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Financial Management Behaviour of MSMEs in Buleleng Regency - The Mediating Role of Financial Self Efficacy

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A B S T R A C T

This study examines the influence of financial literacy, financial inclusion, and financial attitude on the financial management behavior of MSMEs in Buleleng Regency, with financial self-efficacy serving as a mediating variable. A quantitative research design was applied using survey data collected from 100 MSME owners through structured questionnaires. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). Despite the relatively limited sample size for a model involving multiple latent constructs and hypotheses, the application of bootstrapping in SEM-PLS provided stable and reliable parameter estimates. The findings reveal that financial literacy and financial attitude significantly improve financial management behavior. Financial inclusion was not found to have a direct influence on financial management behavior; however, it significantly enhances financial self-efficacy. In addition, financial self-efficacy has a positive and significant effect on financial management behavior and mediates the relationships between financial literacy, financial inclusion, financial attitude, and financial management behavior. These results indicate that psychological confidence plays a crucial role in translating financial knowledge, financial access, and financial attitudes into effective financial practices among MSME actors. The study implies that MSME empowerment programs should integrate financial education, inclusion initiatives, and confidence-building strategies such as mentoring and practical financial training. However, this study is limited by the relatively small sample size and its focus on MSMEs within a single regional context, which may restrict the broader generalizability of the findings.

1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are one of the main pillars of Indonesia's economic structure because they are able to absorb a large workforce, strengthen the local production base, and increase community income in various regions (Fakhri, A. et al., 2026). In Buleleng Regency, Bali Province, MSMEs have developed significantly through tourism, traditional crafts, culinary businesses, and service-based industries that cater to both domestic and international tourists. Despite strong government support to enhance MSME competitiveness, many business actors continue to face substantial challenges in financial management practices and financial decision-making behavior (Fadila & Purnamawati, 2023). Various obstacles, such as difficulties in financial recording, lack of cash flow planning strategies, and inability to separate personal and business cash flows, are empirical findings that urgently need to be examined scientifically.

Financial management behavior is a manifestation of how MSME players plan, control, and evaluate financial functions in their business operations. Financial management literature emphasizes that behavioral factors are often the main determinants of effective financial management practices among small business players (Guiner, 2026). This behavior not only includes technical aspects such as bookkeeping practices or the use of payment instruments, but also reflects how MSME actors perceive and make decisions regarding financial activities in their daily business operations. Therefore, understanding the determinants of financial management behavior is essential for MSMEs to survive and grow amid global economic uncertainty. Several empirical studies indicate that financial attitude plays a significant role in shaping financial management behavior. Financial attitude refers to an individual's psychological tendency toward financial matters, including preferences for financial planning, spending behavior, savings orientation, and risk-taking in financial decisions (Handayati et al., 2023). Meanwhile, financial literacy is a cognitive capability that includes knowledge about financial products, planning principles, risks, and the interpretation of relevant financial information. Research in various MSME contexts shows that financial literacy has a positive relationship with financial management practices; MSMEs that possess a stronger understanding of financial concepts tend to maintain more systematic financial records and develop structured budgeting practices, which ultimately support better financial decision-making and business sustainability (Widjayanti et al., 2025; Rahayu et al., 2023). Conceptually, this level of literacy is the foundation for building practical skills in financial management.

On the other hand, financial inclusion is a dimension of access to formal financial services such as savings accounts, working capital credit, digital financing services, and investment products that are relevant to small businesses. This access not only includes the availability of institutions but also the involvement of MSME actors in actively using these services. Recent empirical evidence indicates that financial inclusion is positively associated with improved MSME capacity in managing working capital, facilitating access to external financing, and enhancing cash flow management efficiency, thereby strengthening overall financial performance and sustainability (Tubastuvi et al., 2024; Tandilino et al., 2025; Dela Cruz et al., 2025). However, barriers to access and understanding of services remain a challenge in many regions, including districts with mixed economies such as Buleleng. Although the relationship between Financial Attitude, Financial Literacy, and Financial Inclusion with financial behavior has been extensively studied, there are empirical inconsistencies regarding how strongly these three factors explain MSME financial behavior. Some studies have found significant results, while others have shown weak or inconsistent effects (Sariwulan et al., 2023). This variation indicates that the relationship is not always direct and deterministic, but may be moderated or mediated by other psychological factors. This phenomenon draws attention to a deeper psychological concept, namely Financial Self-Efficacy.

Financial Self-Efficacy refers to the belief of business actors in their own ability to carry out financial tasks effectively, including planning budgets, controlling expenses, deciding on investments, and overcoming other financial challenges. The concept of Self-Efficacy itself has been widely discussed in social psychology literature as the key to motivation and behavior regulation. Contemporary research highlights that financial self-belief plays a pivotal role in transforming financial knowledge and attitudes into actual behavioral practices. Empirical evidence confirms that financial self-efficacy functions as a mediating mechanism in the relationship between financial literacy, financial attitudes, and financial management behavior across different populations, including youth and MSME actors (Wiharno et al., 2026; Singh et al., 2019). Consequently, individuals who possess adequate financial knowledge but lack confidence in applying it tend to demonstrate less effective financial management practices. Empirically, MSMEs in Buleleng face unique challenges: seasonal demand uncertainty, the dominance of micro-scale businesses with limited resources, and low adoption of formal financial services in several sub-sectors. Studies combining psychological variables such as Financial Self-Efficacy with financial determinants such as literacy and financial inclusion in Buleleng are still very rare in academic literature. In fact, local contexts such as this are important for understanding the dynamics of financial behavior influenced by business management culture, local market characteristics, and local socioeconomic structures. Furthermore, empirical evidence from recent studies confirms that financial self-efficacy plays a crucial role in bridging financial knowledge and actual financial practices, particularly among MSMEs that operate under higher levels of financial uncertainty and risk. In this context, financial self-efficacy enables business actors to translate financial understanding into effective decision-making and behavior (Sumiati et al., 2025; Ikbal et al., 2025; Handayati et al., 2023). Consequently, MSME actors who possess financial knowledge but lack confidence in applying it tend to demonstrate less optimal financial management practices.

Therefore, this study attempts to close the theoretical and empirical gaps in the MSME financial management literature by testing and integrating these variables into a single model. The first gap is the lack of studies focusing on MSMEs in non-metropolitan areas such as Buleleng, which have different economic characteristics from large cities that are often the subject of research. The second gap is the limited number of studies using a psychological mediation approach, particularly testing Financial Self-Efficacy as a mediating variable in the relationship between Financial Attitude, Financial Inclusion, and Financial Literacy with Financial Management Behavior. Third, previous empirical studies often show inconsistent results, indicating the need for a more complex and holistic conceptual model. In addition to these gaps, this study also addresses an important contextual limitation in previous MSME financial behavior research. Most prior studies were conducted in large urban or industrial regions with relatively mature financial ecosystems, higher digital financial adoption, and broader access to formal financial institutions. Consequently, the behavioral dynamics identified in those settings may not fully explain the realities faced by MSMEs operating in tourism-dependent and semi-rural regions such as Buleleng Regency. Buleleng presents a distinctive economic structure characterized by seasonal business fluctuations, dominance of micro-scale family enterprises, varying levels of financial accessibility, and strong community-based social interactions that may influence financial decision-making processes differently from metropolitan contexts. These conditions create a unique environment in which financial literacy, financial inclusion, and financial attitude may not directly translate into effective financial management behavior without sufficient psychological readiness. Therefore, the novelty of this study lies not merely in its geographical setting, but in its effort to explain how contextual economic characteristics interact with psychological mechanisms, particularly financial self-efficacy, in shaping MSME financial management behavior within a non-metropolitan regional economy.

This study offers several significant new contributions. First, this study integrates Financial Self-Efficacy as a mediating variable that allows for a deeper understanding of the internal mechanisms of MSME actors in translating knowledge and attitudes into effective financial management practices. Second, this study was conducted in the context of MSMEs in Buleleng Regency, which represents an area with a tourism-based economy and traditional micro-businesses, thus providing empirical contributions that differ from studies in large urban centers. Third, the findings of this study are expected to provide policy recommendations related to training design, financial education, and MSME empowerment programs that not only focus on improving literacy and access but also strengthen business actors confidence in managing finances. With a comprehensive conceptual approach and a focus on the local context, this study is expected to not only enrich the academic literature in the field of financial behavior and MSME management, but also provide strong practical implications for relevant stakeholders, such as local governments, microfinance institutions, MSME training institutions, and business communities in Buleleng Regency

Theory of Planned Behavior

The theoretical foundation of this study is primarily based on the Theory of Planned Behavior (TPB), which explains that individual behavior is shaped through a deliberate cognitive process involving attitudes toward behavior, subjective norms, and perceived behavioral control (Ajzen, 1991; La Barbera & Ajzen, 2020). Within the context of MSMEs, financial management behavior reflects planned actions related to budgeting, financial recording, cash flow management, and financial decision-making that are influenced not only by knowledge and attitudes, but also by social pressures and perceived capability. In the TPB framework, financial attitude represents the evaluative dimension that reflects how MSME actors perceive financial management practices. Positive attitudes toward financial planning, spending discipline, and future financial security encourage stronger intentions to engage in responsible financial behavior (Rai et al., 2022; Lestari & Wardhani, 2024). Financial literacy further supports this process by enhancing individuals' understanding of financial concepts, enabling more rational evaluations regarding the consequences of financial decisions (Morgan & Long, 2022; Nguyen & Nguyen, 2023).

Beyond attitudes and knowledge, subjective norms also play an important role in shaping MSME financial behavior. Subjective norms refer to perceived social expectations from important social groups such as family members, business communities, financial institutions, and local business networks regarding how financial activities should be managed. In MSME settings, financial decisions are often influenced by collective values, community expectations, and social interactions rather than purely individual considerations. Supportive social environments may encourage business actors to adopt more disciplined financial practices, maintain financial records, and utilize formal financial services responsibly. Therefore, financial behavior among MSME actors is not solely an individual cognitive process but is also socially embedded within the surrounding business and community context (Ajzen, 1991; La Barbera & Ajzen, 2020). Furthermore, perceived behavioral control in TPB refers to individuals' perceptions regarding the ease or difficulty of performing a particular behavior, including the availability of resources, opportunities, and external support. In this study, financial inclusion represents one of the external conditions that may strengthen perceived behavioral control because access to banking services, digital finance, and credit facilities increases the perceived ability of MSME actors to perform financial activities effectively (Anwar et al., 2022; Pradhan et al., 2024). However, perceived behavioral control should be distinguished from financial self-efficacy. While perceived behavioral control encompasses broader perceptions regarding external and internal constraints, financial self-efficacy specifically reflects an individual's confidence in their personal capability to manage financial tasks successfully.

The distinction between these concepts is important because MSME actors may have access to financial resources and opportunities but still lack confidence in utilizing them effectively. Thus, financial self-efficacy represents a more specific psychological belief that focuses on self-confidence in applying financial knowledge and performing financial management activities. This perspective aligns with Social Cognitive Theory, which emphasizes self-efficacy as a central mechanism that transforms cognitive capability into actual behavior. In this regard, Social Cognitive Theory complements TPB by explaining how internal confidence strengthens the translation of financial attitudes, literacy, and access into consistent financial management practices (Farrell et al., 2021; Koomson et al., 2023). Accordingly, this study integrates TPB and Social Cognitive Theory in a complementary manner. TPB explains how attitudes, social influences, and perceived control shape behavioral intentions, while Social Cognitive Theory explains how financial self-efficacy functions as an internal psychological mechanism that enables MSME actors to implement financial behavior consistently. Through this integrated framework, financial management behavior is understood as the result of interactions among cognitive understanding, social influence, structural access, and psychological confidence. Therefore, financial self-efficacy serves not merely as perceived behavioral control itself, but as a more specific motivational component that operationalizes and strengthens behavioral execution in the financial management context of MSMEs.

Financial Literacy and Financial Management Behavior

Financial literacy constitutes a critical foundation for shaping sound financial management behavior, as it equips individuals with the capacity to interpret financial information and make informed decisions. Individuals who possess adequate financial knowledge are more likely to engage in systematic budgeting, prudent spending, and long-term financial planning. Empirical evidence supports this argument. Lusardi and Messy (2021) emphasize that financial literacy significantly enhances individuals' ability to make effective financial decisions, particularly in complex financial environments. Further, Hasler and Lusardi (2022) demonstrate that individuals with higher financial literacy exhibit more responsible financial behaviors, including saving and debt management. Similarly, Bianchi (2021) finds that financial knowledge improves financial decision-making quality by reducing cognitive biases. In addition, Yakoboski et al. (2022) report that financially literate individuals tend to display stronger financial discipline and planning behavior. Moreover, Ranyard et al. (2022) highlight that financial literacy enhances individuals' ability to evaluate risks and benefits, thereby promoting rational financial behavior. Collectively, these studies suggest that financial literacy functions not only as knowledge but also as a behavioral driver that improves financial management outcomes.

H1: Financial literacy has a significant effect on financial management behavior.

Financial Inclusion and Financial Management Behavior

Financial inclusion refers to the accessibility and usage of formal financial services, which theoretically should support better financial management. However, the empirical relationship between financial inclusion and financial behavior remains complex and context-dependent. Ozili (2021) argues that access to financial services alone does not automatically translate into improved financial behavior without adequate financial capability. Similarly, Allen et al. (2022) find that while financial inclusion increases participation in the financial system, its impact on behavior is mediated by individuals' knowledge and confidence. Appiah-Otoo and Song (2021) further reveal that financial inclusion contributes to economic outcomes, but behavioral changes are often indirect. Additionally, Evans (2022) shows that financial inclusion can improve financial decision-making only when supported by adequate financial literacy. Mushtaq and Bruneau (2021) also highlight that financial inclusion without proper financial skills may lead to suboptimal financial decisions. Thus, while financial inclusion provides opportunities for better financial management, its effectiveness largely depends on complementary internal factors.

H2: Financial inclusion has a significant effect on financial management behavior.

Financial Attitude and Financial Management Behavior

Financial attitude reflects individuals' psychological orientation toward money, including their beliefs, values, and preferences in financial matters. A positive financial attitude is often associated with responsible financial behavior, such as disciplined spending and long-term planning. Tang et al. (2022) demonstrate that individuals with constructive financial attitudes are more likely to engage in prudent financial practices. Similarly, Chatterjee et al. (2021) find that financial attitudes significantly influence saving and spending decisions. Stromback et al. (2021) further confirm that positive attitudes toward money are linked to better financial behavior and overall financial well-being. In addition, Bapat (2022) reports that individuals with a strong future-oriented financial attitude are more consistent in financial planning. Gutter and Copur (2021) also emphasize that attitudes toward money significantly shape financial decision-making patterns. Overall, financial attitude serves as a motivational and psychological driver that reinforces the application of financial knowledge into practice.

H3: Financial attitude has a significant effect on financial management behavior.

Financial Self-Efficacy and Financial Management Behavior

Financial self-efficacy represents an individual's confidence in their ability to manage financial matters effectively. This psychological construct plays a crucial role in translating knowledge into action. Netemeyer et al. (2021) show that self-efficacy significantly predicts financial behavior, particularly in budgeting and financial control. Similarly, Herawati et al. (2022) find that individuals with higher financial self-efficacy are more proactive in managing their finances. Asebedo and Payne (2021) also highlight that confidence in financial abilities leads to more consistent financial planning and saving behavior. Furthermore, Mindra et al. (2022) report that financial self-efficacy enhances individuals' ability to cope with financial challenges. Xiao et al. (2022) confirm that self-efficacy strengthens financial decision-making processes. Thus, financial self-efficacy functions as a key psychological mechanism that bridges intention and actual financial behavior.

H4: Financial self-efficacy has a significant effect on financial management behavior.

Financial Literacy and Financial Self-Efficacy

Financial literacy contributes significantly to the development of financial self-efficacy by enhancing individuals' understanding and confidence in financial matters. Fernandes et al. (2022) show that financial knowledge improves individuals' confidence in making financial decisions. Similarly, Bongomin et al. (2022) find that financial literacy positively influences self-efficacy, particularly in managing financial risks. Van Rooij et al. (2022) also demonstrate that individuals with higher financial literacy feel more capable of handling financial challenges. In addition, Allgood and Walstad (2021) highlight that perceived financial knowledge strongly affects confidence. Calcagno and Monticone (2021) further confirm that financial knowledge enhances financial self-efficacy. Overall, financial literacy not only increases knowledge but also strengthens individuals' confidence in financial decision-making.

H5: Financial literacy has a significant effect on financial self-efficacy.

Financial Inclusion and Financial Self-Efficacy

Financial inclusion can enhance financial self-efficacy by providing individuals with opportunities to interact with financial systems and gain practical experience. Zins and Weill (2021) find that access to financial services improves individuals' confidence in managing financial activities. Similarly, Park and Mercado (2021) report that financial inclusion strengthens financial resilience and confidence. Sahay et al. (2021) also emphasize that financial access contributes to individuals' perceived financial control. In addition, Lenka and Barik (2022) show that digital financial inclusion increases user confidence in financial transactions. Ratnawati (2022) confirms that access to financial services positively influences financial self-efficacy. Therefore, financial inclusion can strengthen financial confidence, although its impact depends on individuals' ability to utilize financial services effectively.

H6: Financial inclusion has a significant effect on financial self-efficacy.

Financial Attitude and Financial Self-Efficacy

Financial attitude also plays a crucial role in shaping financial self-efficacy, as positive beliefs about money can enhance individuals' confidence in managing finances. Lim et al. (2022) show that financial attitudes significantly influence financial confidence. Similarly, Sorgente and Lanz (2022) find that positive financial attitudes are associated with higher levels of financial self-efficacy. Joo and Grable (2021) also highlight that attitudes toward money influence confidence in financial decision-making. In addition, Shim et al. (2021) report that financial attitudes developed through socialization processes contribute to self-efficacy. Tang and Baker (2021) further confirm the strong relationship between financial attitude and confidence. Thus, financial attitude serves as an internal psychological resource that strengthens financial self-efficacy.

H7: Financial attitude has a significant effect on financial self-efficacy.

Financial Literacy and Financial Management Behavior Mediated by Financial Self-Efficacy

Financial literacy is widely acknowledged as a key determinant of financial management behavior, as it provides individuals with the necessary knowledge to understand financial concepts such as budgeting, saving, and investment. Individuals with higher financial literacy tend to exhibit more rational and structured financial decision-making. However, the ability to translate knowledge into behavior is not automatic and often depends on internal psychological factors. In this context, financial self-efficacy plays a crucial role. Based on social cognitive theory, individuals who possess strong financial knowledge are more likely to develop confidence in their ability to manage financial matters. This confidence, in turn, encourages the consistent application of financial knowledge in daily financial activities. Several empirical studies confirm that financial literacy significantly influences financial self-efficacy and indirectly affects financial behavior through this mechanism (Bongomin et al., 2021; Yap et al., 2022; Rai et al., 2022; Nguyen & Nguyen, 2023; Safitri & Wijaya, 2023). These findings indicate that financial knowledge becomes more impactful when individuals feel in applying it. Thus, financial self-efficacy serves as an important mediating variable that strengthens the influence of financial literacy on financial management behavior.

H8: Financial literacy has a positive and significant effect on financial management behavior through financial self-efficacy.

Financial Inclusion and Financial Management Behavior Mediated by Financial Self-Efficacy

Financial inclusion refers to the accessibility and use of formal financial services, such as banking, credit facilities, and digital financial platforms. While increased access is often assumed to improve financial behavior, empirical evidence suggests that access alone is insufficient to produce meaningful behavioral change. The effectiveness of financial inclusion largely depends on individuals' confidence in utilizing available financial services. Financial self-efficacy becomes a critical factor that determines whether individuals can transform access into practical financial actions. When individuals feel confident in using financial products, they are more likely to engage in effective financial planning, saving, and financial control. Recent studies support this indirect relationship, indicating that financial inclusion enhances financial behavior through increased confidence and perceived control (Bongomin et al., 2021; Morgan & Long, 2022; Koomson et al., 2023; Anwar et al., 2022; Pradhan et al., 2024). These findings suggest that financial inclusion contributes to behavioral outcomes primarily through psychological empowerment rather than direct effects. Therefore, financial self-efficacy acts as a mediating mechanism that enables financial inclusion to influence financial management behavior.

H9: Financial inclusion has a positive and significant effect on financial management behavior through financial self-efficacy.

Financial Attitude and Financial Management Behavior Mediated by Financial Self-Efficacy

Financial attitude reflects an individual's beliefs, values, and mindset toward financial management, including prudence in spending, long-term orientation, and financial discipline. A positive financial attitude is generally associated with responsible financial behavior. However, attitude alone may not consistently translate into actual behavior without the presence of internal confidence. Financial self-efficacy strengthens the relationship between financial attitude and behavior by enabling individuals to act on their financial values. Individuals with positive financial attitudes who also possess strong self-efficacy are more likely to implement consistent financial practices, such as budgeting and saving. Empirical evidence supports this relationship, showing that financial attitude influences financial behavior through the mediating role of self-efficacy (Amanah et al., 2021; Sabri et al., 2022; Nguyen et al., 2022; Firmansyah et al., 2023; Lestari & Wardhani, 2024). These studies highlight that confidence in financial capability is essential for translating positive attitudes into real financial actions. Thus, financial self-efficacy functions as a key mechanism that reinforces the effect of financial attitude on financial management behavior.

H10: Financial attitude has a positive and significant effect on financial management behavior through financial self-efficacy.

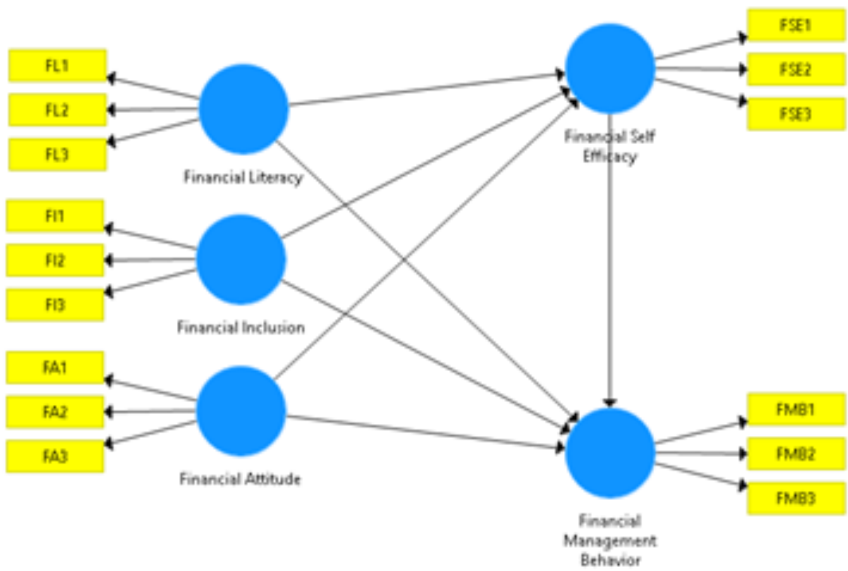

Figure 1. Conceptual Framework
Source: Smart-PLS 3 (2025)

2. METHOD

This research applied a quantitative approach to investigate the relationships among financial literacy, financial inclusion, financial attitude, financial self-efficacy, and financial management behavior of MSMEs in Buleleng Regency. Data were obtained through questionnaires distributed to MSME owners and business managers who were actively involved in financial decision-making within their businesses. The study population consisted of MSMEs operating in Buleleng Regency. Respondents were selected using purposive sampling with several criteria, namely MSME owners or managers who had operated their businesses for at least one year and were directly responsible for managing business finances. Based on these criteria, 100 valid questionnaires were collected and used in the analysis.

Table 1. Demographic Characteristics of Respondents

Characteristics	Category	Total
Gender	Male	42
	Female	58
Age	Under 30 years	21
	30–40 years	39
	41–50 years	27
	Above 50 years	13
Business Scale	Micro	61
	Small	28
	Medium	11
Business Sector	Trading	37
	Culinary	29
	Services	18
	Handicraft and Others	16
Length of Business Operation	1–3 years	24
	4–6 years	35
	7–10 years	26
	More than 10 years	15

Source: Data Processed (2025)

The respondent profile demonstrates that most MSMEs involved in this study were micro-scale businesses dominated by female entrepreneurs. The majority operated in the trading and culinary sectors, which represent the dominant business activities in Buleleng Regency. In addition, most respondents had managed their businesses for more than four years, indicating sufficient business experience and financial decision-making exposure. The number of respondents used in this study was considered adequate for Partial Least Squares Structural Equation Modeling (PLS-SEM). The determination of the sample size referred to the 10-times rule, which suggests that the minimum sample should be at least ten times the highest number of structural paths directed toward a latent construct within the model. Since the construct of Financial Management Behavior received four direct relationships from other constructs, the minimum required sample was 40 respondents. Therefore, the total sample of 100 respondents exceeded the recommended threshold.

PLS-SEM was also selected because of its suitability for predictive and exploratory research models involving mediation effects and multiple latent variables, particularly when the sample size is relatively limited. To increase the reliability of the statistical estimation, the analysis employed a bootstrapping procedure with repeated resampling. Consequently, the sample size used in this research was considered sufficient to test the proposed hypotheses and produce stable estimation results.

3. RESULT AND DISCUSSION

Measurement Model

Outer loading testing was conducted to assess the convergent validity of indicators in reflecting latent constructs. According to Hair et al. (2019), an outer loading value ≥ 0.70 indicates a strong contribution of indicators, while a value of 0.60-0.70 is still acceptable in social research. The analysis results show that all indicators in this study have met these criteria, so the measurement model is declared valid. For the Financial Literacy variable, the outer loading values of the indicators ranged from 0.708 to 0.790, indicating that the indicators were able to consistently represent the financial understanding of MSME actors. The Financial Inclusion variable had outer loading values between 0.739 and 0.850, indicating that access to and use of formal financial services were well reflected in the measured construct. Furthermore, the Financial Attitude variable shows high outer loading values (0.805-0.870), indicating that financial attitudes are a strong reflection in shaping the financial behavior of business actors.

The Financial Self-Efficacy mediation construct also meets validity standards with indicator outer loading values ranging from 0.764 to 0.799, indicating the reliability of measuring MSME actors' confidence in managing business finances. Meanwhile, the Financial Management Behavior variable has an outer loading value of 0.775-0.847, confirming that financial management behavior is optimally represented. Overall, these results confirm that all indicators are suitable for structural analysis and testing the mediating role of financial self-efficacy in the context of MSMEs in Buleleng Regency.

Table 2. Outer Loadings

	Financial Attitude	Financial Inclusion	Financial Literacy	Financial Management Behavior	Financial Self Efficacy
FA1	0.824				
FA2	0.870				
FA3	0.805				
FI1		0.780			
FI2		0.850			
FI3		0.739			
FL1			0.738		
FL2			0.790		
FL3			0.708		
FMB1				0.775	
FMB2				0.847	
FMB3				0.827	
FSE1					0.764
FSE2					0.790
FSE3					0.799

Source: Data Processed (2025)

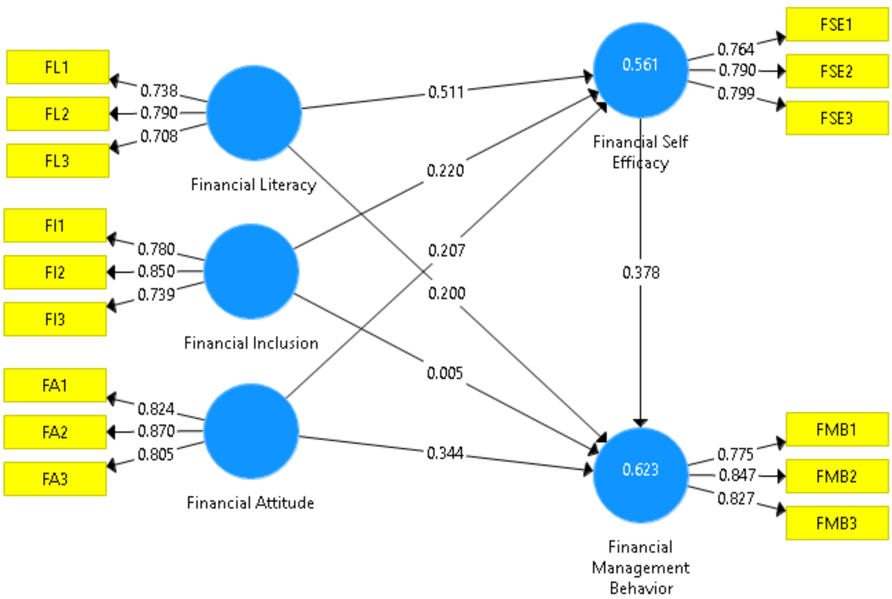

Figure 2. Algorithm, Source: Smart-PLS 3 (2025)

The assessment of discriminant validity in this study was conducted using the Fornell-Larcker criterion and cross-loading analysis. These two approaches are essential to ensure that each construct is empirically distinct and measures a unique concept within the model.

Based on the Fornell-Larcker criterion, discriminant validity is considered satisfactory when the square root of the Average Variance Extracted (AVE) for each construct exceeds its correlations with other constructs. The results indicate that all constructs meet this requirement. Financial Attitude (0.834), Financial Inclusion (0.791), Financial Literacy (0.746), Financial Management Behavior (0.817), and Financial Self-Efficacy (0.785) each show higher values on the diagonal compared to their inter-construct correlations. For instance, the square root of AVE for Financial Management Behavior (0.817) is greater than its correlations with Financial Literacy (0.649), Financial Attitude (0.656), Financial Inclusion (0.318), and Financial Self-Efficacy (0.704). This pattern consistently appears across all constructs, indicating that each latent variable shares more variance with its own indicators than with other variables in the model. Therefore, the Fornell-Larcker criterion confirms adequate discriminant validity.

Table 3. Fornell-Larcker Criterion

	Financial Attitude	Financial Inclusion	Financial Literacy	Financial Management Behavior	Financial Self Afficacy
Financial Attitude	0,834				
Financial Inclusion	0,245	0,791			
Financial Literacy	0,540	0,321	0,746		
Financial Management Behavior	0,656	0,318	0,649	0,817	
Financial Self Afficacy	0,537	0,435	0,693	0,704	0,785

Source: Data Processed (2025)

Table 4 presents the results of the Heterotrait-Monotrait Ratio (HTMT) analysis used to evaluate discriminant validity among the constructs in the study. The findings indicate that all HTMT values are below the recommended threshold of 0.90, demonstrating that each construct is empirically distinct and measures different conceptual dimensions. The lowest HTMT value is found between Financial Attitude and Financial Inclusion (0.330), indicating a strong level of distinction between the two variables. Meanwhile, relatively higher HTMT values are observed between Financial Attitude and Financial Management Behavior (0.851), Financial Self-Efficacy and Financial Literacy (0.877), and Financial Self-Efficacy and Financial Management Behavior (0.862). Although these relationships indicate close conceptual associations, the values remain within the acceptable range and therefore do not indicate discriminant validity problems. Overall, the HTMT results confirm that the measurement model has adequate discriminant validity and that all constructs included in the study are sufficiently differentiated from one another.

Table 4. Heterotrait-Monotrait Ratio (HTMT)

	Financial Attitude	Financial Inclusion	Financial Literacy	Financial Management Behavior	Financial Self Afficacy
Financial Attitude					
Financial Inclusion	0,330				
Financial Literacy	0,772	0,497			
Financial Management Behavior	0,851	0,428	0,847		
Financial Self Afficacy	0,715	0,617	0,877	0,862	

Source: Data Processed (2025)

Table 5 presents the Outer Variance Inflation Factor (VIF) values used to assess the presence of multicollinearity among the indicators in the measurement model. The results show that all VIF values range from 1.178 to 1.857, which are well below the commonly accepted threshold of 5.00. These findings indicate that there are no significant multicollinearity issues among the indicators, meaning that each indicator contributes uniquely to its respective construct without excessive overlap with other indicators. In addition, the relatively low VIF values suggest that the measurement model has good indicator stability and that the constructs can be estimated reliably. Therefore, the outer model can be considered free from collinearity problems and suitable for further structural model analysis.

Table 5. Outer VIF Values

	VIF
FA1	**1,491**
FA2	**1,857**
FA3	**1,672**
FI1	**1,452**
FI2	**1,443**
FI3	**1,281**
FL1	**1,217**
FL2	**1,222**
FL3	**1,178**
FMB1	**1,353**
FMB2	**1,649**
FMB3	**1,642**
FSE1	**1,359**
FSE2	**1,353**
FSE3	**1,313**

Source: Data Processed (2025)

Further evidence is provided by the cross-loading results. Each indicator demonstrates the highest loading on its associated construct compared to other constructs. For example, the indicators of Financial Attitude load more strongly on Financial Attitude than on any other variable. Similarly, Financial Inclusion indicators show dominant loadings on their respective construct. This pattern is also observed for Financial Literacy (0.738-0.790), Financial Management Behavior (0.775-0.847), and Financial Self-Efficacy (0.764-0.799). Although several indicators exhibit moderate cross-loadings on other constructs for instance, FL2 shows a relatively high loading on Financial Management Behavior (0.588), and FMB2 loads moderately on Financial Literacy (0.650) these values remain lower than their primary loadings. This suggests that while the constructs are conceptually related, particularly between Financial Literacy, Financial Management Behavior, and Financial Self-Efficacy, they remain empirically distinguishable.

The combined results of the Fornell-Larcker criterion and cross-loading analysis demonstrate that the measurement model possesses satisfactory discriminant validity. Each construct is sufficiently distinct, supporting the robustness of the model and ensuring that subsequent structural analysis can be interpreted with confidence.

Table 6. Cross Loadings

	Financial Attitude	Financial Inclusion	Financial Literacy	Financial Management Behavior	Financial Self Afficacy
FA1	**0,824**	0,345	0,498	0,583	0,480
FA2	**0,870**	0,117	0,476	0,578	0,474
FA3	**0,805**	0,138	0,359	0,466	0,377
FI1	0,210	**0,780**	0,226	0,183	0,312
FI2	0,169	**0,850**	0,261	0,276	0,430
FI3	0,216	**0,739**	0,276	0,288	0,266
FL1	0,342	0,241	**0,738**	0,418	0,528
FL2	0,456	0,222	**0,790**	0,588	0,538
FL3	0,404	0,262	**0,708**	0,430	0,485
FMB1	0,605	0,160	0,475	**0,775**	0,511
FMB2	0,511	0,338	0,650	**0,847**	0,620
FMB3	0,494	0,273	0,454	**0,827**	0,590

	Financial Attitude	Financial Inclusion	Financial Literacy	Financial Management Behavior	Financial Self Afficacy
FSE1	0,331	0,405	0,585	0,398	**0,764**
FSE2	0,407	0,360	0,494	0,596	**0,790**
FSE3	0,510	0,273	0,559	0,639	**0,799**

Source: Data Processed (2025)

The results of reliability and convergent validity tests show that all constructs in this study have met the measurement feasibility criteria. Table 4 indicates that the Financial Literacy construct obtained a Cronbach's Alpha value of 0.603, while Financial Self-Efficacy showed a value of 0.690. Although these values are relatively lower compared to other constructs, they are still considered acceptable for exploratory and social science research because the Composite Reliability (CR) and Average Variance Extracted (AVE) values exceeded the recommended thresholds. Nevertheless, the relatively modest Cronbach's Alpha value for Financial Literacy suggests that the internal consistency of several measurement items may still be limited. Therefore, this issue should be acknowledged as one of the limitations of the study, and future research is encouraged to refine and expand the measurement indicators in order to improve construct reliability.

Table 7. Construct Reliability and Validity

	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)
Financial Attitude	0.781	0.791	0.872	0.695
Financial Inclusion	0.704	0.729	0.833	0.626
Financial Literacy	0.603	0.610	0.790	0.557
Financial Management Behavior	0.750	0.753	0.857	0.668
Financial Self Efficacy	0.690	0.694	0.828	0.616

Source: Data Processed (2025)

Structural Model

The R Square (R^2) value is used to assess the ability of independent variables to explain endogenous variables in a structural model. According to Hair et al. (2019), an R^2 value of 0.75 is categorized as strong, 0.50 as moderate, and 0.25 as weak. The analysis results show that the Financial Self-Efficacy variable has an R^2 value of 0.561 with an Adjusted R^2 of 0.548, indicating that financial literacy, financial inclusion, and financial attitudes are able to explain 56.1% of the variation in MSME actors' confidence in managing finances, while the rest is influenced by other factors outside the model. Furthermore, the Financial Management Behavior variable has an R^2 value of 0.623 and an Adjusted R^2 of 0.607, which shows that the combination of financial literacy, financial inclusion, financial attitude, and financial self- efficacy variables can explain 62.3% of the variation in MSME financial management behavior in Buleleng Regency. This value reflects the model's explanatory power, which is classified as moderate to strong, so that the structural model is considered to have good predictive power and is suitable for use in further hypothesis testing.

Table 8. R-Squere

	R Square	R Square Adjusted
Financial Management Behavior	0.623	0.607
Financial Self Efficacy	0.561	0.548

Source: Data Processed (2025)

The path analysis results show that Financial Attitude has a positive and significant effect on Financial Management Behavior ($\beta = 0.344$; $p < 0.001$), indicating that a more rational and disciplined financial attitude encourages better MSME financial management behavior. In addition, Financial Attitude also has a significant effect on Financial Self- Efficacy ($\beta = 0.207$; $p = 0.015$), indicating that a positive attitude towards finance increases business actors' confidence in managing their business finances. Furthermore, Financial Literacy has been proven to have a positive and significant influence on both Financial Management Behavior ($\beta = 0.200$; $p = 0.046$) and Financial Self-Efficacy ($\beta = 0.511$; $p < 0.001$). These findings confirm that good financial understanding not only has a direct impact on financial management behavior but also strengthens the confidence of MSME entrepreneurs in making financial decisions. Meanwhile, Financial Inclusion does not have a significant direct effect on Financial Management Behavior ($\beta = 0.005$; $p = 0.947$), but it has a positive and significant effect on Financial Self-Efficacy (β = 0.220; p = 0.002). This indicates that access to financial services plays a greater role in increasing self-confidence than directly shaping financial behavior.

Furthermore, Financial Self-Efficacy was found to have a positive and significant effect on Financial Management Behavior (β = 0.378; $p < 0.001$), which shows the important role of self-confidence in encouraging effective financial management behavior. The mediating role was also confirmed, where Financial Self-Efficacy significantly mediated the effect of Financial Attitude (β = 0.078; p = 0.049), Financial Inclusion (β = 0.083; p = 0.028), and Financial Literacy (β = 0.193; p = 0.001) on Financial Management Behavior. These findings confirm that financial self-efficacy functions as a key psychological mechanism that bridges cognitive and structural factors in shaping the financial management behavior of MSMEs in Buleleng Regency.

Table 9. Path Coefficient and Specific Indirect Effects

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**
Financial Attitude -> Financial Management Behavior	0.344	0.349	0.098	3.524	0.000
Financial Attitude -> Financial Self Efficacy	0.207	0.211	0.085	2.451	0.015
Financial Inclusion -> Financial Management Behavior	0.005	0.009	0.068	0.067	0.947
Financial Inclusion -> Financial Self Efficacy	0.220	0.221	0.072	3.066	0.002
Financial Literacy -> Financial Management Behavior	0.200	0.188	0.100	2.005	0.046
Financial Literacy -> Financial Self Efficacy	0.511	0.514	0.073	6.973	0.000
Financial Self Efficacy -> Financial Management Behavior	0.378	0.381	0.099	3.835	0.000
Financial Attitude -> Financial Self Efficacy -> Financial Management Behavior	0.078	0.081	0.040	1.970	0.049
Financial Inclusion -> Financial Self Efficacy -> Financial Management Behavior	0.083	0.085	0.038	2.204	0.028
Financial Literacy -> Financial Self Efficacy -> Financial Management Behavior	0.193	0.195	0.055	3.492	0.001

Source: Data Processed (2025)

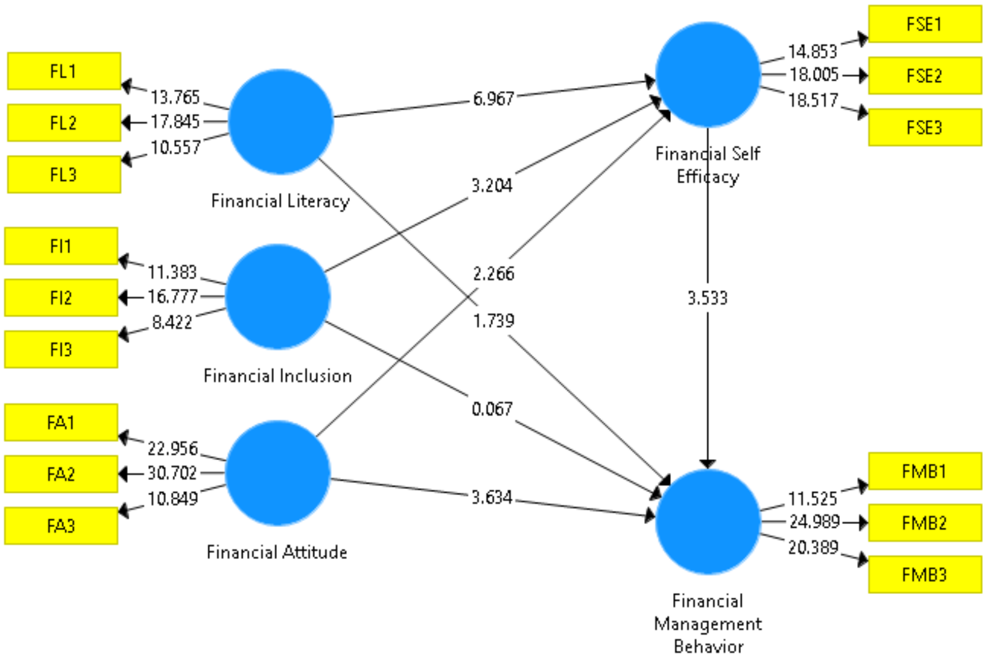

Figure 3. Bootstrapping
Source: Smart-PLS 3 (2025)

Discussion

Financial Literacy and Financial Management Behavior

The finding that financial literacy has a positive and significant effect on financial management behavior (β = 0.200; p = 0.046) confirms the critical role of financial knowledge as a foundational driver of individual financial practices. However, beyond merely serving as a cognitive resource, financial literacy also shapes how individuals interpret financial risks, evaluate alternatives, and implement structured financial decisions. From a behavioral perspective, individuals with higher financial literacy tend to exhibit greater financial awareness and planning orientation, enabling them to move beyond reactive financial behavior toward proactive financial management. This aligns with recent empirical studies showing that financially literate individuals are more likely to engage in budgeting, saving, and long-term financial planning (Lusardi et al., 2021; Morgan & Long, 2022; Kaiser & Menkhoff, 2022; Nguyen et al., 2023; Grohmann et al., 2021). These studies emphasize that financial literacy enhances not only decision quality but also behavioral consistency.

Moreover, the relatively moderate coefficient found in this study suggests that while financial literacy is important, its impact may depend on complementary factors such as motivation and psychological readiness. Kaiser and Menkhoff (2022), in a large-scale meta-analysis, argue that financial education improves financial behavior, but the effect size tends to be modest unless supported by behavioral reinforcement mechanisms. Similarly, Grohmann et al. (2021) highlight that financial literacy alone cannot fully explain behavioral outcomes without considering individual capabilities and context. In the context of MSMEs in Buleleng Regency, this finding implies that financial literacy programs should not only focus on knowledge transfer but also incorporate practical and experiential learning approaches. Strengthening applied understanding such as real bookkeeping practices and financial simulations can enhance the effectiveness of literacy interventions in shaping sustainable financial management behavior.

Financial Inclusion and Financial Management Behavior

The finding that financial inclusion does not have a significant direct effect on financial management behavior (β = 0.005; p = 0.947) provides an important insight into the limitations of access-based approaches. While financial inclusion policies aim to expand access to financial services, this study demonstrates that access alone does not guarantee behavioral change. This result is consistent with recent literature emphasizing that financial inclusion must be accompanied by user capability and behavioral readiness. For instance, Demirguc-Kunt et al. (2022) show that although access to financial services has increased globally, usage and effective financial management remain uneven. Similarly, Morgan et al. (2022) argue that financial inclusion contributes to financial outcomes only when individuals possess sufficient financial capability.

Further studies reinforce this argument. Koomson et al. (2023) find that financial inclusion improves financial resilience only when supported by financial literacy and self-efficacy. Bongomin et al. (2021) also demonstrate that financial inclusion affects financial behavior indirectly through financial capability rather than directly. In addition, Suri and Jack (2022) highlight that digital financial inclusion enhances welfare only when users understand and trust the system. The non-significant result in this study suggests that MSME actors in Buleleng Regency may already have access to financial services but lack the necessary skills or confidence to utilize them effectively. This indicates a gap between access and utilization. Therefore, financial inclusion policies should be reoriented toward enhancing user engagement, financial capability, and digital literacy rather than merely expanding service availability.

Financial Attitude and Financial Management Behavior

The significant positive effect of financial attitude on financial management behavior ($\beta = 0.344$; $p = 0.000$) highlights the importance of internal values and perspectives in shaping financial practices. Compared to financial literacy, financial attitude shows a stronger effect, suggesting that behavioral consistency is more closely linked to mindset than to knowledge alone. Individuals with positive financial attitudes such as discipline, future orientation, and prudence are more likely to adopt structured and responsible financial behaviors. This finding is consistent with the theory of planned behavior, which posits that attitudes significantly influence behavioral intentions and actions. Recent empirical studies support this relationship. Sabri et al. (2022) demonstrate that financial attitude is a strong predictor of financial behavior and financial well-being. Nguyen et al. (2022) also find that individuals with positive financial attitudes are more likely to engage in saving and investment activities. Additionally, Firmansyah et al. (2023) highlight that financial attitude significantly influences MSME financial practices, particularly in developing economies.

Furthermore, Lestari and Wardhani (2024) confirm that financial attitude directly affects financial management behavior and indirectly through psychological factors. Grohmann et al. (2021) also emphasize that attitudes toward money play a crucial role in determining how individuals allocate and manage financial resources. In the context of this study, the strong effect of financial attitude suggests that interventions aimed at improving financial behavior should incorporate value-based education. Programs that emphasize financial discipline, long-term thinking, and responsible consumption are likely to be more effective in shaping sustainable financial behavior among MSME actors.

Financial Self-Efficacy and Financial Management Behavior

The results indicate that financial self-efficacy has the strongest positive effect on financial management behavior ($\beta = 0.378$; $p = 0.000$), highlighting its central role as a psychological driver of financial actions. This finding confirms that confidence in one's ability to manage finances is a key determinant of behavioral outcomes. From the perspective of social cognitive theory, self-efficacy influences not only individuals' choices but also their persistence and resilience in facing financial challenges. Individuals with high financial self-efficacy are more likely to engage in planning, monitoring, and evaluating their financial activities consistently. This finding is strongly supported by recent studies. Farrell et al. (2021) show that financial self-efficacy significantly predicts financial behavior and financial well-being. Sabri et al. (2022) also emphasize that self-efficacy is one of the most important predictors of responsible financial behavior. Additionally, Koomson et al. (2023) find that financial self-efficacy enhances financial resilience, particularly in uncertain economic conditions.

Further evidence from Nguyen and Nguyen (2023) indicates that financial self-efficacy mediates the relationship between financial literacy and behavior, reinforcing its role as a behavioral enabler. Bongomin et al. (2021) also highlight that self-efficacy is a core component of financial capability that drives financial inclusion outcomes. Given its strong influence, this study suggests that efforts to improve financial management behavior should prioritize strengthening financial self-efficacy through mentoring, coaching, and hands-on financial training.

Financial Literacy and Financial Self-Efficacy

The significant effect of financial literacy on financial self-efficacy ($\beta = 0.511$; $p = 0.000$) indicates that knowledge plays a crucial role in building individuals' confidence in managing finances. This finding suggests that understanding financial concepts enhances individuals' perceived ability to handle financial matters effectively. Empirical evidence supports this relationship. Nguyen et al. (2023) show that financial literacy significantly increases financial self-efficacy, which subsequently improves financial behavior. Similarly, Farrell et al. (2021) find that financial knowledge enhances confidence and financial decision-making capabilities. Kaiser and Menkhoff (2022) also argue that financial education contributes to psychological empowerment, including self-efficacy. In addition, Morgan and Long (2022) highlight that financial literacy strengthens individuals' sense of financial control. Grohmann et al. (2021) further emphasize that knowledge and confidence are complementary factors in financial capability. This finding implies that financial literacy programs should not only aim to improve knowledge but also focus on building confidence through practical application and experience-based learning.

Financial Inclusion and Financial Self-Efficacy

The results show that financial inclusion has a positive and significant effect on financial self-efficacy ($\beta = 0.220$; $p = 0.002$), indicating that access to financial services enhances individuals' confidence in managing their finances. This finding is supported by several studies. Bongomin et al. (2021) demonstrate that financial inclusion improves financial capability, including self-efficacy. Koomson et al. (2023) also find that access to financial services increases financial confidence and resilience. Morgan et al. (2022) highlight that financial inclusion enhances perceived financial control, which is closely related to self-efficacy. Furthermore, Demirguc-Kunt et al. (2022) show that financial inclusion contributes to individuals' sense of security and financial empowerment. Suri and Jack (2022) also emphasize that digital financial services can strengthen users' confidence when properly utilized. These findings suggest that financial inclusion plays an important role in building psychological readiness, even if its direct impact on behavior is limited.

Financial Attitude and Financial Self-Efficacy

The positive and significant effect of financial attitude on financial self-efficacy ($\beta = 0.207$; $p = 0.015$) indicates that individuals' financial mindset contributes to their confidence in managing financial matters. Individuals with positive financial attitudes tend to perceive financial management as important and achievable, which enhances their self-efficacy. This is supported by Sabri et al. (2022), who find that financial attitude significantly influences self-efficacy and financial well-being. Nguyen et al. (2022) also show that positive attitudes strengthen confidence in financial decision-making. Additionally, Firmansyah et al. (2023) and Lestari and Wardhani (2024) confirm that financial attitude plays a significant role in shaping financial self-efficacy. Grohmann et al. (2021) further emphasize that attitudes toward money influence individuals' perceived financial control. This finding highlights that psychological and attitudinal factors are essential in building financial confidence, suggesting that financial education should integrate both cognitive and affective components.

Financial Literacy and Financial Management Behavior Mediated by Financial Self-Efficacy

The empirical results indicate that financial literacy has a positive and significant indirect effect on financial management behavior through financial self-efficacy ($\beta = 0.193$; $t = 3.492$; $p = 0.001$). This finding suggests that financial literacy not only directly influences behavior but also operates through a psychological pathway, namely individuals' confidence in their financial capabilities. This result reinforces the perspective of social cognitive theory, which posits that knowledge alone is insufficient to drive behavior unless it is accompanied by self-belief. Individuals with higher financial literacy tend to develop stronger financial self-efficacy, which subsequently enables them to apply financial knowledge in real-life financial decision-making. In this context, financial self-efficacy acts as a catalyst that transforms cognitive understanding into practical financial behavior. Empirical studies provide strong support for this mechanism. Bongomin et al. (2021) argue that financial literacy enhances financial behavior primarily when individuals possess the confidence to utilize their knowledge effectively. Similarly, Yap et al. (2022) find that financial self-efficacy significantly mediates the relationship between financial literacy and financial behavior, indicating that individuals with higher confidence are more likely to implement sound financial practices. Rai et al. (2022) also emphasize that financial knowledge contributes to better financial behavior when individuals feel capable of managing financial risks and decisions.

Further evidence from Nguyen and Nguyen (2023) shows that financial literacy significantly improves financial self-efficacy, which in turn strengthens financial management behavior, particularly in emerging economies. In addition, Koomson et al. (2023) highlight that financial capability, including self-efficacy, plays a crucial role in translating financial knowledge into financial resilience and responsible behavior. The relatively strong coefficient in this study ($\beta = 0.193$) indicates that financial literacy is the most influential indirect predictor among the tested variables. This implies that improving financial literacy among MSME actors in Buleleng Regency will be more effective when accompanied by efforts to strengthen their confidence in managing finances. Without self-efficacy, financial knowledge may remain theoretical and underutilized.

Financial Inclusion and Financial Management Behavior Mediated by Financial Self-Efficacy

The findings reveal that financial inclusion has a positive and significant indirect effect on financial management behavior through financial self-efficacy ($\beta = 0.083$; $t = 2.204$; $p = 0.028$). Although the magnitude of the effect is smaller compared to financial literacy, the result remains statistically significant, indicating the importance of psychological mechanisms in leveraging financial access. This finding suggests that access to financial services alone does not directly shape financial behavior. Instead, financial inclusion enhances individuals' confidence in managing financial resources, which subsequently leads to improved financial management practices. In other words, financial self-efficacy serves as an essential bridge that connects access to behavior.

This result is consistent with prior empirical evidence. Bongomin et al. (2021) demonstrate that financial inclusion contributes to financial behavior indirectly through financial capability, particularly self-efficacy. Morgan and Long (2022) also find that access to financial services increases individuals' perceived control over their finances, which is closely related to self-efficacy and behavioral outcomes. Furthermore, Koomson et al. (2023) show that financial inclusion enhances financial resilience only when individuals have sufficient confidence in using financial tools. Anwar et al. (2022) confirm that financial inclusion improves financial outcomes through mediating variables such as financial capability and psychological readiness. Similarly, Pradhan et al. (2024) emphasize that the effectiveness of financial inclusion policies depends on individuals' behavioral and psychological readiness. The relatively lower coefficient ($\beta = 0.083$) indicates that while financial inclusion is important, its impact on behavior is more indirect and depends heavily on individual confidence. This implies that policy interventions in Buleleng Regency should not only focus on expanding access to financial services but also emphasize user empowerment, training, and confidence-building programs to maximize the benefits of financial inclusion.

Financial Attitude and Financial Management Behavior Mediated by Financial Self-Efficacy

The results show that financial attitude has a positive and significant indirect effect on financial management behavior through financial self-efficacy ($\beta = 0.078$; $t = 1.970$; $p = 0.049$). Although the effect size is relatively modest, it remains statistically significant, indicating that financial self-efficacy partially mediates the relationship between financial attitude and financial behavior. This finding implies that individuals with positive financial attitudes such as discipline, long-term orientation, and prudence are more likely to develop confidence in managing their finances. This confidence, in turn, enables them to translate their attitudes into consistent financial behavior. Without sufficient self-efficacy, positive attitudes may not be fully realized in actual financial practices. The result is supported by several recent studies. Amanah et al. (2021) find that financial attitude influences financial behavior through self-efficacy, highlighting the importance of psychological reinforcement. Sabri et al. (2022) also emphasize that self-efficacy plays a crucial role in converting financial attitudes into financial well-being and behavior.

Nguyen et al. (2022) demonstrate that individuals with strong financial attitudes and high self-efficacy are more likely to exhibit disciplined financial management. Firmansyah et al. (2023) further confirm that financial self-efficacy mediates the effect of financial attitude on financial behavior, particularly among MSME actors. In addition, Lestari and Wardhani (2024) show that financial attitude significantly affects financial management behavior when supported by strong self-efficacy. The marginal significance level ($p = 0.049$) suggests that while the relationship is valid, it may be more context-dependent. This indicates that in the context of MSMEs in Buleleng Regency, strengthening financial attitudes alone is not sufficient; it must be accompanied by efforts to build confidence in financial decision-making.

Research Contribution

This study offers several important contributions, both theoretically and practically, particularly in the context of MSMEs in Buleleng Regency.

1. This study expands the literature on financial management behavior by integrating financial literacy, financial inclusion, financial attitude, and financial self-efficacy within a single research framework. Unlike many previous studies that examined these variables separately, this research demonstrates how cognitive, structural, and psychological factors interact simultaneously in shaping the financial management behavior of MSME actors.
2. The findings confirm the important role of financial self-efficacy as a mediating variable. Financial self-efficacy not only acts as a direct predictor of financial management behavior, but also serves as a psychological mechanism through which financial literacy, financial inclusion, and financial attitude influence financial behavior. This result strengthens the integration between the Theory of Planned Behavior and Social Cognitive Theory by demonstrating that financial behavior is influenced not only by attitudes and perceived control, but also by individuals' confidence in applying financial knowledge and utilizing financial resources effectively.
3. This research also contributes contextually by focusing on MSMEs in Buleleng Regency, an area characterized by tourism-based economic activities, micro-scale family businesses, and varying levels of financial service utilization. The findings provide evidence that financial inclusion does not directly influence financial management behavior, but operates indirectly through financial self-efficacy. This result

offers a more contextual understanding of how financial behavior develops among MSMEs operating in non-metropolitan regional economies.

4. From a practical perspective, the findings provide useful implications for local governments, financial institutions, and MSME development agencies. Programs designed to improve MSME financial management behavior should not only focus on increasing financial access and financial literacy, but also emphasize confidence-building strategies through mentoring, practical training, and experience-based financial learning.

Overall, this study highlights the importance of combining financial knowledge, financial access, and psychological readiness in encouraging sustainable financial management behavior among MSMEs.

4. CONCLUSION

This study concludes that the financial management behavior of MSMEs in Buleleng Regency is significantly influenced by the cognitive, attitudinal, and psychological factors of business actors. Financial literacy and financial attitudes have been proven to have a direct influence on financial management behavior, indicating that financial understanding and rational attitude orientation are important foundations in business financial decision-making. In addition, financial self-efficacy plays a strategic role as a direct determinant that strengthens MSME financial management behavior. Another important finding is that financial inclusion does not directly affect financial management behavior, but contributes significantly to increasing financial self-efficacy. This indicates that access to formal financial services does not automatically encourage good financial behavior without being accompanied by individual confidence and ability to manage it. Furthermore, financial self- efficacy has been proven to mediate the influence of financial literacy, financial inclusion, and financial attitudes on financial management behavior, thus confirming its role as a key psychological mechanism in bridging the factors of knowledge, access, and attitudes into concrete financial actions.

Based on the research findings, it is recommended that MSME development programs in Buleleng Regency not only focus on increasing access to financial services, but also on strengthening the financial literacy and financial self-efficacy of business actors. Local governments, financial institutions, and MSME assistants need to design financial training that is applicable, decision-oriented, and encourages business actors' confidence in managing their finances independently. An experience-based and case study approach is considered more effective than normative education alone. In addition, financial institutions are expected to integrate financial education into every product and service offered to MSMEs, so that financial inclusion does not stop at access, but also increases the ability and confidence of business actors in utilizing these services optimally. For further research, it is recommended to add other variables such as entrepreneurial orientation, business environment pressure, or digital financial literacy to enrich the model and improve the explanatory power of MSME financial management behavior in various regional contexts.

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