THE IMPACT OF ACCOUNTING DIGITALIZATION ON MSMEs' FINANCIAL PERFORMANCE: A RESOURCE-BASED VIEW PERSPECTIVE IN THE CONTEXT OF FINANCIAL LITERACY AND GREEN FINANCE

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ABSTRACT

Introduction: *This study investigates the impact of accounting digitalization, financial literacy, and access to green finance on the financial performance of micro, small, and medium enterprises (MSMEs) in Patikraja District, Central Java, Indonesia.*

Method: *Using a quantitative explanatory design, data were obtained from 150 valid questionnaires collected through purposive sampling, with the minimum sample determined by Slovin's formula. Multiple linear regression analysis with SPSS version 25 was employed, supported by validity, reliability, and classical assumption tests. The results show that all three independent variables significantly influence MSME financial performance. Among them, financial literacy exerts the strongest positive effect, followed by accounting digitalization and access to green finance.*

Results: *These findings demonstrate that financial knowledge and digital accounting adoption are essential for profitability, efficiency, and resilience, while sustainable financing provides additional support for eco-friendly practices and long-term stability. This study contributes to the Resource-Based View (RBV) literature by integrating financial, technological, and sustainability perspectives, and offers practical implications for policymakers to strengthen literacy programs, expand access to digital tools, and improve MSME access to green finance.*

Keywords: Accounting Digitalization, Financial Literacy, Financial Performance, Green Finance, MSMEs

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are widely recognized as the backbone of Indonesia's economy, contributing more than 60% of GDP and employing around 97% of the workforce (Jee Sinha et al., 2024). In semi-urban areas such as Patikraja, Banyumas, MSMEs are vital in sustaining household incomes and supporting regional development (Badan Pusat Statistik Kabupaten Banyumas, 2024). Despite their significant contribution, many MSMEs still face structural challenges in financial management, adoption of digital technologies, and access to sustainable financing (Ditjen Perbendaharaan Kemenkeu RI, 2024). One critical issue is the limited adoption of accounting digitalization. Conventional manual recording is still standard reducing efficiency, transparency, and timeliness reporting. Studies show that using of digital accounting systems improves accuracy and provides real-time information that enhances decision-making and strengthens credibility with financial institutions (Jiang, 2024); (Kusumawardhani et al., 2024).

Another important aspect is financial literacy, which directly impacts how entrepreneurs manage resources, prepare budgets, and evaluate investment decisions. Owners with higher financial literacy are more capable of maintaining cash flow discipline and ensuring business sustainability (Urefe et al., 2024); (HAMMER & SIEGFRIED, 2023). In Indonesia, research by (Alifia et al., 2024) also confirms that financial literacy improves managerial decision-making in SMEs.

Alongside these factors, green finance is increasingly crucial. It offers financing schemes that support environmentally friendly projects, helping MSMEs align with sustainability goals. Empirical evidence shows that green finance positively influences firm performance and long-term resilience (Li & Lin, 2024); (Wang & Zhang, 2025); (Michael Ogunyemi & Omowumi Ishola, 2024).

In the Indonesian context, (Otoritas Jasa Keuangan, 2025) introduced the Sustainable Finance Roadmap (2021–2025) and the Indonesia Green Taxonomy v2.0 (2025) to create an enabling environment for financing eco-friendly initiatives. However, MSMEs still face barriers due to lack of knowledge and limited transparency in financial reporting (Ihsan & Nurlaila, 2024).

From a theoretical perspective, the Resource-Based View (RBV) argues that valuable, rare, inimitable, and non-substitutable (VRIN) resources provide sustainable competitive advantage (Barney, 1991) . Within this framework, accounting digitalization, financial literacy, and access to green finance can be considered internal strategic capabilities that reinforce one another in enhancing financial outcomes.

Therefore, this study aims to: (1) examine the influence of accounting digitalization, financial literacy, and access to green finance on MSMEs' financial performance in Patikraja, Banyumas; and (2) construct an integrative RBV-based model that explains how these internal capabilities contribute to sustainable performance.

LITERATURE REVIEW
Theoretical Framework

The Resource-Based View (RBV) provides the theoretical foundation for this study. RBV posits that firm performance is determined by the possession and utilization of strategic resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991) . In the MSME context, internal resources such as digital accounting systems, managerial financial literacy, and access to sustainable financing can be considered strategic assets. Recent studies highlight the importance of RBV for SMEs in emerging economies, showing that digital capability, knowledge resources, and access to specialized financial instruments improve competitiveness and long-term survival (Mushtaq et al., 2024); (Yang & Ming, 2024).

Accounting digitalization provides tools that improve efficiency, accuracy, and transparency in financial reporting. Through digital systems, MSMEs can reduce manual errors, generate timely reports, and improve strategic decision-making (Jiang, 2024); (Kusumawardhani et al., 2024). Financial literacy, on the other hand, is an intangible asset that enables entrepreneurs to understand financial concepts, manage budgets, and allocate resources effectively, thereby enhancing organizational resilience (Urefe et al., 2024); (HAMMER & SIEGFRIED, 2023); (Khyareh & Zivari, 2023); (González-Prida et al., 2025). Access to green finance further strengthens performance by facilitating investment in eco-friendly practices, reducing operational risks, and supporting long-term sustainability (Li & Lin,

2024); (Wang & Zhang, 2025); (Michael Ogunyemi & Omowumi Ishola, 2024). Within the RBV framework, these three resources jointly contribute to the financial performance and long-term competitiveness of MSMEs.

Previous Studies

Several studies have examined the role of accounting digitalization in improving SMEs' performance. (Jiang, 2024) found that the adoption of digital accounting systems among small enterprises in China improved reporting accuracy and decision quality. (Kusumawardhani et al., 2024) provided empirical evidence from Indonesia showing that digitalization of management accounting systems enhances efficiency and transparency in financial reporting.

These findings confirm that accounting digitalization is a valuable resource for improving MSMEs' competitiveness. In terms of financial literacy, (Makdissi & Mekdessi, 2024) conducted a systematic review and concluded that financial literacy strongly correlates with SMEs' budgeting practices, investment decisions, and survival in turbulent environment. (Urefe et al., 2024) highlighted that financial literacy enhances small business resilience by improving cash flow management and enabling entrepreneurs to make informed financial decisions. In Indonesia, (Alifia et al., 2024) confirmed that financial literacy positively impacts decision-making in SMEs, while (Sari & Sulistyowati, 2023) emphasized the role of Islamic microfinance in supporting sustainable financial inclusion.

Green finance has also become an important area of research. (Li & Lin, 2024) found that green financing positively affects financial performance in eco-friendly enterprises. (Michael Ogunyemi & Omowumi Ishola, 2024) analyzed determinants of green finance adoption among SMEs and reported that access to sustainable financing increases firm-level competitiveness. (Wang & Zhang, 2025) further confirmed that inclusive finance strengthens the positive effect of green finance on SMEs. In Indonesia, OJK's Sustainable Finance Roadmap Phase II (2021–2025) and the Indonesia Green Taxonomy v2.0 (2025) provide the regulatory framework that guides financial institutions in channeling capital toward sustainable projects (Otoritas Jasa Keuangan, 2025). These developments are crucial for MSMEs, but challenges remain, as many small businesses lack the digital and financial capacity to meet reporting requirements and qualify for green finance instruments (Evanita & Fahmi, 2023); (Luo et al., 2024)

Hypotheses Development

Drawing from the RBV framework and empirical evidence from previous studies, the following hypotheses are proposed:

- H1: Accounting digitalization positively affects MSMEs' financial performance
- H2: Financial literacy positively affects MSMEs' financial performance
- H3: Access to green finance positively affects MSMEs' financial performance

RESEARCH METHODS

This study employs a quantitative explanatory design to examine causal relationships between accounting digitalization, financial literacy, green finance, and the financial performance of MSMEs. The explanatory design is appropriate as it allows for the testing of hypotheses derived from theoretical foundations and previous empirical research (Sekaran & Bougie, 2016); (Creswell & Creswell, 2018).

Research Setting and Time Frame

The research was conducted among MSMEs operating in Patikraja District, Banyumas Regency, Central Java, Indonesia. This district was chosen due to its vibrant MSME sector and the availability of official statistics that facilitate sampling (Badan Pusat Statistik Kabupaten Banyumas, 2024). Data collection was carried out between March and May 2025, combining face-to-face and online surveys to maximize respondent participation.

Population, Sample, and Sampling Technique

The population includes all active MSMEs in Patikraja. A purposive sampling technique was employed with criteria: (1) MSMEs that have operated for at least one year, (2) enterprises that currently use or intend to adopt digital accounting systems, and (3) businesses with interest in sustainability or green initiatives. This approach follows prior MSME research in Indonesia and other emerging economies (Kusumawardhani et al., 2024); (Jiang, 2024).

The population of this study comprises all active MSMEs in Patikraja District. According to (Badan Pusat Statistik Kabupaten Banyumas, 2024) , there were approximately 658 MSMEs operating in Patikraja. To determine the minimum sample size, the Slovin formula with a tolerance level of 10% was applied (Machali, 2021) . The calculation is as follows:

$$n = \frac{N}{(1+N.e^2)}$$

$$n = \frac{658}{(1+658.(0,1)^2)}$$

n= 87

Thus, the minimum required sample size is 87 MSMEs. To strengthen the robustness of the analysis and align with recommendations for multivariate studies (Hair et al., 2021) , the sample was expanded above 120 MSMEs. This ensures that the number of respondents satisfies both Slovin's rule of thumb and statistical requirements for regression analysis.

Variable and Measurement

- Accounting Digitalization (X1): measured by the use of modern accounting applications (Osesoga et al., 2024) , efficiency and accuracy of financial reporting (Jiang, 2024) , and ease of real-time access to financial information (Trigo et al., 2014).
- Financial Literacy (X2): measured by knowledge of basic financial concepts (Urefe et al., 2024) , budgeting skills, and data-based financial decision-making (Alifia et al., 2024).
- Access to Green Finance (X3): measured by knowledge of green finance concepts (Michael Ogunyemi & Omowumi Ishola, 2024), availability of information on sustainable financing (Sari & Sulistyowati, 2023), and utilization in eco-friendly practices such as local raw material use and energy efficiency.
- Financial Performance (Y): measured through profitability, cost efficiency, ability to meet short-term obligations, and revenue growth (Shaferi et al., 2025).

    All variables were measured using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree).

Research Instrument and Validity – Reliability Testing

A structured questionnaire was designed based on previous validated instruments. Content validity was assessed using expert judgment, and construct validity was tested using item-total correlations. Reliability was measured using Cronbach's Alpha, with a threshold of $\alpha \geq 0.60$ considered acceptable (Muin, 2023).

Data Analysis

Data analysis was conducted using SPSS version 25. The following steps were applied:

1. Descriptive statistics to summarize respondent profiles and variable distributions.
2. Validity and reliability testing of the instrument.
3. Classical assumption tests, including the Kolmogorov–Smirnov test for normality, Variance Inflation Factor (VIF) for multicollinearity, and heteroskedasticity test.
4. Multiple linear regression analysis to test the effect of X1, X2, and X3 on Y. The regression model was formulated as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \text{€}$$

where Y = MSME Financial Performance, X_1 = Accounting Digitalization, X_2 = Financial Literacy, X_3 = Green Finance, α = constant, $\beta_1, \beta_2, \beta_3$ = regression coefficients, and € = error term.

Results from SPSS provided both simultaneous (F-test) and partial (t-test) effects, with the coefficient of determination (R^2) used to assess the explanatory power of the model.

RESULT AND ANALYSIS

This section presents the empirical findings obtained from 150 valid questionnaires collected from MSMEs in Patikraja District that met the predetermined inclusion criteria. The analysis is structured as follows: first,

descriptive statistics are provided to illustrate respondent characteristics and the distribution of key variables. Second, the results of validity and reliability testing, as well as classical assumption diagnostics, are reported to confirm the robustness of the measurement model. Third, multiple regression analysis using SPSS version 25 is employed to test the proposed hypotheses. Finally, the discussion interprets these findings in light of the study's objectives and compares them with prior empirical research, emphasizing how accounting digitalization, financial literacy, and access to green finance jointly influence MSME financial performance.

Validity Test

Based on the calculation using df = n – 2 (df = 148) with a significance level of 0.05, the r-table value obtained was 0.1603. The correlation values for all instrument items were greater than this threshold, indicating that all items were valid and suitable for further analysis. This confirms that the measurement items accurately captured the intended constructs, consistent with methodological standards for MSME research (Sekaran & Bougie, 2016).

Reliability Test

Reliability Test All variables in this study were declared reliable, as indicated by Cronbach's Alpha values exceeding 0.60, meaning the instruments used can be trusted to measure the intended constructs. The details of the reliability test results are presented in the following table.

Table 1. Reliability Test Results

Variable	Cronbach's Alpha Value
MSMEs Financial Performance (Y)	.736
Accounting Digitalization (X1)	.663
Financial Literacy (X2)	.768
Access to Green Finance (X3)	.782

Source: Data analyzed using SPSS, 2025

Classical Assumption Test
Normality Test

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			150
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		.72520658
Most Extreme Differences	Absolute		.097
	Positive		.097
	Negative		-.040
Test Statistic			.097
Asymp. Sig. (2-tailed)			.001[c]
Monte Carlo Sig. (2-tailed)	Sig.		.108[d]
	99% Confidence Interval	Lower Bound	.100
		Upper Bound	.116

Source: Data analyzed using SPSS, 2025

The Monte Carlo significance value of 0.108 exceeded 0.05, confirming that the residuals were normally distributed. Thus, the model satisfies the normality assumption, consistent with regression standards (Hair et al., 2021)

Multicollinearity Test

Table 3. Results of the Multicollinearity Test

Coefficients[a]

| | Model | Collinearity Statistics | |
		Tolerance	VIF
1	Accounting Digitalization	.881	1.135
	Financial Literacy	.493	2.028
	Access to Green Finance	.531	1.882

a. Dependent Variable: MSMEs Financial Performance

Source : Data analyzed using SPSS, 2025

Based on the multicollinearity analysis, the results showed that the VIF values for each variable were below the threshold of 10, and the tolerance values exceeded 0.1. These results confirm that there is no high correlation between the independent variables, so the model meets the assumption of no multicollinearity.

Heteroskedasticity Test

Table 4. Heteroskedasticity Test Results

Coefficients[a]

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
	B	Std. Error	Beta		
1 (Constant)	.620	.479		1.295	.197
Accounting Digitalization	.004	.021	.015	.169	.866
Financial Literacy	-.011	.019	-.069	-.589	.557
Access to Green Finance	.004	.020	.024	.208	.835

a. Dependent Variable: Abresid

Source : Data analyzed using SPSS, 2025

The results of the heteroskedasticity test are presented in Table 1. As shown, the significance values (Sig.) for all independent variables Accounting Digitalization (0.866), Financial Literacy (0.557), and Access to Green Finance (0.835) are greater than the 0.05 threshold. According to the rule of decision, if the significance level exceeds 0.05, the regression model is considered free from heteroskedasticity problems (Sekaran & Bougie, 2016).

Hypothesis Testing
Coefficient of Determination Test (R^2)

Table 5. Results of the Coefficient of Determination Test (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.954[a]	.909	.908	.733

a. Predictors: (Constant), Access to Green Finance, Accounting Digitalization, Financial Literacy

b. Dependent Variable: MSMEs Financial Performance

Source : Data analyzed using SPSS, 2025

The adjusted R^2 of 0.908 indicates that 90.8% of the variance in MSME financial performance is explained by accounting digitalization, financial literacy, and access to green finance. The remaining 9.2% is influenced by other

variables outside the model. This shows a very strong explanatory power, consistent with prior MSME studies in emerging markets (Kusumawardhani et al., 2024)

T-Statistic Test

Table 6. Results of the T-Statistic Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.929	.753		-1.234	.219
	Accounting Digitalization	.285	.034	.225	8.459	.000
	Financial Literacy	.645	.030	.766	21.578	.000
	Access to Green Finance	.113	.032	.121	3.553	.001

a. Dependent Variable: MSMEs Financial Performance

Source : Data analyzed using SPSS, 2025

Referring to the regression output presented in Table 6, the multiple linear regression equation can be formulated as follows:

$$Y = -0.929 + 0.285X1 + 0,645X2 + 0.1131X3 + 0.753$$

where Y represents MSME Financial Performance, X1 = Accounting Digitalization, X2 = Financial Literacy, and X3 = Access to Green Finance. This equation illustrates the contribution of each independent variable toward the dependent variable, which is further explained below.

Constant of the Model

The constant value of –0.929 indicates that when all independent variables (accounting digitalization, financial literacy, and access to green finance) are assumed to be zero, the predicted financial performance of MSMEs would still remain at –0.929. This reflects the baseline prediction of the model in the absence of any influence from the independent variables. Although the constant itself is not statistically significant (Sig. = 0.219 > 0.05), it provides an intercept reference for the regression line.

Effect of Accounting Digitalization (X_1)

The test results show that the significance value is 0.000, which is lower than the 0.05 threshold, and the calculated t-value is 8.459, which exceeds the critical t-table value (1.9762). Therefore, the hypothesis is accepted, meaning that accounting digitalization has a significant partial effect on MSME financial performance. Furthermore, the regression coefficient of 0.285 indicates a positive relationship, suggesting that greater use of modern accounting applications, accuracy of financial reporting, and real-time access to financial information lead to improved financial outcomes.

Effect of Financial Literacy (X_2)

The results indicate that financial literacy has a significance value of 0.000, which is below the 0.05 level, and a t-value of 21.578, far above the t-table threshold of 1.9762. This finding confirms that financial literacy significantly influences MSME financial performance. Moreover, the regression coefficient of 0.645 demonstrates a strong positive relationship, implying that higher levels of financial knowledge, budgeting ability, and informed decision-making directly enhance profitability, efficiency, and resilience of MSMEs.

Effect of Access to Green Finance (X_3)

For the green finance variable, the significance value is 0.001, which is less than 0.05, and the t-value is 3.553, which exceeds the t-table value of 1.9762. Thus, the hypothesis is accepted, indicating that access to green finance has a significant partial effect on MSME financial performance. The regression coefficient of 0.113 confirms that the relationship is positive, meaning that MSMEs with access to sustainable financing are more capable of adopting eco-friendly practices and achieving financial growth.

Simultaneous F Test

Table 7. Results of the Simultaneous F Test

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	786.471	3	262.157	488.432	.000[b]
	Residual	78.363	146	.537		
	Total	864.833	149			

a. Dependent Variable: MSMEs Financial Performance

b. Predictors: (Constant), Access to Green Finance, Accounting Digitalization, Financial Literacy

Source : Data analyzed using SPSS, 2025

Based on the results of the F-test, the calculated F value was 488.432, which is higher than the table F value of 2.67, and was accompanied by a significance value of 0.000, which is less than the significance level of 0.05. This finding indicates that simultaneously, all three independent variables, namely accounting digitalization (X_1), financial literacy (X2), and access to green finance (X3), significantly influence the dependent variable, which is the financial performance of MSMEs.

The Effect of Accounting Digitalization on MSME Financial Performance

The test results indicate that accounting digitalization has a significant partial effect on MSME financial performance, with a significance value of 0.000 (below 0.05) and a t-value of 8.459, which is higher than the critical t-table value of 1.9762. The regression coefficient of 0.285 shows that the relationship is positive, meaning that the higher the adoption of digital accounting practices, the greater the financial performance achieved by MSMEs.

Several factors may explain this result:

- The use of modern accounting applications enables MSMEs to prepare financial reports more accurately and in a timely manner.
- Digital systems reduce errors from manual bookkeeping, improving efficiency.
- Real-time access to financial information helps owners make quick and informed business decisions.
- Increased transparency of financial records strengthens trust with external stakeholders, including banks and investors.

From the perspective of the Resource-Based View (RBV), digital accounting systems are strategic resources that create efficiency and competitive advantage. This is in line with (Jiang, 2024), who found that digital transformation in small enterprises enhances reporting and financial decision-making, and (Kusumawardhani et al., 2024) , who reported that digitalization of accounting systems improves efficiency and credibility in Indonesian SMEs. Thus, the findings confirm that digital accounting adoption directly contributes to improved MSME profitability and sustainability.

The Effect of Financial Literacy on MSME Financial Performance

Financial literacy emerges as the most influential variable in this study. The results show a significance value of 0.000 (below 0.05) and a very high t-value of 21.578, far exceeding the critical t-table value of 1.9762. With a regression coefficient of 0.645, financial literacy exerts the strongest positive effect on MSME financial performance.

This strong impact can be explained by several factors:

- Entrepreneurs with financial knowledge are able to prepare and manage budgets more effectively.
- Financially literate MSME owners make better investment and financing decisions, avoiding excessive debt.
- Understanding of cash flow management helps sustain operations and ensures business continuity.
- Knowledge of financial concepts enhances resilience in facing economic fluctuations.

These findings are consistent with (González-Prida et al., 2025); (Gomes, 2025) who confirmed that financial literacy supports SMEs' long-term sustainability, and (Urefe et al., 2024), who emphasized that financial literacy strengthens SMEs' resilience and financial discipline. In the Indonesian context, (Alifia et al., 2024) found that financial literacy significantly improves decision-making among MSMEs. From the RBV perspective, financial literacy represents an

intangible capability that enhances the ability of entrepreneurs to utilize other resources efficiently, thereby strengthening financial outcomes.

The Effect of Access to Green Finance on MSME Financial Performance

The results also demonstrate that access to green finance significantly affects MSME financial performance, with a significance value of 0.001 (below 0.05) and a t-value of 3.553, which is higher than the t-table value of 1.9762. The regression coefficient of 0.113 indicates a positive relationship, though its effect is weaker compared to accounting digitalization and financial literacy.

Several contextual factors explain this positive but moderate influence:

- MSMEs with access to sustainable financing schemes can adopt eco-friendly practices such as using local raw materials or improving energy efficiency.
- Green financing often comes with lower interest rates or incentives, reducing operational costs.
- Access to green credit enhances MSMEs' reputation and competitiveness in environmentally sensitive markets.
- However, many MSMEs still face challenges in accessing green financing due to limited reporting capacity and lack of information.

These results align with (Li & Lin, 2024) , who showed that green finance improves both financial and environmental outcomes, and (Wang & Zhang, 2025), who emphasized the role of sustainable financing in strengthening SME competitiveness. In addition, confirmed that green finance enhances inclusive financial growth for SMEs. In Indonesia, regulatory initiatives such as the OJK Sustainable Finance Roadmap (2021–2025) and the Green Taxonomy v2.0 (2025) have also begun to encourage MSMEs to integrate eco-friendly practices into their business models (Otoritas Jasa Keuangan, 2025). Therefore, while the effect of green finance is positive, its magnitude remains limited by the readiness of MSMEs to meet reporting and compliance requirements.

CONCLUSION

Through multiple linear regression analysis conducted on 150 respondents from MSME actors in Patikraja District, this study found that accounting digitalization, financial literacy, and access to green finance each have a significant partial effect on MSME financial performance. Among these, financial literacy emerged as the most dominant factor, highlighting the central role of entrepreneurs' financial knowledge, budgeting capacity, and decision-making ability in sustaining profitability, efficiency, and resilience. Accounting digitalization also demonstrated a significant and positive effect, confirming that the adoption of modern accounting applications and real-time reporting systems improves transparency and supports strategic decisions. Access to green finance, while exerting a smaller yet significant effect, shows that environmentally responsible financing can contribute to financial growth by enabling MSMEs to adopt eco-friendly practices and reduce operational risks.

These findings support the main objective of this study, namely to emphasize that MSME performance in the digital era is driven not only by technological adoption but also by the intangible capabilities of entrepreneurs and the availability of sustainable financial instruments. From the perspective of the Resource-Based View (RBV), financial literacy and digital accounting can be positioned as strategic internal resources, while green finance represents an external enabler that strengthens competitive advantage when effectively accessed.

Practically, the study suggests that MSME actors and local policymakers should focus on strengthening financial literacy through targeted training, mentoring programs, and the integration of financial education into business development initiatives. At the same time, broader adoption of affordable and user-friendly digital accounting tools should be promoted, supported by government and associations as facilitators. For green finance, stakeholders including financial institutions and regulators need to simplify access procedures and raise awareness among MSMEs about the potential benefits of sustainable financing.

This study is limited by its geographical scope, as it focuses only on MSMEs in Patikraja District, thus caution is required when generalizing the results. In addition, the quantitative approach employed does not fully capture psychological and behavioral aspects that may shape financial decision-making and digital adoption. Future research is recommended to employ a qualitative or mixed-methods approach to provide richer insights into how individual

perceptions, attitudes, and intentions mediate the relationship between resources and performance. Expanding the scope of research variables such as perceived usefulness, behavioral intention, or institutional support would also strengthen the explanatory power of the model.

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