




The role of commitment as a moderator of the influence of financial literacy on the sustainability of MSME Businesses in the Kenjeran Area of Surabaya

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Article Info	ABSTRACT
Article history: Received May 12, 2025 Revised May 23, 2025 Accepted Jun 30, 2025	The purpose of this study is (1) To examine the influence of financial literacy on the sustainability of MSME businesses. (2) To analyze the role of commitment as a moderator of the relationship between financial literacy and the sustainability of MSME businesses. The research method used is quantitative descriptive research. The population in this study were all MSME actors in the Kenjeran area of Surabaya, totaling 219 people. While the research sample used the Slovin formula with a standard error of 5% of 141 respondents. The data analysis technique used in this study was path analysis using the SPSS program. The results of this study indicate that there is a significant direct influence between financial literacy and the sustainability of MSME businesses in the Kenjeran area, Surabaya, and that the commitment of business actors plays a role in strengthening (moderating) the relationship.
Keywords: Business Sustainability; Commitment; Financial Literacy; Kenjeran; MSMEs.	
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1. INTRODUCTION

MSMEs play a strategic involvement in the country's economic structure. MSMEs not only create jobs and reduce unemployment, but also support regional economic growth (Miru & Kaseng, 2020; Singgih et al., 2022)(Octaviana et al., 2023; Vikaliana et al., 2022). In coastal areas such as Kenjeran Surabaya, MSMEs have developed into one of the leading sectors, especially in the fields of seafood, handicrafts, and local tourism. Coastal MSMEs are micro, small and medium enterprises that develop and operate in coastal areas, which generally utilize the potential of marine resources and the surrounding environment for their economic activities (Rahayu et al., 2022)(Emiliani et al., 2021). Kenjeran Coastal Area of Surabaya is a coastal area located in the eastern part of Surabaya City, East Java. This area is known as one of the economic centers of coastal communities, with main activities such as fishing, marine tourism, and marine-based micro-enterprises (Rahayu et al., 2022). But , Numerous MSMEs Communities still face major challenges in maintaining the sustainability of their businesses, especially due to limited understanding in managing finances (Dinutistomo & Lubis, 2021)(Yuliaty et al., 2020). Limitations in managing finances are also experienced by MSMEs in other regions, such as research conducted by (Alinsari, 2021; Febriyanti Artika Putri^{*} et al., 2024; Pandoyo et al., 2023; Wahyuni, 2020), where the research results show that one of the problems faced by business actors is knowledge and understanding of financial literacy, the ability to access services and financial management is expected to lead to financial well-being and access to financial services

that are increasingly easy to access, which are related to investment and capital. The difference between MSMEs who take formal training and those who learn independently not only reflects the capacity gap, but also opens up space to design affordable, accessible, and applicable financial literacy strategies and shows that this research is very urgent to overcome the systemic obstacles faced by MSMEs in financial management (Safitri et al., 2022).

Financial literacy refers to a person's ability to manage their finances well, such as managing income and expenses, making financial plans, and making the right decisions regarding loans or investments (Rajendra & Sembiring, 2023). According to Ferli, (2023) Financial literacy is an individual's ability to understand financial concepts and risks, and have the skills, motivation, and confidence to make effective financial decisions. When viewed from the concept of MSMEs, what is meant by MSME financial literacy is the ability of Micro, Small and Medium Enterprises to understand, manage and make appropriate financial decisions to maintain the sustainability and growth of their business (Eniola & Entebang, 2021). Lack of financial literacy can cause MSMEs to experience difficulties in maintaining business stability, such as irregular financial records, inappropriate use of capital, or lack of preparation for facing business risks (Safitri et al., 2022). This could threaten the continuity of their business (Pandoyo et al., 2023).

Previous research has shown that financial literacy has a positive impact on the sustainability of MSMEs. For example, Nanda et al., (2024) found that good financial understanding supports the sustainability of MSME businesses in Yogyakarta. Meanwhile, research by Nanda et al., (2024) also emphasized that good financial management skills can help MSMEs survive, especially in times of crisis such as the pandemic.

On the other hand, the commitment of business actors also plays an important role. Commitment reflects the extent to which MSME actors are determined to maintain and develop their businesses sustainably, even in difficult situations. According to Rahayu et al., (2022), MSME commitment is the determination and sincerity of micro, small and medium business actors to run, maintain and develop their businesses consistently and sustainably, despite facing various challenges and limitations.. However, there has not been much research examining how commitment can strengthen (moderate) the influence of financial literacy on business sustainability. One of the researchers who strengthened this was carried out by Nanda et al., (2024) which shows that commitment can strengthen the relationship between entrepreneurial ability and MSME performance. One of the research gaps of this study is to fill the research gap on the relationship between financial literacy, business actor commitment, and MSME sustainability simultaneously, especially in coastal areas.

In the Kenjeran area of Surabaya, many MSME actors come from simple educational backgrounds and limited access to information. In conditions like this, commitment is an important key so that the financial literacy that is possessed is truly implemented to support business sustainability. Therefore, this study aims to determine how big the role of commitment is in strengthening the influence of financial literacy on the sustainability of MSME businesses in Kenjeran Surabaya.

The aim of this study is (1) To examine the influence of financial literacy on the sustainability of MSME businesses. (2) To analyze the role of commitment as a moderator of the relationship between financial literacy and the sustainability of MSME businesses.

2. RESEARCH METHOD

This study uses a quantitative descriptive approach. Quantitative descriptive is a research method that aims to describe or depict a phenomenon, characteristic, or certain variable quantitatively, namely by using data in the form of numbers, statistics, or numerical calculations (Sugiyono, 2018). The subjects of this study were all MSMEs in the Kenjeran area of Surabaya. While the objects of this study are Financial Literacy (X), Business Sustainability (Y), Commitment as a moderating variable (Z). The data collection techniques used in this study are observation, interviews and questionnaires. The data used are primary data and secondary data. The population is 219 MSME actors. Meanwhile, the sample amounted to 141 which was obtained using the Slovin formula with a standard error of

5%. The data analysis technique used was the Classical Assumption Test and path analysis which consisted of a Simple Regression Test and a Multiple Range Test Moderated Regression Analysis (MRA).

In testing the research instrument, IBM-SPSS software was used to test the validity and reliability of the results of distributing the questionnaire. The following is a picture of the conceptual framework of the research.

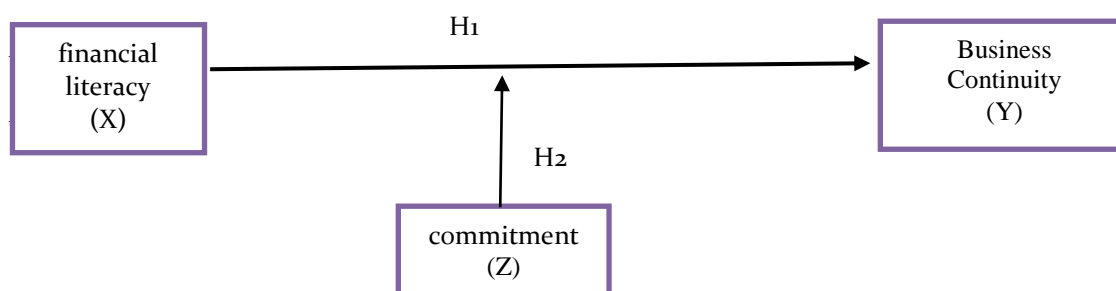


Figure 1. Conceptual Framework of Research

Research Hypothesis

H1: Financial Literacy Affects the Sustainability of MSME Businesses in the Kenjeran Area of Surabaya

H2: Commitment Moderates the Influence of Financial Literacy on the Sustainability of MSME Businesses in the Kenjeran Area of Surabaya

3. RESULTS AND DISCUSSIONS

Respondent Characteristics

Gender reflects the gender involvement of UMKM actors in the Kenjeran area of Surabaya. Based on table 1, it is known that the respondents who predominantly participated in this study were male, as many as 95 people or 67.38%. The level of education of respondents as a reflection to determine the level of intellectualism of respondents who participated in this study, most of whom had a high school education, as many as 103 people or 73.05%. The level of experience of respondents is used as a reference to determine the work experience of respondents as MSME actors. Most respondents have more than 4 years of experience, namely 107 people or equivalent to 75.89%. The recapitulation results can be seen in table 1 below.

Respondent Characteristics	Frequency	Presentation
Gender		
Man	95	67,38
Woman	46	32,62
Total	141	100
Level of education		
SMA	103	73,05
D3	28	19,86
S1	10	7,09
S2/S3	0	0
Total	141	100
Work experience		
Less than 2 years	0	0
3-4 years	34	24,11
Above 4 years	107	75,89
Total	141	100

Research source 2025

Research Instrument Test Results

It is known that the instruments for each variable in this study are valid and can be used to conduct research or test research hypotheses because the Pearson correlation value for each instrument has a calculated r value greater than the r table (0.165.). The results of the reliability test of the instruments in this study can be seen in the table where each question item has a Cronbach's alpha greater than 0.70, which means that all research instruments are declared reliable.

Table 2. Validity and Reliability Test Results

	Indicator	Pearson Correlation	Cronbach Alpha
Financial literacy	X1.1	0, 656	0,728
	X1.2	0, 592	
	X1.3	0, 562	
Commitment	Z1.1	0, 590	0, 744
	Z1.2	0, 745	
	Z1.3	0, 721	
Business Continuity	Y1.1	0, 731	0,704
	Y1.2	0, 659	
	Y1.3	0, 741	

Source: Processed Data 2025

Results of the Classical Assumption Test

Multicollinearity Test

The multicollinearity test aims to determine whether or not there is a perfect linear relationship between the independent variables in the regression. To determine whether or not there are symptoms of multicollinearity, it can be seen from the value of tolerance and VIF (Variance Inflation Factor) through the SPSS program. The criteria used are if the tolerance value > 0.1 or the VIF value < 10 then there is no multicollinearity. The results of the multicollinearity test are presented in Table 3.

Table 3. Multicollinearity Test Results Table

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
financial literacy (X)	1.000	1.000

a. Dependent Variable: Y

Source: Processed Data 2025

Heteroscedasticity Test

Heteroscedasticity occurs when the variance of the disturbance probability distribution is not constant for all observations of the research variables. The method used to test heteroscedasticity in this study uses a scatterplot diagram.

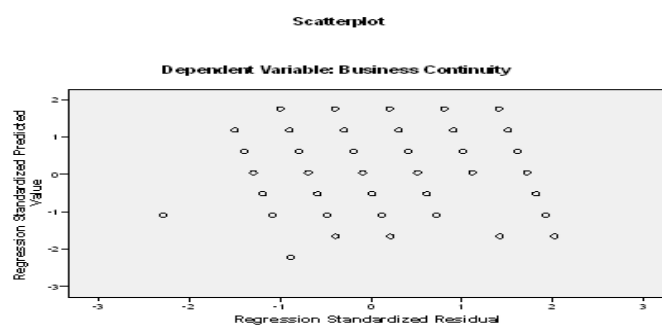
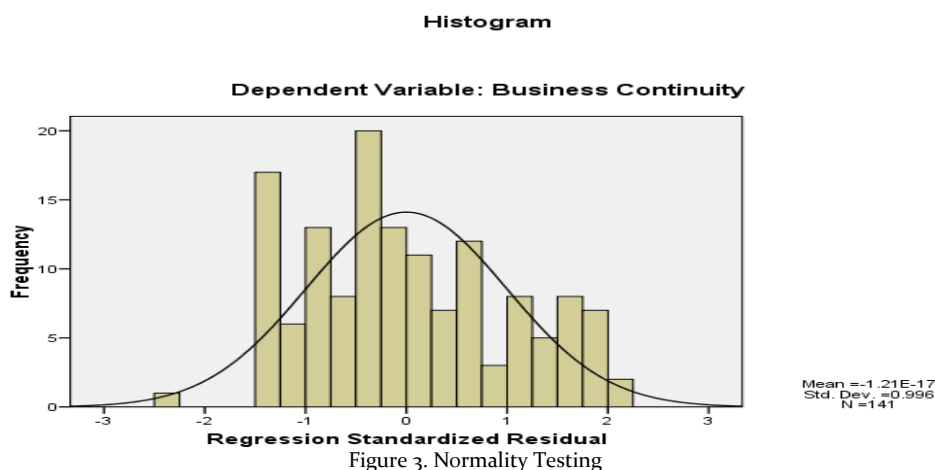


Figure 2. Scatterplot diagram

Source: Processed Data 2025

Normality Test

Test to determine normality and aims to test whether the dependent variable and independent variable both have a normal distribution or not. So if the data has a normal distribution then the t-test can be done, while if the normality assumption cannot be met then inference cannot be done with the t statistic. The results of the normality test with the Normal P-P Plot are shown in the Figure below:



Source: Processed Data 2025

Test Path Analysis

Path analysis is a statistical method used to test causal relationships between variables in a predetermined model (Cresswell et al., 2003). Path analysis extends multiple linear regression analysis by assessing direct and indirect relationships between variables, and is often used in quantitative research based on structural models. (Kurniawan et al., 2016; Solimun et al., 2017) (Dr. Riduwan, 2017; Kurniawan et al., 2016; Wooldredge, 2021)

Sub Structural 1 Direct Influence Path Analysis

Based on the results of the analysis using the SPSS version 26.0 program. SPSS (Statistical Package for the Social Sciences) is a statistical software program that is widely used for quantitative data analysis, especially in the fields of social sciences, business, education, health, and others (Ghozali, 2012, 2016; Norušis, 2012; Santoso, 2018). The regression results between the Financial Literacy variable (X_1) and Business Sustainability (Y) were obtained as follows:

Table 4. Substructure Equation Path Analysis 1

Model				t	
		B	Std. Error	Beta	Sig.
1	(Constant)	10,450	,803		13,016
	financial literacy	,170	,080	,178	2,131

Source: Processed Data 2025

The path analysis model in substructure 1 can be described and formulated with a structural equation as in Figure 4.

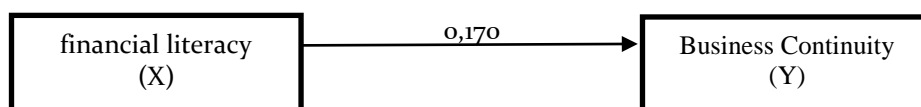


Figure 4. of the Relationship between Substructure and Influence of Variable X on Y

From the regression results obtained, the following equation can be made: $Y = 10,450 + 0,170 X$

Based on table 2 and figure 1, it is known that 0.170 is the regression coefficient (path coefficient): every 1 unit increase in financial literacy (X) will increase business sustainability (Y) by 0.170 units, assuming other variables remain constant. Sig. Value $0.035 < 0.05$ means a significant relationship (strong), meaning that financial literacy has a significant effect on business sustainability. So the decision is H_a is accepted and H_o is rejected. This is because UMKM actors in the Kenjeran area have unique socio-economic characteristics, such as dependence on the tourist season, sea weather, and local market fluctuations. MSMEs in this area need anticipatory financial planning, so that financial literacy helps MSMEs build a strong and risk-responsive financial foundation, which ultimately maintains the continuity of their business. The results of this study are reinforced by research conducted Nanda et al., (2024) found that good financial understanding supports the sustainability of MSME businesses in Yogyakarta.

Substructure II (Moderation Test)

To test the influence of the moderating variables in this study, it was tested using Moderated Regression Analysis . The Moderation Test is to find out whether the moderator variable (Z) influences (strengthens or weakens) the relationship between the independent variable (X) and the dependent variable (Y). To find out whether the moderating variable is able to influence each independent variable on the dependent variable, it can be seen from the significance value below 0.05 and to find out whether the moderating variable weakens or strengthens the influence of each independent variable on the dependent variable, it can be seen from the Beta value.. The results of the moderation effect can be seen in the following table:

Table 4. Substructure Equation Path Analysis 2

Model				t		Sig.
	B	Std. Error	Beta	B	Std. Error	
1	(Constant)	10,645	,532	19,992	,000	
	X1Z1	,015	,005	,239	2,898	,004

Source: Processed Data 2025

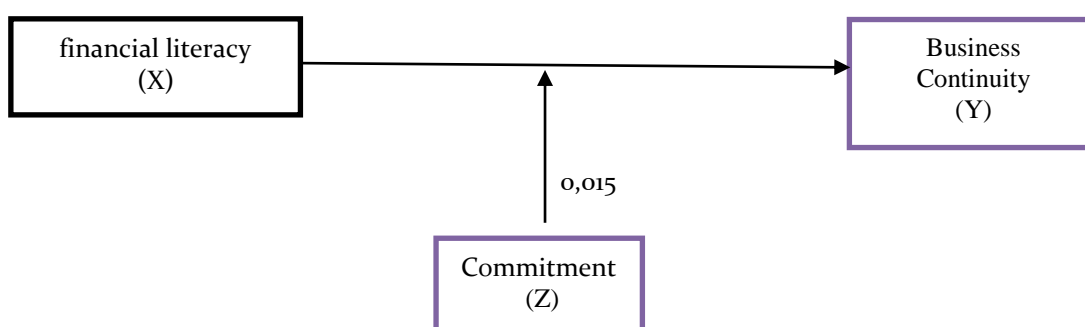


Figure 5. Substructure of the influence of variable X on Y moderated by Z

Statistical results regarding the moderating effect of financial literacy variables on business sustainability. The results of the second hypothesis test presented in Table 3 show that the beta coefficient value (b_2) is 0.015 with a probability and significance figure of $0.004 < 0.05$; then H_2 is accepted.. This means that the commitment of the Kenjeran Surabaya UMKM is able to strengthen the relationship between financial literacy and business sustainability.. Even though business actors have a good level of financial literacy, without a strong commitment, this knowledge is not always applied consistently in business management. This is where commitment plays a role as a moderator that strengthens the relationship. This is where commitment plays a role as a moderator that strengthens the relationship. Nanda et al., (2024) which shows that commitment can strengthen the relationship between entrepreneurial ability and MSME performance.

4. CONCLUSION

The results of this study indicate that there is a significant direct influence between financial literacy and the sustainability of MSME businesses in the Kenjeran area, Surabaya, and that the commitment of business actors plays a role in strengthening (moderating) this relationship. These findings provide a strong foundation for the development of more structured MSME development programs that focus on two main aspects, namely increasing financial literacy and strengthening entrepreneurial commitment.

In the context of development, these results open up opportunities for local governments, financial institutions, and MSME support institutions to integrate financial literacy training modules with character development and entrepreneurial commitment. In addition, the results of this study can be used as reference material in designing evidence-based policy interventions to encourage the sustainability of micro-enterprises, especially in coastal areas such as Kenjeran which have unique local economic potential.

Methodological limitations are not merely weaknesses, but rather sources of scientific justification for: Expanding the design to be longitudinal (monitoring changes over time). Strengthening the design to be experimental (to test cause-and-effect relationships). Expanding the respondent population (for generalization and cross-demographic analysis)

ACKNOWLEDGEMENTS

We would like to express our gratitude to the Bhayangkara University of Surabaya and the respondents of MSME actors in the Kenjeran area of Surabaya.

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