

The Effect of Financial Management on Revenue for SME Actors in Gomo District South Nias, Indonesia

Ernamawati Hulu¹, Perlindungan F. Hulu², Nanny A. Bu'ulolo³, Sophia M. Kakisina⁴

^{1,2,3,4} Department of Management, Faculty of Economics, Universitas Nias, Gunungsitoli, Indonesia. Email: ernamawatihulu@gmail.com¹, perlinhl@gmail.com², nannyartatinabll@gmail.com³, molindasophia@gmail.com⁴

ARTICLE HISTORY

Received: September 09, 2024

Revised: October 23, 2024

Accepted: February 16, 2025

DOI

<https://doi.org/10.52970/grdis.v5i2.676>

ABSTRACT

From the observations, most SME actors in Gomo District, South Nias Regency still have minimal basic knowledge of good financial management. This is shown by the fact that most SME actors do not yet have financial reports, such as cash books, profit, and loss reports, and balance sheets, and have not saved for the future, invested, or taken out insurance, many of them still cannot separate personal finances from business finances. With this lack of knowledge of financial management, they cannot manage their expenses properly. Observations show that many SME actors often have difficulty reporting their financial position and calculating turnover, and business profits. The purpose of this study was to determine the Effect of Financial Management on Income for SME Actors in Gomo District, South Nias Regency. The population of this study was all Micro, Small, and Medium Enterprises in Gomo District, South Nias Regency. The results of the study showed that financial management had a significant effect on income.

Keywords: Financial Management, SME Income, South Nias Regency

I. Introduction

Micro, Small, and Medium Enterprises (SMEs) play a very important role in the Indonesian economy. SMEs are the backbone of the economy, contributing significantly to Gross Domestic Product (GDP), employment, and equitable development. According to data from the Ministry of Cooperatives and SMEs, SMEs contribute around 60% of GDP and absorb more than 90% of the workforce in Indonesia. The success and sustainability of SMEs are therefore critical to national economic stability. However, despite their large contribution, SMEs often face various challenges that hinder their growth and sustainability. One of the main challenges is sub-optimal financial management. Many SME players do not have a good financial management system, such as neat transaction recording, cash flow management, financial planning, and separation between personal and business finances. This often leads to difficulties in controlling costs, accurately identifying profits, and making the right business decisions. Financial management affects the way SME players think about financial conditions and affects strategic decision-making in terms of finance and better Financial Management. The main problem in SMEs in general is that they do not have good financial records to make financial reports. Financial management has a positive and significant effect on income. Financial management affects income by increasing the ability of SME actors to manage finances effectively, thereby increasing income. Good financial management also affects revenue by optimizing the use of resources and reducing operating costs, thereby increasing revenue. Revenue is the main purpose of establishing a company. As a profit-oriented organization, revenue has a very big role. Revenue is an

important factor in the operation of a company because revenue will affect the level of profit that is expected to ensure the survival of the company.

Based on observations that have been made in the field where there are several problems found, namely, SME actors in Gomo District still do not have a financial plan or financial records, this is known through the absence of a definite calculation of the price or sale of goods, resulting in fluctuations in the inventory of goods. There are also several SME actors in the Gomo sub-district who have not been able to improve their businesses and meet the needs of their families, this can be seen where some SME actors cannot survive to compete with other SMEs. Most SME actors in the Gomo sub-district also still lack an understanding of the separation of personal and business finances, which often causes confusion in managing capital and objectively measuring business income. This hampers their ability to reinvest or expand their business. The objectives of this study are to determine whether financial management affects the income of SME actors in the Gomo sub-district and to assess the extent of the influence of financial management on income for SME actors in Gomo District, South Nias Regency.

II. Research Method

This study uses a quantitative approach, emphasizing the testing of theories through the measurement of research variables using numbers and statistical procedures. The primary objective is to examine the effect of financial management on income for SME actors in Gomo District, South Nias Regency. The independent variable is financial management behavior, while the dependent variable is income. Data verification ensures that the collected data is valid and accurate, and a questionnaire with a Likert scale is used for data collection. Descriptive statistical analysis is employed to provide an overview of the data, and simple linear regression is used to analyze the relationship between financial management and income. The study also includes tests such as the coefficient of determination (R^2) to assess the model's ability to explain variations in the dependent variable, and correlation coefficient analysis to determine the strength and direction of the relationship between the variables. Data quality is evaluated through validity and reliability tests, with Pearson's Product Moment Correlation and Cronbach's Alpha coefficients used to test validity and reliability, respectively. Classical assumption tests, including normality and multicollinearity tests, are performed to ensure the data's suitability for parametric analysis. Finally, hypothesis testing is conducted using the t-test to determine if there is a significant effect of financial management on income. If the significance value is less than 0.05, the null hypothesis is rejected, indicating a significant effect; otherwise, the null hypothesis is accepted. The results of the study will provide insights into the influence of financial management on the income of SME actors in the region.

III. Result and Discussion

3.1. Statistical Result

3.1.1. Validity Test of Financial Management Variables (X)

The validity test is used to measure whether a questionnaire is valid or not. A question item or questionnaire is said to be valid or valid if the question item is able to show the tendency of the truth value. The following is a table of validity test results using SPSS v.24.

Table 1. Variable Validity Testing Results X

	Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X01	42.32	55.720	.451	.847
X02	41.93	53.709	.581	.841

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X03	42.12	53.967	.556	.842
X04	42.04	53.427	.539	.842
X05	42.23	53.465	.464	.847
X06	42.00	53.143	.552	.842
X07	42.18	54.719	.533	.843
X08	41.96	52.427	.615	.838
X09	42.54	54.645	.511	.844
X10	41.96	53.106	.645	.837
X11	42.33	55.190	.376	.851
X12	42.26	54.555	.418	.849
X13	42.19	53.730	.465	.847
X14	42.28	54.991	.317	.857
X15	42.11	54.774	.416	.849

3.1.2. Income Variable Validity Test (Y)

The results of this validity test are presented in the table below, which shows whether the question items in the questionnaire can be considered valid or not.

Table 2. Variable Y Validity Testing Results

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Y01	44.53	56.897	.592	.874
Y02	44.02	55.839	.642	.871
Y03	44.39	56.670	.551	.875
Y04	44.14	55.444	.622	.872
Y05	44.37	55.344	.548	.876
Y06	44.19	55.623	.588	.873
Y07	44.39	56.241	.605	.873
Y08	44.21	55.705	.585	.874
Y09	44.67	56.940	.509	.877
Y10	44.26	56.019	.628	.872
Y11	43.98	58.018	.545	.876
Y12	44.04	57.499	.486	.878
Y13	44.21	56.776	.463	.879
Y14	44.51	58.040	.318	.888
Y15	44.00	57.357	.565	.875

3.2. Reliability Test

3.2.1. Reliability test of Financial Management Variable X

Table 3. Reliability Test Results Financial Management Variable

Cronbach's Alpha	N of Items
.854	15

3.2.2. Income Variable Reliability Test (Y)

Table 4. Income Variable Reliability Test Results

Cronbach's Alpha	N of Items
.883	15

3.3. Test Correlation Coefficient

Table 5. Income Variable Reliability Test Results

Correlations			
		Financial Management	Revenue
Financial Management	Pearson Correlation	1	.767**
	Sig. (2-tailed)		.000
	N	57	57
Revenue	Pearson Correlation	.767**	1
	Sig. (2-tailed)	.000	
	N	57	57

** . Correlation is significant at the 0.01 level (2-tailed).

3.4. Classical Assumption Test

3.4.1. Normality Test

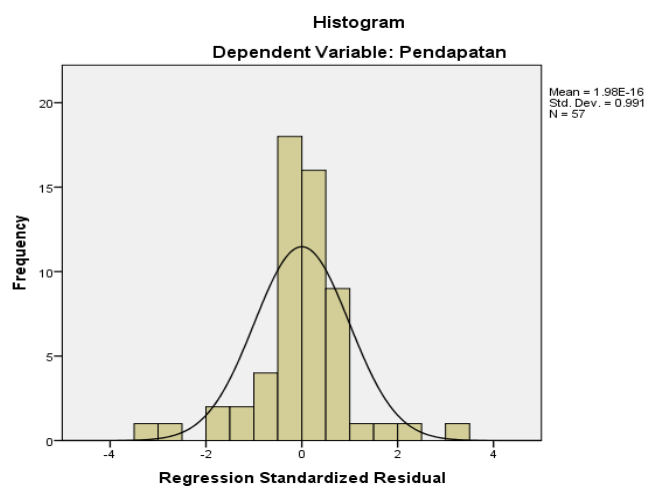


Figure 1. Graph P. P Plot Histogram Normality Test

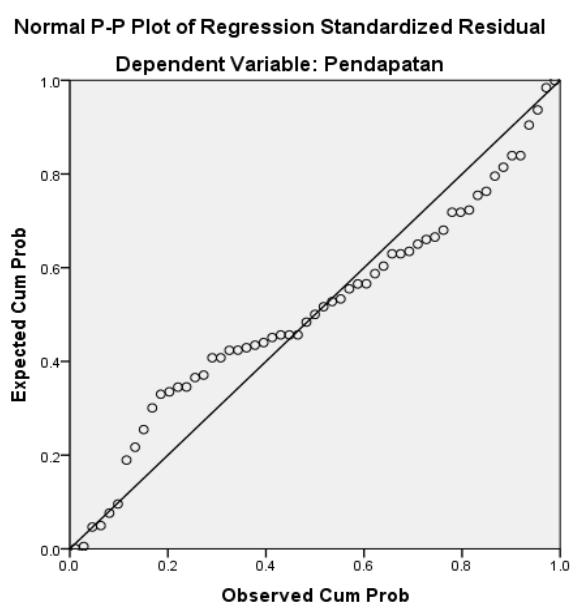


Figure 2. Graph P. P Plot Normality Test

3.4.2. Kolmogorov Smirnov

Table 6. Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test		
N		Unstandardized Residual
		57
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	5.14459199
Most Extreme Differences	Absolute	.153
	Positive	.100
	Negative	-.153
Test Statistic		.153
Asymp. Sig. (2-tailed)		.002 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

3.4.3. Multicollinearity Test

Table 7. Coefficients Test Results

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Financial Management	1.000	1.000

a. Dependent Variable: Revenue

3.4.4. Heteroscedasticity Test

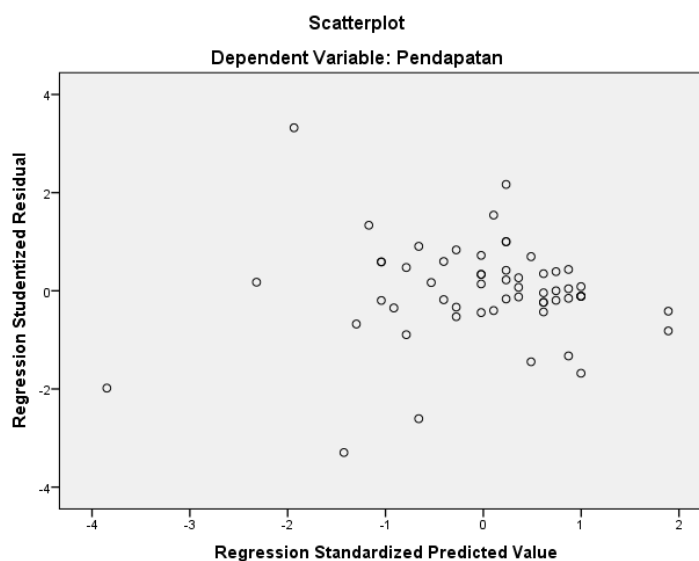


Figure 3. Graph Heteroscedasticity Test

3.5. Simple Linear Regression

Table 8. R Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767 ^a	.589	.581	5.191

a. Predictors: (Constant), Financial Management
 b. Dependent Variable: Revenue

Table 9. Coefficients Test Results

Coefficients					
Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	(Constant)	11.937	4.056		2.943
	Financial Management	.785	.088	.767	8.877

a. Dependent Variable: Revenue

3.6. Coefficient of determination

Table 10. Test Results of the Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767a	.589	.581	5.191

a. Predictors: (Constant), Financial Management
 b. Dependent Variable: Revenue

3.7. Hypothesis Test (T-Test)

Table 11. The result of the t-test

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.937	4.056		2.943	.005
	Financial Management	.785	.088	.767	8.877	.000

a. Dependent Variable: Revenue

3.8. Discussion and Research Results

3.8.1. The Effect of Financial Management on the Income of Umkm Actors in Gomo District, South Nias Regency

The results showed that there was an effect of Financial Management on Income in SME Actors in Gomo District, South Nias Regency. This is evident in the results of the t-test statistics for the Financial management variable, where the t value is 8.877 and the t table is 1.67203, with a significance level of 0.000. Because the t count is greater than the t table ($8.877 > 1.67203$) the significance value is smaller than 0.05 ($0.000 > 0.05$), and the regression coefficient value has a positive value of 0.785, this study succeeded in proving the first hypothesis (H_a) which states that "There is an Effect of Financial Management on Income in SME Actors." With the influence of financial management on income in SME actors in the Gomo sub-district, South Nias Regency shows that they already have an understanding of finance in running their business, especially regarding financial management. The results of this study explain that the better the Financial Management that each entrepreneur has, the better/increased their business income. This research is in line with research conducted by Budi santoso, (2020), which concluded that financial management has a positive effect on SME income in Surabaya City. Good financial management can increase the efficiency of SME productivity, which in turn increases their income. In addition, Rahmawati Putri, (2021) also concluded that the financial management variable has a significant effect on income for SME players in Sleman district. Thus, it can be concluded that the better the financial management owned by entrepreneurs, the more business income will be applied by SME business actors in Gomo District, South Nias Regency.

3.8.2. How much influence does financial management have on income in SME players in Gomo District

From the results of the research conducted, it was found that the financial management variable (X) had a significant effect on income for SME actors in Gomo District, South Nias Regency. This is evidenced by the t-test value of 8.877 and t-table of 1.67203, with a significance of 0.000, which is smaller than 0.05. Because the t-test is greater than the t table ($8.877 > 1.67203$) and the significant value is smaller than 0.05 ($0.000 < 0.05$), therefore, H_0 is rejected and H_a is accepted, which means that this study is able to prove that it is a significant effect of financial management on income in SME actors in the Gomo sub-district, South Nias Regency. These results indicate that SME actors need to have better financial management in running their businesses. So that this becomes a habit and becomes a behavior in doing business. Business is not just buying and selling but requires art in the transaction process. Especially for sellers, it is important to have a good and clear concept of financial management so that all business activities can run under control. This research is similar to the research of Muhammad Irfan and Rahmawati Putri, (2021), which concluded that financial management has a positive effect on SME income in Sleman district. This study used panel data from 2017 to 2020 and found that good financial management can increase SME income through increased business efficiency and productivity. This study shows that Financial Management has a significant influence on management behavior, especially in increasing revenue. By implementing financial management behavior, businesses can develop their business. Thus, the income of each business is strongly influenced by its supporting factors. By the results of the coefficient of determination test, the Adjusted R-Square value obtained is 0.581 or 58.1%. This shows that the independent variables in this study can explain or influence the dependent variable by 58.1%. In other words, the independent variables used in this study contributed significantly to influencing the dependent variable. However, there is still a 41.9% variation in the dependent variable which is influenced by other factors or variables not included in this study. The regression analysis test results show that Financial Management has a positive and significant effect on Revenue. The unstandardized coefficient value of 0.785 indicates that every one-unit increase in Financial Management can increase Revenue by 0.785 units. In addition, the very low significance value (0.000) indicates that this effect is highly statistically significant. Thus, it can be concluded that the better the Financial Management, the higher the Revenue generated.

IV. Conclusion

Based on the results of research conducted in Gomo District, South Nias Regency, the effect of financial management on income for SME actors in Gomo District, South Nias Regency, researchers can provide several conclusions, among others: The results of this study indicate, the t-test can explain that there is a positive and significant effect of Financial Management on Income for SME Actors in Gomo District, South Nias Regency. The importance of SME actors understand more structured and efficient financial management practices, such as neat bookkeeping, separation of personal and business finances, and careful financial planning. Financial management has an influence on income in SME actors in Gomo District, South Nias Regency. Partially there is an influence between financial management on income in SME actors in Gomo District, South Nias Regency. Based on the research that has been conducted, the researcher provides a few suggestions for the realization of financial management behavior, among others: The need for entrepreneurs to find a new breakthrough that supports financial behavior, so that the business they run has good financial management. Entrepreneurs need to have good financial knowledge, so they can separate their business management. The financial management of entrepreneurs needs to be changed so that in running a business they can separate business needs and household needs. The income earned by entrepreneurs needs to be controlled as well as possible so that all income can continue to increase capital and increase business.

References

- Agus, S., & Irfani. 2020. *Manajemen Keuangan Dan Bisnis: Teori Dan Aplikasi*. Jakarta: Gramedia Pustaka Utama.
Aisyah, S., Et Al. 2020. *Manajemen Keuangan*. Medan: Yayasan Kita Menulis.



- Anwar. 2019. *Dasar-Dasar Manajemen Keuangan*. Jakarta: Kencana.
- Anwar, P. M. 2015. *Manajemen Sumber Daya Manusia Perusahaan*. Bandung: Remaja Rosdakarya.
- Arliman, S. 2017. Perlindungan Hukum Umkm Dari Eksploitasi Ekonomi Dalam Rangka Peningkatan Kesejahteraan Masyarakat (Umkm Legal Protection From Economic Exploitation To Improve Social Welfare). *Jurnal Rechtsvinding*, Vol. 6 No. 3, Desember 2017, Hlm. 387–402. <http://Dx.Doi.Org/10.33331/Rechtsvinding.V6i3.194>
- Armereo., Et Al. 2020. *Manajemen Keuangan*. Ed Pertama. Cirebon: Nusa Lentera Insiparasi.
- Astuty, H. S. 2019. *Praktik Pengelolaan Keuangan Wirausaha Pemula*. Kramat: Deepublish.
- Firmansyah, A. I. 2019. Pengaruh Pertumbuhan Usaha Mikro, Dan Menengah Terhadap Pertumbuhan Ekonomi Di Tulungagung. <http://Repo.Uinsatu.Ac.Id/Id/Eprint/23360>.
- Furqoniah, F., & Aransya, M. F. 2020. Kegagalan Dan Keberhasilan Dalam Kewirausahaan. Klaten: Lakeisha.
- Hartanto, A. 2019. Pengaruh Kualitas Produk, Kualitas Layanan, Dan Lingkungan Fisik Terhadap Loyalitas Pelanggan Melalui Kepuasan Pelanggan Sebagai Variabel Mediasi Di De Mandailing Cafe Surabaya. *Agora* Vol. 7, No. 1 (2019). <https://Doi.Org/10.24114/Niaga.V11i1.32678>
- Hastuti, W. 2019. Pengaruh Modal Kerja Dan Jam Kerja Terhadap Pendapatan Petani Nira Di Desa Purbosari Kecamatan Seluma Barat Kabupaten Seluma. <http://Repository.Iainbengkulu.Ac.Id/Id/Eprint/3613>
- Hendriksen, E. 2018. *Teori Akuntansi*. Jakarta: Erlangga.
- Henry, Faizal Noor. 2018. *Ekonomi Managerial*. Jakarta: Rajawali, Pers.
- Humaira, I. 2018. 2018 Pengaruh Pengetahuan Keuanganm Sikap Keuangan, Dan Kepribadian Terhadap Perilaku Manajemen Keuangan Pada Pelaku Umkm Ekonomi Kreatif Sun Sector Kuliner Kabupaten Malang. *Ejrm* Vol. 09 No. 07 Februari 2020. <https://Jim.Unisma.Ac.Id/Index.Php/Jrm/Article/View/6239>
- Irfan, M., & Putri, R. 2021. Pengaruh Pengelolaan Keuangan Terhadap Pendapatan Umkm Dikabupaten Sleman.
- Jatmiko, D. P. 2017. *Pengantar Manajemen Keuangan*. Cetakan Pertama. Yogyakarta: Diandra Kreatif.
- Kariyoto. 2018. *Manajemen Keuangan Konsep Dan Implementasi*. Malang: Tim Ub Press.
- Kholilah, N. A., & Iramani. 2013. Studi Financial Management Behavior Pada Masyarakat Surabaya. *Journal Of Business & Banking*, 3(1), 69–80. <https://Doi.Org/10.14414/Jbb.V3i1.255>
- Nirdiansyah, H., & Rahman, R. S. 2019. *Pengantar Manajemen*. Yogyakarta: Diandra Kreatif.
- Permadi, D. A. 2021. Pengaruh Pengetahuan Keuangan Dan Pendapatan Terhadap Perilaku Pengelolaan Keuangan Pada Pedagang Martabak Manis Di Pekan Baru. <https://Repository.Uir.Ac.Id/16428/>.
- Prihadini, B. 2018. Analisis Faktor-Faktor Yang Mempengaruhi Pendapatan Pedagang Kain Di Beteng Trade Center Surakarta. *Jurnal Ekonomi & Bisnis* Vol 6 No 2 (2021). <https://Jurnal.Untag-Sby.Ac.Id/Index.Php/Jeb17/Article/View/161-168>
- Purba, D.S., Et Al. 2021. *Manajemen Usaha Kecil Dan Menengah*. Medan: Yayasan Kita Menulis. Raharja, A. D. 2020. Pengaruh Kompetensi Sumber Daya Manusia Terhadap Pengelolaan Dana Desa (Add) (Studi Kasus Di Desa Ngalangari, Desa Bojongkalong, Desa Mekarsari, Desa Bojongsari Dan Desa Kertangsana Kecamatan Nyalindung Kabupaten Sukabumi Jawa Barat). Vol. 5 No. 1 (2020): Prosiding Seminar Nasional Manajemen, Ekonomi Dan Akuntansi 2020. <https://Proceeding.Unpkediri.Ac.Id/Index.Php/Senmea/Article/View/231>
- Santoso, B. 2020. Pengaruh Pengelolaan Keuangan Terhadap Pendapatan Umkm Di Kota Surabaya.
- Sari, I. W., Susianti, J., & Salim, M. A. 2020. Pengaruh Financial Literacy, Attitude Dan Pendapatan Terhadap Perilaku Pengelolaan Keuangan Pada Pelaku Umkm Fashion Di Kota Batu. *Ejrm* Vol. 09 No. 05 Agustus 2020. <https://Jim.Unisma.Ac.Id/Index.Php/Jrm/Article/View/7904>
- Sochib. 2018. *Pengantar Akuntansi 1 (Pertama)*. Yogyakarta: Deepublish.
- Suci, R. 2017. Perkembangan Umkm (Usaha Mikro Kecil Dan Menengah). *Jurnal Ilmiah Cano Ekonomosvol*. 6 No. 1 Januari 2017. <https://Journal.Upp.Ac.Id/Index.Php/Cano/Article/Download/627/400/1597>.
- Sugiyono. 2019. *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*. Bandung: Alfabeta.
- Sulistiyowati, C. 2020. *Anggaran Perusahaan: Teori Dan Praktika*. Surabaya: Scopindo Media Pustaka.
- Wibowo, A., & Kurniawati, E. P. 2015. Pengaruh Penggunaan Informasi Terhadap Keberhasilan Usaha Kecil Di Kecamatan Tingkir Kota Salatiga. *Jurnal Ekonomi Dan Bisnis*. Vol. 18 No. 2 (2015). <https://Doi.Org/10.24914/Jeb.V18i2.269>.
- Wicaksono, G., Veronica, A., & Anita, L. 2022. *Teori Akuntansi*. Padang: Pt. Global Eksekutif Teknologi.
- Wijaya, D. 2017. *Manajemen Keuangan Konsep Dan Penerapannya*. Jakarta: Pt Grasindo.
- Winardi, J. 2016. *Manajemen Perubahan*. Yogyakarta: Pustaka Pelajar.
- Wulandari, S., & Rahmawati, Y. 2018. Efektifitas Pengelolaan Keuangan Terhadap Pendapatan Usaha Mikro Di Yogyakarta.