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(1), 1–37. https://doi.org/10.3390/joitmc7010020

Surya, B., Salim, A., Hernita, H., Suriani, S., Menne, F., & Rasyidi, E. S. (2021). Land use change, urban agglomeration, and urban sprawl: A sustainable development perspective of makassar city, indonesia. *Land*, *10*(6), 556. https://doi.org/10.3390/land10060556

Surya, B., Suriani, S., Menne, F., Abubakar, H., Idris, M., Rasyidi, E. S., & Remmang, H. (2021). Community empowerment and utilization of renewable energy: Entrepreneurial perspective for community resilience based on sustainable management of slum settlements in Makassar city, Indonesia. *Sustainability (Switzerland)*, *13*(6), 1–37. https://doi.org/10.3390/su13063178

Surya, B., Syafri, S., Hadijah, H., Baharuddin, B., Fitriyah, A. T., & Sakti, H. H. (2020). Management of slum-based urban farming and economic empowerment of the community of Makassar City, South Sulawesi, Indonesia. *Sustainability (Switzerland)*, *12*(18), 7324. https://doi.org/10.3390/SU12187324

Syed, M. H., Khan, S., Rabbani, M. R., & Thalassinos, Y. E. (2020). An artificial intelligence and NLP based Islamic FinTech model combining zakat and Qardh-Al-Hasan for countering the

adverse impact of COVID 19 on SMEs and individuals. *International Journal of Economics and Business Administration*, *8*(2), 351–364. https://doi.org/10.35808/IJEBA/466

Thathsarani, U., Wei, J., & Samaraweera, G. (2021). Financial inclusion's role in economic growth and human capital in south asia: An econometric approach. *Sustainability (Switzerland)*, *13*(8), 4303. https://doi.org/10.3390/su13084303

Toader, E., Firtescu, B. N., Roman, A., & Anton, S. G. (2018). Impact of information and communication technology infrastructure on economic growth: An empirical assessment for the EU countries. *Sustainability (Switzerland)*, *10*(10), 3750. https://doi.org/10.3390/su10103750

Ungerman, O.; Dedkova, J. (2019). Marketing Innovations in Industry 4.0 and Their Impacts on Current Enterprises. *Appl. Sci. 9, 3685.*

Xirogiannis, G., Chytas, P., Glykas, M., & Valiris, G. (2008). Intelligent impact assessment of HRM to the shareholder value. *Expert Systems with Applications*, *35*(4), 2017–2031. https://doi.org/10.1016/j.eswa.2007.08.103

Yang, X. (2020). FinTech in Promoting the Development of Green Finance in China against the Background of Big Data and Artificial Intelligence. *In 2020 4th International Seminar on Education Innovation and Economic Management (SEIEM)*.