IBMJ Islamic Business and Management Journal
Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

The Influence of Islamic Financial Literacy, Islamic Financial Inclusion, and Locus of Control on the Financial Performance of Muslim MSMEs in Pekanbaru City"

Sri Wulan Saputri
Faculty of Economic Business, Universitas Muhammadiyah Riau
sriwulansaputri@gmail.com

Wira Ramashar
Faculty of Economic Business, Universitas Muhammadiyah Riau
wiraramashar@umri.ac.id

Siti Rodiah
Faculty of Economic Business, Universitas Muhammadiyah Riau
sitirodiah@umri.ac.id

Abstract

This study aims to analyze the influence of Islamic financial literacy, Islamic financial inclusion, and locus of control on the financial performance of Muslim MSMEs in Pekanbaru City. The research employs a quantitative approach using a survey method through questionnaires distributed to 100 Muslim MSME actors selected using convenience sampling. Data analysis was conducted using Structural Equation Modeling (SEM) based on SmartPLS 4.0. The results show that Islamic financial literacy has a significant positive effect on the financial performance of MSMEs. Likewise, Islamic financial inclusion has a significant positive effect on MSME financial performance. Furthermore, locus of control also has a significant positive effect on MSME financial performance. The coefficient of determination (R^2) value of 0.274 indicates that these three variables explain 27.4% of the variation in the financial performance of MSMEs. These findings highlight the importance of increasing understanding of Islamic financial principles, improving access to Islamic financial services, and strengthening self-control and personal responsibility in managing business finances.

Keywords: *Islamic financial literacy, Islamic financial inclusion, locus of control, MSME financial performance*

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a critical role in the economic dynamics of a country, including within the context of the Islamic economy (Supriadi et al., 2023). Their significance is evident in their contribution of 61% to the national Gross Domestic Product (GDP) and their absorption of approximately 97% of the workforce in Indonesia (Krismadayanti et al., 2023; Syafitri, 2025). Beyond their general economic contribution, MSMEs are especially vital in the Islamic economic framework as they serve as a foundation for strengthening the economic empowerment of the Muslim community (Supriadi et al., 2023)

As the country with the world's largest Muslim population, Indonesia holds substantial potential to advance a sharia-compliant economic system, particularly in the MSME sector. In 2024, Indonesia's population reached 282.48 million, of which 245.97 million—equivalent to 87.08%—identified as Muslim (Tinggi et al., 2025). This demographic reality presents a significant opportunity to promote the adoption of Islamic financial principles among business actors, especially within Muslim MSMEs.

One region that exemplifies these characteristics is Pekanbaru City, widely known as Kota Madani. The city is deeply rooted in Malay culture, which is closely aligned with Islamic values. As of 2024, the number of MSMEs in Pekanbaru reached 26,684 units and continues to

Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

show steady growth (Nesneri et al., 2023; pekanbaru.go.id, 2024). This upward trend suggests that the financial performance of MSMEs in Pekanbaru is improving, as evidenced by the increasing number of business actors entering the sector (pekanbaru.go.id, 2024). However, field observations reveal a critical gap: many MSME operators still lack the ability to maintain structured and accurate financial records, making it difficult for them to assess their business's financial performance (Falatifah et al., 2025).

This deficiency in financial documentation and analysis hinders the sustainable development of MSMEs. Moreover, a significant proportion of Muslim MSME actors still lack a sufficient understanding of Islamic financial principles (Krismadayanti et al., 2023; Prakash et al., 2021). As a result, many continue to manage their businesses suboptimally and may even become reliant on conventional financial systems that conflict with their religious values (Nur'aeni & Widyasari, 2022). This issue is further underscored by findings from the 2025 SNLIK survey, as follows:

Figure 1. Levels of Financial Literacy and Financial Inclusion

Source: Instagram of OJK Riau, 2025

Based on the figure above, a noticeable gap exists between the conventional and sharia indices. This disparity affects Muslim MSME actors by limiting their access to Islamic financial products. These barriers are reflected in low productivity, limited business growth, and challenges in accessing sharia-compliant financing. Such conditions increase the risk of financial mismanagement and contribute to low levels of financial literacy and inclusion (Insaani et al., 2024). As a result, the financial performance of Muslim MSMEs in Pekanbaru remains suboptimal and relatively low. Financial performance, in this context, refers to the financial success achieved through business activities within a specific period (Ghapar et al., 2021). One of the factors influencing the financial performance of MSMEs is Islamic financial literacy.

Islamic financial literacy plays a crucial role, encompassing knowledge and understanding of Islamic financial principles, as well as the skills to manage business finances in accordance with sharia (Alfarisi et al., 2020). Adequate understanding of Islamic finance can enhance the financial performance of MSMEs efficiently by increasing sales, encouraging the use of sharia-compliant financial products, improving financial planning, and expanding market penetration (Rahmansyah et al., 2023). Moreover, it strengthens MSME competitiveness in the increasingly competitive Islamic economy. Previous research by Alharbi et al., (2022). demonstrated that Islamic financial literacy significantly influences MSME financial performance. However, this finding contrasts with Nur'aeni & Widyasari, (2022) who concluded that the level of Islamic financial literacy does not affect MSME financial performance.

Islamic financial inclusion refers to efforts to provide access to sharia-based financial services (Krismadayanti et al., 2023). For MSMEs, financial inclusion is essential to building a strong business foundation and promoting MSME performance in contributing to the national economy (Antin Rakhmawati & Muhammad Nizar, 2023). This is supported by research conducted by Krismadayanti et al. (2023), which shows that Islamic financial inclusion significantly influences MSME financial performance. However, this contrasts with the findings of Pranatasari et al., (2021), which revealed that Islamic financial inclusion does not have a significant effect on MSME financial performance.

Another factor influencing the financial performance of MSMEs is locus of control, defined as an individual's belief in their ability to control events in their life through their own efforts, which directly impacts financial behavior (Findley, M. J.; Cooper, 1983). If finances are well managed, locus of control has a positive effect. Conversely, if finances are poorly managed, it can lead to negative outcomes. Therefore, Muslim MSME actors must plan their finances carefully to ensure business decisions are more efficient and profitable (Haq & Munir, 2022). This is supported by research from Ismawati & Rochman, (2023), which found that locus of control has a significant influence on MSME financial performance. However, this contradicts the findings of Saputra et al., (2024), which indicate that locus of control does not significantly affect MSME financial performance.

This study aims to investigate the effects of Islamic financial literacy (X1), Islamic financial inclusion (X2), and locus of control (X3) on the financial performance of Muslim MSMEs in Pekanbaru City.

2. Literature Review

Teory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), proposed by Ajzen (1991)explains that human behavior is influenced by intentions, which are shaped by three key factors: behavioral attitudes, subjective norms, and perceived behavioral control (Sholihah & Seriawan, 2022). This theory emphasizes the rationality of individuals in decision-making and the belief that actions can be consciously controlled. TPB is relevant for examining the factors that influence the financial performance of MSMEs, as it reflects a planned and intentional decision-making process. In this study, Islamic financial literacy reflects the attitudes and understanding of MSME actors in managing finances according to sharia principles. Islamic financial inclusion relates to subjective norms, referring to access to financial products influenced by the surrounding social environment. Meanwhile, locus of control represents the belief of MSME actors in their ability to control and manage their financial resources.

The Influence of Islamic Financial Literacy on the Financial Performance of MSMEs

Islamic financial literacy plays a vital role in enhancing the capacity of Muslim MSMEs to manage their finances, make sound financial decisions, and access sharia-compliant financial services. Adequate literacy increases the likelihood that business actors understand Islamic financial principles and apply them in business practices, which in turn positively impacts business operations and profitability (Masrizal et al., 2024). According to (Alharbi et al., 2022), a low level of financial literacy leads to weak financial performance among MSMEs. Conversely, high levels of financial literacy are associated with improved financial attitudes, greater financial awareness, and better planning capabilities, particularly within the Islamic economic framework (Antin Rakhmawati & Muhammad Nizar, 2023). Therefore, the level of Islamic financial literacy has the potential to enhance the financial performance of Muslim MSMEs (Alharbi et al., 2022). Given the importance of Islamic financial literacy to the financial performance of Muslim MSMEs, the following hypothesis is proposed:
H1: Islamic financial literacy has a significant effect on the financial performance of MSMEs.

The Influence of Islamic Financial Inclusion on the Financial Performance of Muslim MSMEs

Islamic financial inclusion guarantees fair access to financial services that are free from interest (riba) and based on profit-and-loss sharing principles. This provides opportunities for Muslim MSMEs, particularly those that are vulnerable or have limited capital, to obtain Islamic financing instruments such as sukuk and takaful (Islamic insurance), thereby supporting their business growth and sustainability (Antin Rakhmawati & Muhammad Nizar, 2023). Razak & Asutay (2020) stated that the use of Islamic financing can enhance individual welfare and promote both financial development and socio-economic progress. According to (Sabiu & Abduh, 2021), Islamic financial inclusion has a positive influence on the financial performance of MSMEs, particularly in supporting their business expansion. Therefore, the following hypothesis is proposed:
H2: Islamic financial inclusion has a significant effect on the financial performance of MSMEs.

The Influence of Locus of Control on the Financial Performance of Muslim MSMEs

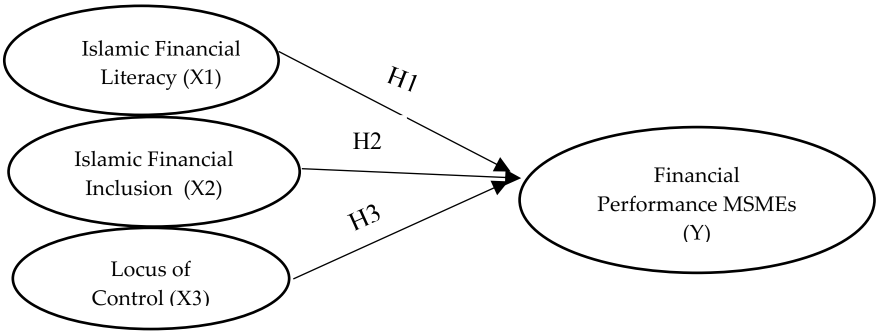
According to Rotter, (1966), locus of control reflects an individual's belief in their ability to control the challenges they face. However, it also acknowledges that not all outcomes are entirely within one's control and may be influenced by factors such as fate, luck, chance, or destiny. An individual's ethical behavior and decision-making are often shaped by their personality type, where those with a dominant internal locus of control tend to take greater responsibility for their tasks, thereby enhancing their performance (Putri & Bandi, 2023). For MSME actors, a strong sense of self-belief and personal control can be a determining factor in improving business performance. A study by (Hayati & Prasetyo Budi, 2023) confirms that locus of control has a positive impact on the financial performance of MSMEs. Based on this theory, the following hypothesis is formulated:
H3: Locus of control has a significant effect on the financial performance of MSMEs.

Islamic Business and Management Journal

Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

Accordingly, the conceptual framework proposed in this study can be illustrated as follows:

Figure 2. Conceptual Framework



Source: Developed by the author, 2025

3. Research Methods

This study employs a quantitative approach with a population comprising Muslim MSMEs in Pekanbaru City as the population. However, the exact number of this population is not accurately known. Therefore, the sample size was determined using G*Power 3.1, an alternative estimation tool commonly used to calculate appropriate sample sizes (Sofyani, 2023). The estimation process applied a significance level (α) of 0.05, a statistical power of 0.80 (80%), and an effect size of 0.15. Based on this analysis, the minimum required sample size was 77 Muslim MSMEs. To anticipate potential issues such as nonresponse, incomplete data, or invalid responses, and to ensure sufficient data for model testing using Structural Equation Modeling (SEM), the sample size was increased by 30% as recommended by (Hair et al., 2019). As a result, the final sample size used in this study wa 100 respondents.

The sampling technique used was convenience sampling, a type of non-probability sampling selected based on ease of access to respondents (Sedgwick, 2013). he inclusion criteria for participants were Muslim MSME actors who operate their businesses in Pekanbaru City and voluntarily agreed to participate in completing the questionnaire.

The analytical method employed in this research was Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS version 4.0. Primary data were collected through the distribution of questionnaires using a 5-point Likert scale, with options ranging from: Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), to Strongly Agree (5). The use of this scale enabled the researcher to systematically and measurably assess respondent attitudes, thereby supporting accurate data analysis within the quantitative research framework (Simamora, 2022).

Islamic Business and Management Journal

Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

Table 1 Indicators of research variables

No	Variabel	Definition	Indicator
1	Islamis Financial Literacy	An individual's ability to understand, manage, and make financial decisions in accordance with sharia principles	1. Basic knowledge of financial management 2. Credit management 3. Savings and investment management 4. Risk management
2	Islamic Financial inclusion	The accessibility of society to sharia-based financial service in a fair, safe, and affordable manner, according to their needs and capabilities.	1. Availability/Access 2. Usage 3. Quality 4. Well-being
3	Locus Of Control	An individual's belief in the extent to which they can control events or outcomes that occur in their life.	1. Initiative 2. Motivation 3. Independence and Assertiveness
4	Financial performance of MSMEs	A business's ability to manage and generate profits, maintain liquidity, and achieve sustainable financial growth.	1. Changes in assets during each period 2. Increase in cash flow and revenue during each period 3. Adjustments in selling prices during each period 4. Number of customers during each period 5. Changes in the number of business locations

Source: Developed by the author, 2025

Islamic Business and Management Journal
Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

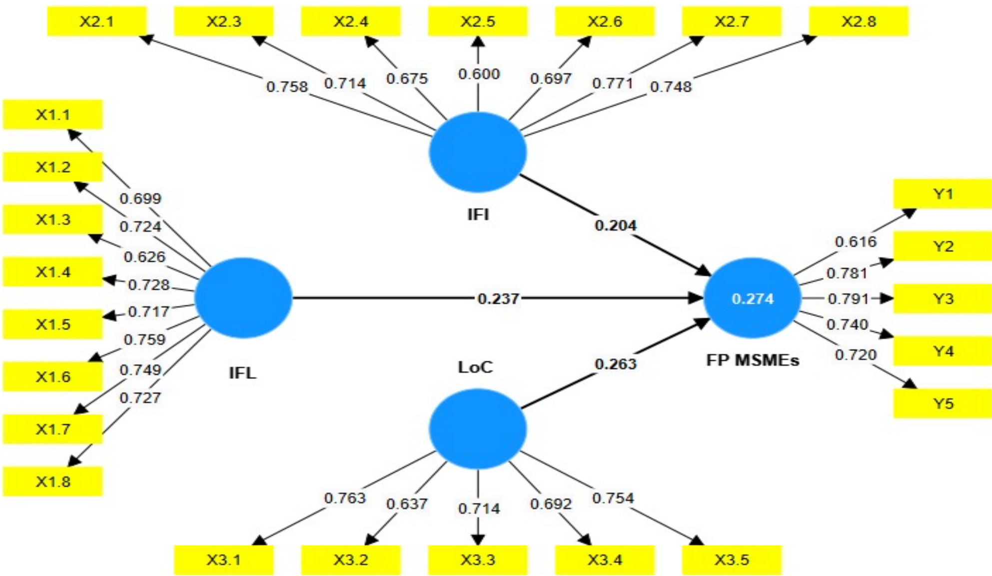
4. Results

Measurement Model /*Outer Model*

Convergent Validity

The convergent validity test is conducted to assess the extent to which the indicators of a construct consistently explain the variance of that construct. Convergent validity is considered to be met if the loading factor value of each indicator exceeds 0.60 (Chin, 1988), and the Average Variance Extracted (AVE) is greater than 0.50 (Hair et al., 2019).

Figure 3 Convergent Validity Measurement Model



Source: Data processed using SmartPLS 4.0, 2025

According to Figure 3, all indicators for each variable have loading values greater than 0.60, indicating that they meet the criteria for convergent validity and effectively represent the constructs being measured.

Table 2 AVE Values

Variabel	AVE
IFL	0,514
IFI	0,506
LoC	0,509
FP MSMEs	0,536

Source: SmartPLS 4.0 Average Variance Extracted, 2025

Based on the data in Table 2, the AVE values for variables IFL, IFI, LoC, and FP MSMEs, all meet the minimum threshold of 0.50, indicating that the constructs in this study possess good convergent validity.

Discriminant Validity

Discriminant validity is assessed using the Fornell–Larcker criterion, which is satisfied when the square root of the Average Variance Extracted (AVE) for each construct is greater than the correlations between that construct and all other constructs in the model. Additionally, the Heterotrait–Monotrait Ratio (HTMT) is used as a supplementary approach to evaluate discriminant validity, where an acceptable HTMT value should be below 0.90 (Hair et al., 2019).

Table 3 *Fornell-Larcker Criterion*

	IFL	IFI	LoC	FP MSMEs
IFL	0,717			
IFI	0,472	0,711		
LoC	0,311	0,210	0,713	
FP MSMEs	0,415	0,371	0,379	0,732

Source : SmartPLS 4.0 *Fornell-Larcker Criterion*, 2025

Table 3 shows that discriminant validity for the Islamic financial literacy variable has been met. Therefore, the discriminant validity satisfies the Fornell–Larcker criterion.

Tablel 4 Heterotrait Monotrait Ratio

	IFL	IFI	LoC	FP MSMEs
IFL				
IFI	0,589			
LoC	0,358	0,313		
FP MSMEs	0,427	0,364	0,432	

Source: SmartPLS 4.0 *Heterotrait Monotrait Ratio*, 2025

As shown in Table 4, the HTMT values for all constructs are below 0.90, indicating that the model meets the criteria for discriminant validity based on the Heterotrait–Monotrait Ratio approach.

Reliability Testing

Reliability testing is conducted to assess the internal consistency of the indicators in measuring their respective constructs. In this study, reliability was evaluated using Composite Reliability (CR) and Cronbach's Alpha. The reliability criteria are considered to be met if the CR value is greater than 0.70 and Cronbach's Alpha exceeds 0.60 (Hair et al., 2019).

Table 5 Reliability Test

Variabel	***Composite Reliability (rho_c)***	***Cronbach's Alpha***	***Result***
IFL	0,894	0,869	Reliable
IFI	0,877	0,844	Reliable
LoC	0,838	0,766	Reliable
FP MSMEs	0,851	0,793	Reliable

Source: Data processed using SmartPLS, 2025

Table 5 shows that all Cronbach's Alpha values are above 0.60 and the Composite Reliability values exceed the threshold of 0.70. Therefore, it can be concluded that the instrument used is reliable and demonstrates good internal consistency.

Islamic Business and Management Journal

Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

Inner Model

Table 6 R-Square

Variabel	R-square	R-square Adjusted
FP MSMEs	0,274	0,251

Source : SmartPLS 4.0 R-square, 2025

Table 6 shows that the R-square (R^2) value is 0.274 or 27.4%, along with the adjusted R-square. This indicates that the independent variables in the model—Islamic financial literacy, Islamic financial inclusion, and locus of control—can only explain 27.4% of the variance in the dependent variable, namely the financial performance of MSMEs. The remaining variance is explained by other variables outside the scope of this study. The R^2 value reflects the extent to which the independent variables account for the variance in the dependent variable. According to (Chin, 1988), an R^2 value of ≥ 0.67 is considered strong, 0.33–0.66 is moderate, 0.19–0.32 is weak, and < 0.19 is very weak. Thus, the R^2 value of 0.274 in this study falls into the weak but still acceptable category.

The Standardized Root Mean Square Residual (SRMR) is an indicator of model fit in PLS-SEM that measures the difference between the predicted and observed covariances. According to Hair et al., (2019), a good SRMR value is ≤ 0.08, and values up to 0.10 are still considered acceptable.

Table 7 Model Fit

	Saturated Model	Estimated Model
SRMR	0,119	0,119

Source: Data processed using SmartPLS, 2025

Based on the data analysis using SmartPLS, the Standardized Root Mean Square Residual (SRMR) values for both the saturated and estimated models are 0.119. This indicates that the model has a less-than-ideal fit with the data, as the SRMR exceeds the maximum recommended threshold of 0.10. However, the value is still considered acceptable.

Table 8 Effect Size F-Square

	IFL	IFI	LoC	FP MSMEs
IFL				0,057
IFI				0,044
LoC				0,085
FP MSMEs				

Source: Data processed using SmartPLS, 2025

Islamic Business and Management Journal

Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

In this study, the t-statistic or p-value is used to test the hypotheses between variables. A hypothesis is accepted if the t-statistic value is greater than 1.96 at α = 5% or the p-value is less than 0.05 (Hair et al., 2011). Furthermore, the Path Coefficients (Direct Effects) are presented in Table 9.

Table 9. Path Coefficients (Direct Effects)

	Original Sampel (O)	T-Statistics (O/STDEV)	P Values
IFL -> FP MSMEs	0,237	2,342	0,019
IFI -> FP MSMEs	0,204	2,291	0,022
LoC -> FP MSMEs	0,263	2,869	0,004

Source: Data processed using SmartPLS, 2025

Based on the results presented in the table above, the following findings are obtained:

1. The results show that IFL has a significant positive effect on the FP MSMEs, with a t-statistic value of 2.342, which is far below the critical threshold of 1.96, and a p-value of 0.019, which is lower than 0.05. Therefore, Hypothesis H1 is accepted. Additionally, the effect size (f^2) is 0.057, indicating a very weak and small effect.
2. The statistical test shows a t-statistic of 2.291, which is lower than 1.96, and a p-value of 0.022, which is greater than 0.05. Thus, Hypothesis H2 is accepted, meaning that IFI has a significant positive effect on the FP MSMEs. The effect size (f^2) is 0.044, suggesting a very weak and small effect.
3. The statistical test shows a t-statistic of 2.869, which is lower than 1.96, and a p-value of 0.004, which is higher than 0.05. Therefore, Hypothesis H3 is accepted, indicating that LoC has a significant positive effect on the FP MSMEs. The effect size (f^2) is 0.085, reflecting a very weak effect, approaching a moderate level.

4. Discussion

The Influence of Islamic Financial Literacy on the Financial Performance of Muslim MSMEs

The findings of this study indicate a significant positive relationship between Islamic financial literacy and the financial performance of Muslim MSMEs. A strong understanding of Islamic financial principles encourages entrepreneurs to manage their finances more carefully, including in areas such as record-keeping, planning, and decision-making. Low levels of financial literacy, on the other hand, lead to financial conflicts, poor decision-making, and difficulties in dealing with financial institutions (Masrizal et al., 2024). In other words, the higher the level of financial literacy, the better the financial performance.

This finding aligns with the Theory of Planned Behavior (Ajzen, 1991), which emphasizes the importance of individual attitudes and beliefs in performing planned and rational actions, including in managing business finances. In this context, Islamic financial literacy plays a crucial role in enabling business owners to make sound financial decisions. Therefore, Muslim MSME actors must possess sufficient financial literacy. Enhancing this competency can reduce financial vulnerability and distress, which in turn strengthens financial performance. In essence, Islamic financial literacy is a key determinant of sound financial behavior and ultimately affects overall business performance (Alharbi et al., 2022).

IBMJ Islamic Business and Management Journal

Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

The Influence of Islamic Financial Inclusion on the Financial Performance of Muslim MSMEs

The findings of this study indicate a significant positive relationship between Islamic financial inclusion and the financial performance of Muslim MSMEs. This result suggests that the utilization of Islamic financial institutions by Muslim MSMEs contributes to economic growth. Through financial inclusion, entrepreneurs are better equipped to develop their businesses, as access to financial institutions can enhance economic conditions and improve the standard of living (Krismadayanti et al., 2023). This result is supported by Fowowe, (2020), who found that access to financial services can influence individuals' decisions regarding output and employment, ultimately reducing poverty. Furthermore, access to affordable financial services reduces vulnerability among low-income populations by improving their quality of life. From a theoretical perspective, Islamic financial inclusion is also linked to perceived behavioral control, which is influenced by beliefs about the availability and accessibility of financial services—as explained in the Theory of Planned Behavior (Ajzen, 1991).

The Influence of Locus of Control on the Financial Performance of Muslim MSMEs

The findings of this study indicate a significant positive relationship between locus of control and the financial performance of Muslim MSMEs. The better the locus of control possessed by Muslim MSME actors, the better their financial performance tends to be. The results suggest that entrepreneurs who believe that the outcomes of their businesses are determined by their own actions and decisions tend to be more responsible, proactive, and capable of managing their finances effectively. This result is supported by Haq & Munir, (2022) who stated that an internal locus of control contributes to achieving financial goals and business success. According to the Theory of Planned Behavior (Ajzen, 1991), this also aligns with the notion that perceived behavioral control is rooted in individual beliefs about their ability to influence outcomes. Locus of control plays a critical role in financial management decision-making, which directly impacts financial performance (Krismadayanti et al., 2023). Similarly, research by Ismawati & Rochman, (2023) explains that locus of control plays a vital role in fostering self-regulation among MSME actors. Therefore, with a strong sense of control, Muslim MSME entrepreneurs in Pekanbaru will be more capable of sustaining and improving their financial performance, as they are less likely to fall into financial difficulties.

5. Conclusion

This study aimed to examine the influence of Islamic financial literacy, Islamic financial inclusion, and locus of control on the financial performance of Muslim MSMEs in the city of Pekanbaru. The results demonstrate satisfactory levels of validity and reliability, and the model shows predictive strength in determining how these three variables can enhance the financial performance of Muslim MSMEs. The findings highlight that each of these variables plays a vital role in improving MSME financial outcomes. Islamic financial literacy encourages entrepreneurs to understand, adopt, and implement Islamic financial principles in managing their businesses. Islamic financial inclusion ensures broader and easier access to Sharia-compliant financial services, supporting business growth. Meanwhile, locus of control strengthens self-regulation, responsibility, and independence in financial management. Theoretically, this study supports and extends the Theory of Planned Behavior (Ajzen, 1991) by showing that attitudes, perceived behavioral control, and intentions—formed through financial knowledge and self-control—can significantly influence the financial behavior of Muslim MSME actors. Muslim MSMEs commonly operate in sectors such as leasing, trading, and business collaboration. These practices align closely with Islamic finance principles and are best served by Islamic banks, which offer compliant financial products. Given the crucial role of MSMEs in Indonesia's economy, enhancing these three factors is essential for fostering sustainable and Sharia-compliant business development.

6. Suggestion

Future research is recommended to employ a mixed-methods approach to explore more deeply the understanding, implementation, and decision-making processes related to sharia-based financial practices in Muslim MSMEs. Additionally, the geographical scope of the study should be extended to areas beyond Pekanbaru City to enhance the generalizability of the findings. Incorporating other relevant variables, such as Islamic spirituality, sharia business ethics, or digital literacy, could also be considered to enrich the research model.

7. Bibliography

Ajzen, I. (1991). The Theory of Planned Behaviour. *Organizational Behavior and Human Decision Processes*, *50*(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T

Alfarisi, M. F., Agestayani, A., & Delfiani, S. (2020). The Impact of Islamic Economics and Finance Courses on Islamic Financial Literacy. *Iqtishadia*, *13*(2), 197. https://doi.org/10.21043/iqtishadia.v13i2.7757

Alharbi, R. K., Yahya, S. Bin, & Kassim, S. (2022). Impact of religiosity and branding on SMEs performance: does financial literacy play a role? *Journal of Islamic Marketing*, *13*(12), 2717–2741. https://doi.org/10.1108/JIMA-08-2019-0162

Antin Rakhmawati, & Muhammad Nizar. (2023). Analysis of Small Business Performance in Terms of Islamic Financial Literacy and Inclusion. *Malia (Terakreditasi)*, *14*(2), 269–285. https://doi.org/10.35891/ml.v14i2.4138

Chin, W. (1988). *The partial least squares approach to structural equation modeling.* (G. A. Marcoulide (ed.)). Lawrence Erlbaum Associates,Inc,Publishers.

Falatifah, M., Karlinah, Lady, Sugondo, L. Y., & Cariciola, S. G. (2025). *Simple Accounting Recording Assistance for Micro , Small , and Medium Enterprises (MSMEs).*

Findley, M. J.; Cooper, H. M. (1983). Locus of control and academic achievement: A literature review. *Journal of Personality and Social Psychology*, *44*(2), 419–427. https://doi.org/10.1037/0022-3514.44.2.419

Fowowe, B. (2020). The effects of financial inclusion on agricultural productivity in Nigeria. *Journal of Economics and Development*, *22*(1), 61–79. https://doi.org/10.1108/jed-11-2019-0059

Ghapar, F., Brooks, R., & Smyth, R. (2021). The impact of technology on the financial performance of diversified firms. *International Journal of Economics, Busieness And Accounting Research (IJEBAR)*, *5*(4), 1–24. http://ac.els-cdn.com/S0167923604002301/1-s2.0-S0167923604002301-main.pdf?_tid=11b8454e-b12a-11e3-990e-

00000aacb362&acdnat=1395428179_4f714938e5a1871e53d0becebdc73699

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, *19*(2), 139–152. https://doi.org/10.2753/MTP1069-6679190202

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Haq, A. D., & Munir, M. (2022). Effect Of Financial Literacy And Locus Of Control On Msme Performance In Maesan District, Bondowoso Regency. *Jurnal Penelitian Ilmu Manajemen (JPIM)*, *7*(September 2021), 240. https://jurnalekonomi.unisla.ac.id/index.php/jpimhttp://dx.doi.org/10.30736%2Fjpim.v1i2.28

Hayati, N., & Prasetyo Budi, P. (2023). Literasi Keuangan, Sikap Keuangan Dan Locus of Control Terhadap Perilaku Keuangan Dengan Kinerja Keuangan Sebagai Variabel Intervening. *Jurnal Bisnis Digital Dan Sistem Informasi*, *4*(1), 18–29.

Insaani, M. Q., Wirian, O., Muhammadiyah, U., Utara, S., Manajemen, P., & Syariah, K. (2024). *Pemberdayaan UMKM Melalui Pelatihan Manajemen dan Keuangan Syariah di Tanjung Gusta*. *2*, 1–10.

Ismawati, A. F., & Rochman, A. N. (2023). Pengaruh Pendapatan, Literasi Keuangan, Locus of Control dan Kepribadian Terhadap Perilaku Manajemen Keuangan UMKM Coffee Shop di Wilayah Surakarta. *Miftah : Jurnal Ekonomi Dan Bisnis Islam*, *1*(2), 143–155. https://doi.org/10.61231/miftah.v1i2.164

Krismadayanti, K., Noviarita, H., & Iqbal, M. (2023). Pengaruh Literasi, Inklusif Keuangan Syariah dan Locus Of Control Terhadap Kinerja Keuangan dalam Meningkatkan Usaha Mikro Kecil dan Menengah (UMKM) di Kota Bandar Lampung. *Jurnal Ilmiah Ekonomi Islam*, *9*(3), 4018. https://doi.org/10.29040/jiei.v9i3.11357

Masrizal, Sukmana, R., & Trianto, B. (2024). The effect of Islamic financial literacy on business performance with emphasis on the role of Islamic financial inclusion: case study in Indonesia. *Journal of Islamic Marketing*, 166–192. https://doi.org/10.1108/JIMA-07-2022-0197

Nesneri, Y., Novita, U., Kunci, K., Keuangan Syariah, L., Literasi Keuangan Syariah, T., & Riau, M. (2023). Analisis Literasi Keuangan Syariah Pada Masyarakat Riau. *Jurnal Tabarru' : Islamic Banking and Finance*, *6*(1), 255–268.

Nur'aeni, N., & Widyasari, W. (2022). Peran Tingkat Literasi Keuangan Syariah Dan Akses Pembiayaan Bank Syariah Terhadap Pertumbuhan Usaha Mikro Kecil Yang Dimiliki Muslim Di Kabupaten Bandung. *Ekspansi: Jurnal Ekonomi, Keuangan, Perbankan, Dan Akuntansi*, *14*(2), 116–129. https://doi.org/10.35313/ekspansi.v14i2.4425

PEKANBARU.GO.ID. (2024). *Jumlah Pelaku UMKM di Pekanbaru Tahun ini Meningkat*. Portal Resmis Pemerintah Kota Pekanbaru Provinsi Riau. https://www.pekanbaru.go.id/p/news/jumlah-pelaku-umkm-di-pekanbaru-tahun-ini-meningkat

Prakash, B., Kumar, I., & Verma, J. K. (2021). Barriers and potential solutions for MSMEs in developing economies: Evidence from India. *Problems and Perspectives in Management*, *19*(4), 325–337. https://doi.org/10.21511/ppm.19(4).2021.26

Pranatasari, D., Rahmanto, D. N. A., & Wicaksana, R. S. (2021). Islamic Financial Literacy and

Islamic Business and Management Journal

Islamic Business and Management Journal (IBMJ)
P-ISSN: 2622-6316
E-ISSN: 2622-6324

Inclusion on Profitability of Micro, Small and Medium Enterprises. *NUsantara Islamic Economic Journal*, *1*(1), 40–53. https://doi.org/10.34001/nuiej.v1i1.56

Putri, E., & Bandi, B. (2023). Financial Attitude, Marketing Strategy, Locus of Control, And Self-Efficacy on MSME Performance. *The International Journal of Business Management and Technology*, *7*(2), 465–478.

Rahmansyah, D., Saputri, D. V., Utami, Z. R., & Wang, Y. (2023). The Role of Sharia Financial Innovation and Literacy for MSME Actors in Increasing Profitability. *Sharia Oikonomia Law Journal*, *1*(2), 126–135. https://doi.org/10.55849/solj.v1i2.176

Rotter, J. B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological Monographs: General and Applied*, *80*(1), 1–28. https://doi.org/https://doi.org/10.1037/h0092976

Sabiu, T. T., & Abduh, M. (2021). Impact of Islamic Banking Inclusion on Sme Employment Growth in Nigeria. *Journal of Islamic Monetary Economics and Finance*, *7*(1), 77–106. https://doi.org/10.21098/jimf.v7i1.1354

Saputra, B. K., Wibowo, E., Manajemen, P., Ekonomi, F., & Riyadi, U. S. (2024). *Pengaruh Financial Technology , Locus of Control , dan Orientasi Kewirausahaan Terhadap Kinerja Keuangan UMKM (Survey pada UMKM Jamu di Kecamatan Nguter Tahun 2023)*. *2*(1), 742–753.

Sedgwick, P. (2013). Convenience sampling. *Bmj*, *347*(oct25 2), f6304–f6304. https://doi.org/10.1136/bmj.f6304

Sholihah, A., & Seriawan, F. (2022). PENDEKATAN THEORY OF PLANNED BEHAVIOR DALAM MELAKUKAN SERTIFIKASI HALAL BAGI PELAKU UMKM SEKTOR HALAL FOOD DI KABUPATEN BANGKALAN. *Jurnal Maneksi*, *11*(2), 465–470.

Simamora, B. (2022). Skala Likert, Bias Penggunaan dan Jalan Keluarnya. *Jurnal Manajemen*, *12*(1), 84–93. https://doi.org/10.46806/jman.v12i1.978

Sofyani, H. (2023). Penentuan Jumlah Sampel pada Penelitian Akuntansi dan Bisnis Berpendekatan Kuantitatif. *Reviu Akuntansi Dan Bisnis Indonesia*, *7*(2), 311–319. https://doi.org/10.18196/rabin.v7i2.19031

Supriadi, I., Maghfiroh, R. U., Abadi, R., & Yudowati, D. M. (2023). The Role of Sharia Financial Innovation and Literacy in Improving the Performance of MSME Actors. *Journal of Islamic Economic and Business Research*, *3*(2), 214–229. https://doi.org/10.18196/jiebr.v3i2.193

Syafitri, A. F. (2025). *UMKM Berkelanjutan Kunci Masa Depan Ekonomi Indonesia*. PERBANAS INSTITUTE. https://perbanas.id/2025/01/30/umkm-berkelanjutan-kunci-masa-depan-ekonomi-indonesia/#:~:text=Menurut data Kementerian UMKM per,nilai mencapai Rp9.300 triliun

Tinggi, S., Manajemen, I., & Jaya, L. (2025). *Kepatuhan Terhadap Prinsip Halal Dalam Industri Kosmetik : Implikasi Terhadap Preferensi Konsumen Muslim*. *4*(2), 2300–2306.