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The Influence of Technology Literacy and Financial Literacy on Small Business Performance Mediated by Digital Finance Access

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ABSTRACT

This study aims to examine the effect of technological literacy, financial literacy on small business performance. This study also examines the moderating role of digital financial access. The population in this study were all small businesses in Kendari City, totaling 1,108 small businesses. The number of samples in this study were 294 respondents, which were selected using purposive sampling method. The data collection technique used a questionnaire in the form of a well-organized list of questions through survey media. The analysis model used is structure equation modeling with the covariance base model method or known as SEM-PLS. The results found that financial literacy and technological literacy have a significant positive effect on company performance (small businesses). Digital financial access acts as a mediating influence of financial literacy and technological literacy on firm performance (small businesses).

Keywords: *Access to Digital Finance, Financial Literacy, Small Business Performance, Technology Literac.*

I. INTRODUCTION

Small businesses play a very important role in the economic development of a country, including Indonesia. In addition to being one of the largest job providers, small businesses also contribute significantly to economic growth and public welfare. According to data from the Ministry of Cooperatives and SMEs (2022), around 97% of the total workforce in Indonesia works in the small and medium enterprise (SME) sector. Locally, in Kendari City, small businesses contributed around 32% to the Gross Regional Domestic Product (GRDP) in 2022, becoming the main driver of economic recovery after the COVID-19 pandemic (BPS Kendari City, 2023). However, behind this significant contribution, small businesses still face various challenges that hinder growth, one of which is low technological literacy and financial literacy.

Technological literacy refers to the ability of individuals or organizations to understand, use, and utilize technology effectively (Hargittai, 2005). In this digital era, technology plays a vital role in many aspects of business, including operational management, marketing, and expanding market reach. Unfortunately, many small business owners in Indonesia have not utilized technology optimally, making it difficult for them to compete in local, national, and international markets. The use of e-commerce, for example, can help small businesses reach a wider market. However, the lack of technological skills often hinders small business owners from utilizing this platform strategically (Garcia-Morales et al., 2018). Likewise, good technological literacy allows business owners to automate various business processes, such as inventory management and financial recording, which has the potential to increase operational efficiency (Walsh et al., 2015).

In addition to technological literacy, financial literacy is also an important element in supporting small business performance. Financial literacy includes understanding and ability to manage finances effectively, including budget planning, cash flow management, and investment decision making (Chen & Volpe, 1998). Small business owners who have good financial literacy are better able to manage financial resources wisely, avoid the risk of bankruptcy, and support sustainable business growth (OJK, 2021). Financial literacy also helps in developing long-term financial strategies, which enables small businesses to better face market challenges and capitalize on business opportunities (Kulathunga et al., 2020).

However, despite having good technological and financial literacy, access to digital finance is an important factor that can mediate the relationship between the two variables and small business performance. Access to digital

finance, which refers to the use of digital technology for financial services, enables small businesses to access financial services that were previously difficult to access (Suri & Jack, 2016). Research shows that access to digital finance can improve the efficiency and affordability of financial services, as well as support more effective business management (Ozili, 2018). For example, access to digital financial platforms enables small businesses to utilize real-time payment, lending, and financial recording services, which ultimately contribute to improved business performance (Ratnawati et al., 2023; Tuffour et al., 2020).

In the context of Resource-Based View (RBV) theory, small business performance is greatly influenced by strategic internal resource management, including human, technological, and financial resources (Barney et al., 2001). However, in practice, there are still research gaps and empirical gaps that indicate the need for more in-depth studies on the relationship between technological literacy, financial literacy, and small business performance, especially in the context of the role of digital financial access as a mediator. Several previous studies have shown that although small businesses have good literacy, they often have difficulty in optimally utilizing digital financial access, which has an impact on business performance (Hussain et al., 2018; Assifuah-Nunoo, 2023). Therefore, this study aims to explore the effect of technological literacy and financial literacy on small business performance with digital financial access as a mediating variable.

II. LITERATURE REVIEW

2.1 Financial Literacy

Financial literacy is a set of knowledge and/or skills related to personal financial management and financial understanding regarding several things including savings, insurance, and investment (Chen H. & P., 1998). Meanwhile, according to OJK, (2021) Financial literacy is knowledge, skills, and beliefs that influence attitudes and behavior to improve the quality of decision-making and financial management in order to achieve prosperity. Wise financial attitudes and behavior are reflected in a person's ability to determine financial goals, prepare financial plans, manage finances, and be able to make quality financial decisions in using financial products and services (Financial Services Authority, 2021). SME financial literacy focuses on the individual's ability to translate these concepts into business needs and additional knowledge: for example. types and sources of business financing; products and services that are appropriate for companies at certain stages of business growth; and tax implications. (USAID, 2009). According to Lusardi et al., (2007) Financial literacy is a variety of basic concepts in the field of economics that are needed to make decisions about saving and investing wisely. Financial literacy is one of the important sources of knowledge that increases the capacity, skills, and expertise of individuals and companies to use technology effectively. (Kulathunga et al., 2020).

2.2 Technological Literacy

According to Hobbs, (2011) technological literacy is the skill in accessing, analyzing, evaluating, and creating information using digital technology. This literacy includes critical skills in understanding how technology is used for communication and creativity. Hobbs emphasizes the importance of an individual's ability to think critically about information obtained through technology, as well as the ability to use digital tools effectively to participate in the information society. Technological literacy is described as the skill of using technology to gather information, evaluate that information, and use it to solve problems, communicate, and work effectively in an increasingly technology-focused world (ETS, 2002). Technological literacy according to (ETS, 2002) is the ability to use digital tools, communication, and networks to access, manage, integrate, evaluate, and create information in order to function in a knowledge-focused society. According to Hague & Payton, (2010), technological literacy is the ability to use, understand, and create digital technology and understand its impact on individuals and society. Technological literacy includes skills in using various digital tools to access information, communicate, and complete tasks. It also involves a deep understanding of how technology works, as well as the ability to think critically about how technology affects culture, economy, and social interactions. Hague and Payton emphasize that technological literacy is not only limited to technical skills, but also includes a contextual and ethical understanding of the use of technology in everyday life.

2.3 Digital Financial Access

Digital financial access is an effort to provide financial services to those who were previously difficult to reach by the traditional financial system, by utilizing digital technology Suri & Jack, (2016). Digital financial access involves the use of information and communication technology to improve the affordability and efficiency of financial services worldwide (GSMA, 2017). Access to digital finance is considered as knowledge acquisition and is presented as something managers need to improve company performance (Kulathunga, jianmu ye, 2020). Digital financial access includes the ability of individuals or groups to utilize financial services through digital platforms, such as online banking, digital payments, and electronic investments (Demirguc et al., 2017). Digital financial access refers to the ability of individuals or entities to use financial services through digital technologies, such as mobile devices, the internet, and other digital platforms. This includes access to banking services, digital payments, investments, and insurance provided through digital platforms. Digital financial access allows individuals to conduct financial transactions, manage personal finances, and obtain financial services without having to visit a physical office of a financial institution. With digital financial access, it is expected to increase financial inclusion, efficiency, and affordability of financial services (Oktavianna et al., 2022)

2.4 Company Performance

Performance is: the process or way of doing, important actions or achievements, performances of players or other entertainment (Goyal & Barron, 2001). Meanwhile, according to (Lee & Tsang, 2001) Performance (business performance) refers to the level of achievement or accomplishment of a company in a certain period of time. Wibowo, (2008) explains that performance comes from the concept of performance, where performance is interpreted as the result or achievement of work. However, performance actually has a broader meaning than just the result of work; performance also includes how the work process takes place. Company performance is a measure used to measure the success of a company in achieving its stated goals where a company is said to be successful in areas if existing practices match all constituency needs (Kotter & Heskett, 1992), while (P. J. Richard et al., 2009) defines company performance as the result of business activities reflected in the achievement of financial, operational, and strategic goals. They emphasize the importance of combining various dimensions of performance for a holistic understanding. From several definitions of Company Performance (Small Business) according to experts, the author concludes that company performance is a measure of success in achieving predetermined goals. This success can be seen from the suitability of business practices with the needs of the constituency, including financial, operational, and strategic goals. Thus, company performance not only reflects the results of business activities, but also the extent to which the company can meet the expectations and demands of the various parties involved.

2.5 Relationship between the Influence of Financial Literacy on Company Performance (Small Business)

The Rational Choice Theory and Keynes' Consumption Theory suggest that an individual's decision to save is influenced by income, good financial literacy, and information related to savings products. Financial literacy, according to Chen & Volpe (1998), refers to knowledge and skills in managing personal finances, including savings, insurance, and investment. The Financial Services Authority (OJK, 2021) states that financial literacy includes knowledge, skills, and beliefs that influence a person's attitudes and behavior in financial management, in order to achieve well-being. Individuals with good financial literacy tend to have the ability to plan finances, manage money, and make wise financial decisions. Research by Kulathunga et al. (2020) showed that technological and financial literacy have a positive influence on SME performance, with high literacy levels being directly proportional to good performance. Similar findings were found by Yakob et al. (2021) who stated that financial literacy has a significant effect on SME performance. These results are supported by research by LMCS (2019), Esiebugie et al. (2018), and Tuffour et al. (2020) which also showed a significant positive influence on company performance, especially small businesses.

2.6 Relationship of Technology Literacy Influence on Company Performance (Small Business)

The Diffusion of Innovation Theory provides an important basis for understanding how innovations and new technologies are adopted in society or organizations. This theory explains the stages of technology adoption, from innovators to the last group to adopt (laggards), as well as the importance of the role of social networks in the spread of technology. In the context of technology literacy, this includes not only technical skills, but also the ability to manage cultural and organizational changes that support the successful implementation of technology. Rogers (2003) emphasized that factors such as managerial support and business process adaptation can improve small business performance through appropriate technology. Technology literacy, according to Hobbs (2011), is the ability to access, analyze, evaluate, and create information using digital technology, as well as understanding how technology is used for communication and creativity. ETS (2002) defines technology literacy as the ability to use technology to collect, evaluate, and utilize information to solve problems and communicate effectively. Hague & Payton (2010) added that technology literacy also involves the ability to assess the reliability of digital information sources and understand the social impact of technology. Elvira & Yusuf's (2023) research shows that digital literacy has a significant effect on SME performance, with digital culture and technical capacity closely related to company performance although it only explains 31.2% of the variation in performance. Research by Diptyana et al. (2022) and Hastuti et al. (2021) also supports this finding, showing that financial literacy and digital literacy have a positive effect on MSE and SME performance.

2.7 Relationship between the Influence of Digital Financial Access and Small Business Performance

The Technology Acceptance Model (TAM) explains that the adoption and use of technology is influenced by individual perceptions of the usefulness and ease of the technology. In the context of digital financial access, perceived usefulness is related to the extent to which users feel that digital financial services can provide real benefits, such as ease of transactions or better financial monitoring (Davis, 1989). Digital financial access, according to Suri & Jack (2016), is an effort to provide financial services to those who were previously difficult to reach by the traditional financial system by utilizing digital technology. Information and communication technology is used to increase the affordability and efficiency of financial services globally (GSMA, 2017). Siddik et al.'s (2016) research shows that e-banking has a positive contribution to bank Return on Equity after two years, although a negative impact was found in the first year. Ozili's (2018) research also supports this, stating that digital financing through fintech has a positive impact on financial inclusion, especially for low-income individuals. Agyapong (2020) added that financial institutions are trying to integrate digitalization in the provision of financial services.

2.8 Relationship between Financial Literacy Mediated by Digital Financial Access and Small Business Performance.

Financial literacy mediated by digital financial access has been shown to have a positive effect on company performance, especially small businesses. Financial literacy refers to the understanding and skills in managing company finances, while digital financial access relates to the ease of using financial technology. Research by Lusardi & Tufano (2015) shows that companies managed by individuals with good financial literacy tend to have better financial performance. Digital financial access, on the other hand, can improve the efficiency and productivity of small businesses. Demirguc-Kunt et al. (2017) found that digital financial services increase access to credit, facilitate transactions, and improve the operational efficiency of small businesses. Research by Allen et al. (2014) also shows that the adoption of financial technology expands access to financial services, especially in remote areas. By combining good financial literacy and digital financial access, small businesses can optimize their financial management, increase access to capital, and improve their business processes. These findings are supported by research by Tuffour et al. (2020), Hussain et al. (2018), Junico & Wibowo (2022), and Assifuah-Nunoo (2023).

2.9 The Relationship between Technology Literacy Mediated by Digital Financial Access and the Impact on Small Business Performance.

Technology literacy, digital financial access, and small business performance are closely related in increasing the efficiency and effectiveness of business operations. Technology literacy enables small business owners to understand and utilize technology, including digital financial platforms, which then strengthens their ability to manage transactions, financing, and finances more effectively. Digital financial access mediates the relationship between technology literacy and business performance, with a good understanding of technology accelerating the use of digital financial services, leading to better financial management, reduced operational costs, and increased access to markets and customers. The Diffusion of Innovation Theory by Rogers (2003) explains that the adoption of innovations, such as digital technology, depends on understanding and acceptance among users, and technology literacy accelerates this process. Research by Ratnawati et al. (2023) found a relationship between digital financial literacy, digital payments, and company performance. In addition, Y. F. Richard et al. (2024) showed that financial technology has a positive effect on business sustainability, with financial inclusion mediating the relationship between financial literacy, financial technology, and business sustainability.

III. RESEARCH METHODS

3.1 Research Location and Object

The research location is an area where the research will be conducted. Where the location in the research is a place where researchers collect data, observe phenomena, or conduct experiments to answer questions in the research. The location used as the area of this research is Kendari City, Southeast Sulawesi Province. The object to be studied in this study is Small Businesses in Kendari City.

3.2 Population and Sample

The population of this study is all small businesses in Kendari City, totaling 1,108 Small Businesses. The sampling technique used in this study is purposive sampling. Purposive sampling, also known as purposeful sampling, is a sampling method that is carried out intentionally and with a specific purpose. In purposive sampling, researchers selectively choose sample members based on certain characteristics or certain criteria that are in accordance with the objectives of the study. The sample criteria used in this study are Small Businesses in Kendari City. The number of samples in this study is 294 respondents.

3.3 Types and Sources of Data

The types and sources of data required in this study consist of primary data and secondary data. Primary data is the main data in this study, namely the questionnaire data given to respondents in this study. Secondary data is data obtained indirectly, either in the form of information or literature that is related to the study.

IV. RESULTS AND DISCUSSION

4.1 Results

4.1.1 Composite Reliability

A variable can be declared reliable if it has a Composite Reliability value of more than 0.70 and it can be stated that the variable is consistent when the measurement process is carried out. Reliability testing with Composite Reliability can be strengthened by using a cronbach's alpha value if it has a cronbach's alpha value of 0.70

4.1.2 Evaluasi Model Struktural (Inner Model)

Evaluasi Model Struktural (inner model) disebut juga sebagai penilaian *Goodness of Fit* diukur menggunakan R-*square* variabel laten dependen dan menggunakan Q-*square predictive relevance* untuk model struktural yang mengukur seberapa baik nilai observasi dihasilkan oleh model dan juga estimasi parameternya. Nilai Q-*square* dengan rentang $0 < Q2 < 1$, semakin mendekati nilai 1 berarti model semakin baik.

4.1.2 Structural Model Evaluation (Inner Model)

Structural Model Evaluation (inner model) is also called Goodness of Fit assessment measured using R-square of dependent latent variables and using Q-square predictive relevance for structural models that measure how well the

observation values are generated by the model and also its parameter estimates. Q-square values with a range of 0 < Q2 < 1, the closer the value is to 1, the better the model.

Table 1 Determination Test

Endogenous Variables	R-*square*
Digital Financial Access (DFA)	0.539
Firm Performance (Small Business) (FP)	0.604

Sumber : Data Primer diolah 2024

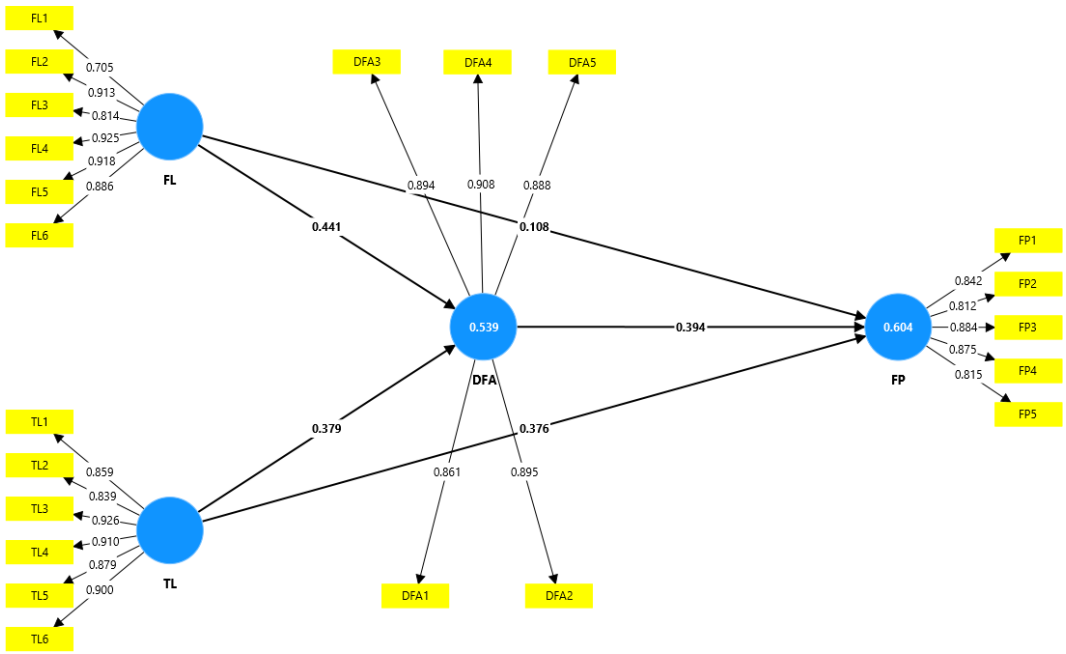
To find out the Q-square value, you can use the following calculation:

$$Q^2 = 1 - (1 - R^2)\ ((1 - R_{2^2})$$
$$= 1 - (1 - 0{,}539)\ (1 - 0{,}604)$$
$$= 1 - \{(0{,}461)\ (0{,}396)\}$$
$$= 1 - 0{,}182$$
$$= 0{,}818$$

Based on the calculation results of the Q-square predictive relevance value = 0.818 This shows that the accuracy of this research model can explain the diversity of financial literacy and technological literacy variables 81.8%. The remaining 18.2% is explained by other variables that are not included in this research model. So it can be said that the model proposed in this study is good or the model is said to have a good estimation value. Based on these findings, the model can be used.

4.1.3 Hypothesis Testing

Hypothesis testing and direct influence path coefficients between variables can be seen from the path coefficient values and critical points (t-statistics) presented in the path diagram in Figure 1 below:



4.1.4 Direct Influence Test

H1: Financial literacy has a significant positive effect on company performance (small businesses)

Based on the results of the path analysis of the influence of financial literacy on company performance (small businesses), an estimate value of 0.281 was obtained with a positive direction with a critical point value (t-statistic) of 4.906. The positive path coefficient means that the influence between financial literacy and company performance (small businesses) is in the same direction. Then it can also be proven that the significance value (p-value) is 0.000 <α 0.05. The test results prove that the bias of financial literacy has a positive and significant effect on company performance (small businesses). This means that the higher the financial literacy of the owner or manager of a small business, the better the performance of the company (small business), so that the hypothesis (H1) Financial literacy has a significant positive effect on the performance of the company (small business) proposed in this study is accepted

H2: Technological literacy has a significant positive effect on the performance of the company (small business)

Based on the path analysis of the influence of technological literacy on the performance of the company (small business), an estimate value of 0.525 was obtained with a positive direction with a critical value (t-statistic) of 10.118. The positive path coefficient means that the influence of technological literacy on the performance of the company (small business) is in the same direction. Then the significance value (p-value) is 0.000 <α 0.05. This means that

technological literacy is significant on the performance of the company (small business). The test results prove that technological literacy has a positive and significant effect on the performance of the company (small business). This means that the higher the technological literacy of the owner or manager of a small business, the better the performance of the company. Thus, the hypothesis (H2) Technological literacy has a significant positive effect on the performance of the company (small business) proposed in this study is accepted.

H3: Digital financial access has a significant positive effect on company performance (small businesses)

The test results of the effect of digital financial access on company performance (small businesses) can be proven by the estimated path coefficient value of 0.394 with a positive influence direction with a critical point value (t-statistic) of 7.445. A positive path coefficient means that the effect of digital financial access on company performance (small businesses) is in the same direction. Then for the value (p-value) of 0.000 <α 0.05. This means that digital financial access is significant to company performance (small businesses). The test results prove that digital financial access has a positive and significant effect on company performance (small businesses). This means that the easier and wider the access of small businesses to digital financial services, the better their company performance, so the hypothesis (H5) that digital financial access has a significant positive effect on company performance (small businesses) proposed in this study is accepted.

4.1.5 Indirect Influence Test

Indirect influence testing (mediation) aims to detect the position of the intervening variable in the model. Mediation testing is carried out to determine the nature of the relationship between variables as perfect variables, imperfect mediating variables and not as mediating variables. Smart PLS testing for mediating variables can be done by multiplying the value of the path coefficient of the influence of the independent variable on the mediating variable with the path coefficient of the influence of the mediating variable on the dependent variable and checking by conducting an analysis without involving the mediating variable. The following will present the indirect influence between research variables.

Indirect influence is the influence of the independent variable on the dependent variable, through other variables as mediating variables. Indirect influence will strengthen or weaken the influence between the two variables that are connected. The indirect influence coefficient on each path that has an intermediate variable is the result of multiplying the standard regression coefficient of each influence that crosses the path.

Based on the processing results in Table 4.24, the test of the indirect influence path coefficient and the research hypothesis aims to answer the hypothesis whether the proposed hypothesis is accepted or rejected. The results of the indirect influence test can be explained as follows:

H4: Financial literacy mediated by digital financial access has a significant positive effect on company performance (small businesses)

Based on the results of the path analysis of the influence of financial literacy on company performance (small businesses) mediated by digital financial access, an estimate value of 0.174 was obtained in a positive direction with a critical point value (t-statistic) of 4.799. The positive path coefficient means that the influence of financial literacy on company performance (small businesses) through digital financial access is in the same direction. Then it can also be proven that the significance value (p-value) is 0.000 <α 0.05. This means that financial literacy on company performance (small businesses) mediated by digital financial access is significant. The test results prove that financial literacy on company performance (small businesses) mediated by digital financial access has a positive and significant effect. This means that the performance of a person's company (small business) will increase if the financial literacy possessed by a person is also followed by good digital financial access. Thus, the hypothesis (H4) that financial literacy mediated by digital financial access has a significant positive effect on company performance (small businesses) proposed in this study is accepted.

H5: Technological literacy mediated by digital financial access has a significant positive effect on company performance (small businesses)

Based on the results of the path analysis of the influence of technological literacy on company performance (small businesses) mediated by digital financial access, an estimate value of 0.149 was obtained in a positive direction with a critical point value (t-statistic) of 6.712. The positive path coefficient means that the influence of technological literacy on company performance (small businesses) through digital financial access is in the same direction. Then it can also be proven that the significance value (p-value) is 0.000 <α 0.05. This means that technological literacy on company performance (small businesses) mediated by digital financial access is significant. The test results prove that technological literacy on company performance (small businesses) mediated by digital financial access has a positive and significant effect. This means that the performance of a person's company (small business) will increase if the technological literacy owned by a person is also followed by good digital financial access. Thus, the hypothesis (H4) Technological literacy mediated by digital financial access has a significant positive effect on company performance (small businesses) proposed in this study is accepted.

4.2 Discussion

4.2.1 Discussion of the Influence of Financial Literacy on Company Performance (Small Businesses)

The results of the hypothesis test show that financial literacy has a positive and significant effect on the performance of small businesses, which means that the higher the financial literacy of business owners, the better their company's performance. Business owners who have a good understanding of financial management, including

reviewing budgets, saving, investing, and managing debt, tend to be wiser in making decisions that have a positive impact on the company. The Rational Choice Theory and Keynesian Consumption Theory support that rational decisions and good financial understanding allow business owners to maximize profits and optimize resources, such as savings and investments. The Resource-Based View Theory also emphasizes that financial literacy can increase a company's competitiveness. Good financial literacy contributes to more informed decision making, in accordance with the principles of the theory. Research by Kulathunga et al. (2020), Yakob et al. (2021), LMCS (2019), Esiebugie et al. (2018), and Tuffour et al. (2020) supports this finding by showing the positive influence of financial literacy on small business performance. Therefore, small businesses in Kendari City need to improve their financial literacy to improve company performance.

4.2.2 Discussion of the Influence of Technological Literacy on Company Performance (Small Businesses)

The results of the hypothesis test show that technological literacy has a positive and significant effect on the performance of small businesses, which means that the better the technological literacy of business owners, the better their company's performance. A good understanding of technology helps improve operational efficiency and HR readiness in adopting and utilizing technology to increase productivity. The Diffusion of Innovations Theory explains that individuals with better technological knowledge tend to adopt new technologies more easily, because they are better able to recognize their benefits and have higher self-confidence. Research by Elvira & Yusuf (2023), Diptyana et al. (2022), and Hastuti et al. (2021) supports this finding, which shows that technological literacy has an effect on the performance of small businesses. Therefore, it is important for small business actors in Kendari City to improve their technological literacy, in order to improve operational efficiency, expand market reach, and strengthen relationships with customers through more optimal use of technology.

4.2.3 Discussion of the Influence of Digital Financial Access on Company Performance (Small Businesses)

The results of the hypothesis test show that digital financial access has a positive and significant effect on small business performance, which means that the better the digital financial access that business owners have, the better their company's performance. The availability of adequate digital infrastructure, such as a stable internet network, relevant hardware and software, and access to digital financial platforms, plays an important role in facilitating the management of financial transactions and information more efficiently. This improves the quality and productivity of human resources in small businesses. The Technology Acceptance Model (TAM) theory states that belief in the benefits of digital financial technology encourages companies to adopt it, which in turn improves their performance. This finding is supported by research by Siddik et al. (2016), Agyapong (2020), and Ozili (2018), which shows that digital financial access affects small business performance.

4.2.4 Discussion of the Influence of Financial Literacy Mediated by Digital Financial Access on Company Performance (Small Businesses)

The results of the hypothesis test show that financial literacy mediated by digital financial access has a positive and significant effect on small business performance. Business owners who have good financial literacy and are followed by adequate digital financial access tend to have better company performance. Strong financial literacy, supported by supporting digital infrastructure, allows business owners to manage and monitor company finances efficiently. The Theory of Rational Action and Keynesian Consumption Theory explain the importance of good financial planning to achieve higher income and greater savings, which is strengthened by the provision of digital infrastructure. This finding is in line with research by Tuffour et al. (2020), Hussain et al. (2018), Junico & Wibowo (2022), and Assifuah-nunoo (2023), which show that financial literacy and digital financial access have a significant impact on the performance and sustainability of small businesses. By increasing financial literacy, small business actors in Kendari City can optimize the use of digital financial access, which in turn improves their company performance.

4.2.5 Discussion of the Effect of Technological Literacy Mediated by Digital Financial Access on Company Performance (Small Businesses)

The results of the hypothesis test show that technological literacy mediated by digital financial access has a positive and significant effect on small business performance. Business owners with good technological literacy, supported by effective digital financial access, tend to have better company performance. Adequate digital infrastructure serves as a connector, allowing employees to apply technological skills in operational management, which in turn increases the efficiency and effectiveness of the company. The Diffusion of Innovations Theory explains that a strong understanding of technology facilitates the adoption of new innovations, including digital financial access, which contributes to improved operational performance and business growth. This finding is in line with research by Ratnawati et al. (2023) and Richard et al. (2024), which shows that technological literacy affects company performance, and digital financial access mediates the relationship. Thus, digital financial access plays an important role in bridging the relationship between technological literacy and small business performance in Kendari City.

V. CONCLUSION

The conclusions from the analysis and discussion are as follows:

1. Financial Literacy: The higher the financial literacy of business owners, the better the company's performance. Business owners with a good understanding of financial management and a positive attitude towards money tend to make wise decisions and improve the quality of human resources, which in turn improves company performance.
2. Technology Literacy: The higher the technological literacy of business owners, the better the company's performance. Good technology skills improve operational efficiency and HR readiness to adopt technology, which supports productivity and business performance.
3. Digital Financial Access: The better the digital financial access that small businesses have, the better the company's performance. Adequate digital infrastructure allows HR to manage financial transactions and information efficiently, which contributes to improved business performance.
4. Financial Literacy and Digital Financial Access: Good financial literacy, supported by adequate digital financial access, allows business owners to manage company finances efficiently. Digital infrastructure is a link that facilitates financial management and supervision, and improves the effectiveness and efficiency of company operations.
5. Technology Literacy and Digital Financial Access: Good technological literacy, coupled with digital financial access, improves the company's operational efficiency. Digital infrastructure facilitates the implementation of technological skills in operational management, which improves company performance.

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