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THE INTEGRATIVE ROLE OF FINANCIAL LITERACY, FINANCIAL TECHNOLOGY, AND DIGITAL ACCOUNTING ON MSME PERFORMANCE: A LITERATURE REVIEW

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Abstract
This study aims to comprehensively analyze the integrative role of financial literacy, financial technology, and digital accounting on the performance of micro, small, and medium enterprises (MSMEs) through a literature review approach. The method used was a qualitative-descriptive literature review by analyzing 30 SCOPUS-indexed international journal articles (Q1, Q2, and Q3) that were relevant to the research topic. The analysis process is carried out through data extraction, thematic grouping, and narrative synthesis to identify patterns of relationships between variables. The results of the study show that financial literacy plays a role as a foundation in financial decision-making and management, financial technology functions as an enabler in improving the efficiency and access to financial services, and digital accounting contributes to improving the quality of financial information and decision-making. These three variables interact with each other and form integrative relationships in influencing the performance of MSMEs. The conclusion of this study confirms that the integrative approach between financial literacy, financial technology, and digital accounting provides a more comprehensive understanding in explaining the performance of MSMEs compared to the partial approach. This research contributes to the development of literature related to MSMEs in the digital era and becomes the basis for further research.

Keywords: Financial Literacy, Financial Technology, Digital Accounting, MSME Performance, Literature Review

1. Introduction

Digital transformation in recent decades has fundamentally changed the global economic landscape, including in the context of managing and improving the performance of micro, small, and medium enterprises (MSMEs). The development of digital technologies such as artificial intelligence, big data analytics, the Internet of Things, and 3D printing has proven to have a positive influence on company performance, especially in terms of innovation, operational efficiency, and financial performance (Oduro et al., 2023). However, the influence of digital technology is not always consistent across all contexts, as it is strongly shaped by internal organizational factors as well as external conditions such as the industrial sector and the level of economic development.

In the context of MSMEs, which serve as the backbone of the national economy and contribute significantly to Gross Domestic Product and labor absorption, digital transformation is an unavoidable necessity (Tandilino et al., 2025). Nevertheless, MSMEs still face various structural challenges, including limited access to technology, low financial literacy, and limitations in effective financial management. This condition has prevented many MSMEs from optimizing the potential of digitalization to increase business competitiveness and sustainability. Therefore, a more comprehensive approach is needed to understand the factors affecting MSME performance in the digital era. In this case, the integration between financial literacy, financial technology, and digital accounting is increasingly relevant for in-depth study.

Financial literacy has long been recognized as a fundamental factor in improving the performance and sustainability of MSMEs, as it is directly related to the ability of business actors to understand and manage financial resources effectively. Financial literacy includes not only knowledge of basic financial concepts but also the ability to apply that knowledge in rational and sustainable business decision-making (Culebro-Martínez et al., 2024; González-Prida et al., 2025). Research shows that financial literacy has both direct and indirect effects on MSME performance through financial behavior and access to formal financial services (Dwijayanty et al., 2025; Widyastuti et al., 2023). More than 80% of the influence of financial literacy on business performance is mediated by financial management behavior, highlighting the importance of behavioral aspects in implementing financial knowledge (Dwijayanty et al., 2025). In addition, financial literacy also acts as an enabler in increasing access to financing, thereby enabling MSMEs to develop and expand their businesses (Charfeddine et al., 2024). However, several studies show that financial literacy does not always have a significant effect on MSME performance, especially in areas with limited infrastructure and technology access such as 3T regions (Miran et al., 2025a). This indicates that financial literacy cannot stand alone as a determinant of performance but must be combined with other factors such as digital technology and financial inclusion.

Along with the development of digital technology, financial technology (fintech) has become a significant innovation affecting MSME performance, particularly in improving access to financial services and operational efficiency. Fintech enables MSME actors to conduct financial transactions faster, more easily, and more transparently, while also opening access to various financing services previously difficult to reach (Anwarul Islam & Khan, 2024). Research shows that fintech positively influences MSME performance, both directly and through the mediating role of financial literacy (Lontchi et al., 2023). Fintech also plays a role in increasing financial inclusion, which in turn contributes to increased profitability and business growth (Rahayu et al., 2023). However, the effectiveness of fintech is highly dependent on the level of financial literacy and digital capabilities of business actors, creating an interdependent relationship between these variables. Without adequate understanding, the use of fintech has the potential to pose new risks in financial management.

In addition to fintech, digital accounting is another important aspect of MSME digital transformation, particularly for more systematic and technology-based financial management. Digital accounting enables real-time, accurate, and transparent financial recording, thereby supporting faster and more precise decision-making (Rawashdeh & Rawashdeh, 2023). The use of digital accounting systems such as cloud accounting has been proven to improve operational efficiency and the quality of financial information used in strategic decision-making (Lutfi et al., 2022). Digital accounting also plays a role in increasing financial accountability and transparency, which is an important factor in building stakeholder trust. However, the adoption rate of digital accounting among MSMEs remains relatively low, primarily due to limited resources and lack of technological understanding (Lutfi et al., 2022). This indicates that although digital accounting has great potential to improve business performance, its implementation still faces various challenges.

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Beyond financial and technological aspects, digitalization in the form of e-commerce and digital marketing also plays an important role in MSME performance, particularly in expanding market reach and increasing business competitiveness. The use of e-commerce and e-payment has been proven to improve transaction efficiency and MSME supply chain performance (Kilay et al., 2022). Digital marketing improves sales and financial performance through increased visibility and customer interaction (Purba et al., 2021; Asandimitra et al., 2024). However, the effectiveness of digital technology in improving MSME performance is not always consistent, as it depends on the ability of business actors to utilize this technology. Research also shows that digital capabilities serve as a mediator in the relationship between technology and business performance (Asandimitra et al., 2024).

Although various studies have examined the relationships between financial literacy, fintech, digital accounting, and MSME performance, most studies still examine these variables partially or separately. This has resulted in a lack of comprehensive understanding of how these three variables interact with each other in influencing business performance. Additionally, there are inconsistencies in research findings, particularly regarding the direct influence of financial literacy on MSME performance, where some studies show a significant influence while others show indirect or even insignificant effects (Widagdo & Sa'diyah, 2023; Miran et al., 2025b). Furthermore, research on digital accounting in the MSME context remains relatively limited compared to research on fintech and financial literacy (Hung et al., 2023). These gaps highlight the need for a literature review that integrates various previous research findings into a complete conceptual framework.

Based on this background, this literature review aims to: (1) identify, analyze, and synthesize various findings from previous research related to the role of financial literacy, financial technology, and digital accounting in improving MSME performance; (2) develop a conceptual framework that comprehensively explains the relationships among these three variables; and (3) identify research gaps in the literature and provide directions for future research. Academically, this article contributes to enriching the literature on MSME performance in the digital era by developing an integrative model that connects financial literacy, financial technology, and digital accounting. In this model, financial literacy is positioned as a foundational variable that affects business actors' ability to manage finances and adopt technology, while fintech and digital accounting can serve as mediating variables that strengthen the relationship between financial literacy and business performance (Kurniasari et al., 2023; Novianti et al., 2025). Practically, the results of this review are expected to help MSME actors optimize technology use and financial management, and to provide evidence-based support for increasing business competitiveness and sustainability.

2. Theoretical Background

2.1 Financial Literacy and MSME Performance

Financial literacy has long been recognized as a fundamental factor in improving the performance and sustainability of MSMEs, as it is directly related to the ability of business actors to understand and manage financial resources effectively. Financial literacy includes not only knowledge of basic financial concepts but also the ability to apply that knowledge in rational and sustainable business decision-making (Culebro-Martínez et al., 2024; González-Prida et al., 2025).

Research consistently shows that financial literacy positively influences MSME performance through various mechanisms. Culebro-Martínez et al. (2024) found that

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financial literacy directly enhances entrepreneurs' ability to manage finances and make sound business decisions. González-Prida et al. (2025) demonstrated that financial knowledge improves decision-making quality in small and medium enterprises. Setiawati et al. (2025) further confirmed that financial literacy serves as an effective measurement tool for MSME financial performance.

Dwijayanty et al. (2025) revealed that more than 80% of the influence of financial literacy on business performance is mediated by financial management behavior, highlighting the importance of behavioral aspects in implementing financial knowledge. This finding underscores that financial knowledge alone is insufficient; it must be translated into actual financial behaviors to generate performance improvements.

Widyastuti et al. (2023) found that financial literacy strengthens formal credit access, which subsequently improves MSME performance. Charfeddine et al. (2024) showed that financial literacy reduces credit constraints by increasing business actors' understanding of financial services and enhancing their perceived access to finance. Ratnawati et al. (2025) demonstrated that digital financial inclusion mediates the relationship between financial literacy and financial well-being, which ultimately contributes to business sustainability.

However, contradictory findings also exist. Miran et al. (2025a, 2025b) found that financial literacy does not always have a significant effect on MSME performance, particularly in areas with limited infrastructure and technology access such as 3T regions (frontier, outermost, and underdeveloped areas). This suggests that the influence of financial literacy is context-dependent and may require supporting factors such as technology access and financial inclusion to be fully effective.

Thus, the literature positions financial literacy as a foundational variable that has both direct and indirect effects on MSME performance. Its effectiveness is mediated by financial behavior and access to financial services, and it is moderated by contextual factors such as technological infrastructure and geographic location.

2.2 Financial Technology and MSME Performance

Financial technology (fintech) has emerged as a significant driver of MSME performance, particularly in improving access to financial services and operational efficiency. Anwarul Islam and Khan (2024) found that fintech adoption positively influences MSME performance by improving access to financial services and enabling faster, more transparent transactions. The study also highlighted that financial self-efficacy and digital literacy play important roles in fintech adoption.

Lontchi et al. (2023) demonstrated that fintech positively affects MSME performance both directly and through the mediating role of financial literacy. This finding indicates that financial literacy strengthens the relationship between fintech adoption and business performance, creating an interdependent relationship between these two variables.

Rahayu et al. (2023) showed that fintech increases financial inclusion, which in turn contributes to increased profitability and business growth. Daud et al. (2022) found that digital finance, digital payments, and digital marketing have a positive influence on the financial performance of Indonesian SMEs. Kilay et al. (2022) demonstrated that e-payment and e-commerce services improve transaction efficiency and supply chain performance in MSMEs.

Martin (2025) further confirmed that fintech adoption positively affects MSME sustainability when mediated by financial literacy and self-efficacy. The study emphasized that the effectiveness of fintech is highly dependent on the level of financial literacy and digital capabilities of business actors.

Anthanasius Fomum and Opperman (2023) showed that financial inclusion, which is facilitated by fintech, significantly improves MSME performance in emerging economies. Charfeddine et al. (2024) demonstrated that fintech, combined with ICT use and digitization, reduces credit constraints for MSME importers.

The literature consistently indicates that fintech functions as an enabler that connects financial literacy with business performance through increased access to financial services and operational efficiency. However, the effectiveness of fintech adoption depends significantly on business actors' financial literacy and digital capabilities.

2.3 Digital Accounting and MSME Performance

Digital accounting is a relatively newer area of research in the MSME context, but it has shown significant potential in improving business performance. Rawashdeh and Rawashdeh (2023) found that digital accounting adoption, particularly cloud accounting, positively influences organizational performance by improving the efficiency and quality of financial information.

Lutfi et al. (2022) demonstrated that digital accounting systems improve operational efficiency and the quality of financial information used in strategic decision-making. The study also found that the COVID-19 pandemic moderated the relationship between digital accounting usage and SME performance, indicating that external shocks can accelerate digital accounting adoption.

Hung et al. (2023) showed that digital accounting enables real-time, accurate, and transparent financial recording, thereby supporting faster and more precise decision-making. The study also emphasized that digital transformation and digital leadership are essential for maximizing the benefits of cloud-based accounting effectiveness.

Novianti et al. (2025) developed a knowledge capabilities financial model demonstrating that digital accounting, combined with financial literacy, significantly enhances the performance of fashion MSMEs. The study positioned digital accounting as a strategic variable that bridges financial knowledge and business performance.

However, Lutfi et al. (2022) also found that adoption rates of digital accounting among MSMEs remain relatively low due to limited resources and lack of technological understanding. Nugraheni et al. (2025) confirmed that while digital technology adoption positively affects MSME performance, the implementation still faces significant challenges related to digital literacy and financial knowledge.

Thus, digital accounting is positioned in the literature as a decision support system that improves the quality of financial information, enhances transparency and accountability, and supports data-driven decision-making. However, its adoption among MSMEs still faces challenges related to resource constraints and digital literacy gaps.

2.4 E-commerce, Digital Marketing, and Digital Capabilities

Beyond financial and accounting technologies, e-commerce and digital marketing also play important roles in MSME performance. Kilay et al. (2022) found that e-commerce and e-payment improve transaction efficiency and MSME supply chain performance through open innovation principles.

Purba et al. (2021) demonstrated that digital marketing improves sales and financial performance through increased visibility and customer interaction, particularly during the COVID-19 pandemic. Asandimitra et al. (2024) showed that digital capabilities serve as a mediator in the relationship between digital technology and business performance, emphasizing that digital literacy and financial literacy work together to enhance MSME outcomes.

Nugraheni et al. (2025) further confirmed that digital technology adoption and financial knowledge significantly contribute to sustainable MSME performance. The study highlighted that digital capabilities are not merely about technology adoption but also about the organizational readiness to implement and utilize digital tools effectively.

The literature suggests that digital capabilities, including the ability to use e-commerce platforms, digital marketing tools, and digital payment systems, are essential complementary factors that enhance the effectiveness of fintech and digital accounting in improving MSME performance.

2.5 Integrative Relationships Between Variables

The literature synthesis reveals that the relationships between financial literacy, financial technology, digital accounting, and MSME performance are integrative and multidimensional rather than linear and separate.

Kurniasari et al. (2023) demonstrated that financial literacy plays a dual role as both a direct determinant of SME performance and a driver of digital technology adoption. The study found that MSME actors with higher levels of financial literacy tend to adopt digital technologies more easily, creating a virtuous cycle of capability development and performance improvement.

Tandilino et al. (2025) showed that digital financial inclusion mediates the relationship between digital financial literacy and government support on MSME performance. This finding indicates that financial inclusion serves as an important mechanism through which financial literacy translates into improved business outcomes.

Novianti et al. (2025) developed an integrative model demonstrating that financial literacy, knowledge capabilities, and digital accounting work together to enhance the performance of fashion MSMEs. The study confirmed that digital accounting serves as a mediating variable that strengthens the relationship between financial literacy and business performance.

Asandimitra et al. (2024) found that digital capabilities mediate the relationship between digital literacy, financial literacy, and MSME performance. This finding underscores that digital capabilities are not merely outcomes but also mechanisms that enable financial knowledge to be effectively utilized for performance improvement.

Dwijayanty et al. (2025) confirmed that financial management behavior mediates more than 80% of the influence of financial literacy on business performance, highlighting the importance of translating knowledge into action. Lontchi et al. (2023) similarly found that fintech mediates the relationship between financial literacy and SME performance.

The literature consistently indicates that the three variables—financial literacy, financial technology, and digital accounting—interact with each other and form complex mechanisms involving mediation and moderation. Financial literacy serves as the foundation, fintech acts as an enabler, and digital accounting functions as a decision support system. Together, they create an integrative ecosystem that supports continuous improvement in MSME performance.

2.6 Summary of Literature Synthesis

The following table summarizes the key findings from the literature review:

Key Concept	Conceptual Findings	Role in Integrative Model
Financial Literacy	Has direct and indirect effects on performance through behavior and credit access (Dwijayanty et al., 2025; Widyastuti et al., 2023)	Foundation for financial decision-making and technology adoption

Key Concept	Conceptual Findings	Role in Integrative Model
Financial Literacy	Not always significant in contexts with limited infrastructure (Miran et al., 2025a, 2025b)	Requires supporting factors such as technology access and financial inclusion
Financial Technology	Has positive effects on operational performance and efficiency (Daud et al., 2022)	Enabler that improves access to financial services
Financial Technology	Acts as a mediator between literacy and performance (Lontchi et al., 2023)	Strengthens the relationship between literacy and performance
Digital Accounting	Improves efficiency and quality of financial information (Rawashdeh & Rawashdeh, 2023; Hung et al., 2023)	Decision support system enabling data-driven decisions
Digital Accounting	Adoption remains low among MSMEs (Lutfi et al., 2022)	Implementation gap between potential and practice
E-commerce & Digital Marketing	Affect business performance and sustainability (Kilay et al., 2022; Purba et al., 2021)	Expand market reach and increase competitiveness
Digital Capability	Acts as a mediator between technology and business performance (Asandimitra et al., 2024)	Reinforces the effects of technology
Financial Inclusion	Improves MSME performance (Anthanasius Fomum & Opperman, 2023)	Connects financial literacy with performance
Variable Integration	Relationships between variables are multidimensional (Kurniasari et al., 2023; Tandilino et al., 2025)	Requires integrative rather than partial approach

This theoretical background establishes that financial literacy, financial technology, and digital accounting are complementary variables that together form an integrative framework for explaining MSME performance in the digital era. The next section will describe the research methods employed in this literature review.

3. Methods

3.1 Research Design

This study uses a literature review approach with a qualitative-descriptive design. The research design is integrative, where the researcher collects, examines, and interprets various results from previous research to build a comprehensive understanding of the relationships between variables. This approach was chosen because the literature shows that the relationships between financial literacy, financial technology, digital accounting, and MSME performance are complex and multidimensional, and cannot be adequately explained through partial approaches (Widagdo & Sa'diyah, 2023; Novianti et al., 2025).

The design of this literature review also allows researchers to identify relationship patterns, mediation variables, and contexts that affect the effectiveness of each variable in improving MSME performance. Thus, this research is not only descriptive but also exploratory in developing an integrative conceptual framework.

3.2 Scope and Object

The scope of this research is the literature on financial literacy, financial technology, digital accounting, and MSME performance published in international journals. The object of this study consists of 30 international journal articles indexed by SCOPUS (Q1, Q2, and Q3) that are relevant to the research topic.

The selection of articles from SCOPUS Q1, Q2, and Q3 journals ensures that the data sources have high academic quality and have undergone a rigorous peer-review process. Quartile level variations are used to obtain a more diverse and comprehensive perspective on the research topic.

3.3 Sample Selection (Inclusion and Exclusion Criteria)

The sample in this study consists of 30 international journal articles indexed by SCOPUS (Q1, Q2, and Q3) that are relevant to the research topic. Sample selection was carried out using purposive sampling with the following inclusion criteria:

Criterion	Description
1	The article discusses directly or indirectly the relationship between financial literacy, fintech, digital accounting, and MSME performance
2	The article is the result of empirical or conceptual research published in a reputable journal
3	The article has relevance to the context of the digital economy and MSMEs
4	The article contributes to the development of theories and practices in management and entrepreneurship

Articles that do not meet these criteria were eliminated to maintain the quality and relevance of the data. The literature period reviewed ranges from 2021 to 2026, ensuring that the sources reflect recent developments in the field.

3.4 Data Sources and Collection Techniques

The data sources in this qualitative research consist of two main categories:

1) Primary Sources: International journal articles indexed by SCOPUS (Q1, Q2, and Q3) that discuss financial literacy, financial technology, digital accounting, and MSME performance.
2) Secondary Sources: Textbooks and reference books on financial management, digital transformation, and MSME development that support the primary data.

Data collection was carried out through systematic documentation with the following stages:

1) Keyword Identification: Identifying relevant keywords such as "financial literacy," "financial technology," "digital accounting," and "MSME performance."
2) Systematic Search: Searching for articles through SCOPUS-indexed international journal databases using the identified keywords.
3) Initial Screening: Selecting articles based on titles and abstracts to identify relevance to the research topic.
4) Full-Text Review: Conducting a follow-up selection with full-text review to ensure compliance with inclusion criteria.
5) Data Extraction: Extracting data using a matrix that includes authors, year of publication, key concepts, variables studied, research methods, and key findings.
6) This entire process was carried out systematically to minimize bias in article selection and to ensure that all articles used have high relevance to the research objectives.

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3.5 Data Analysis Techniques

Data analysis in this qualitative research uses thematic analysis and narrative synthesis as developed by Braun and Clarke (2006). The analysis stages are carried out iteratively and reflectively through five phases:

1) Familiarization: Thorough reading of all sources to obtain a comprehensive initial understanding of the literature on financial literacy, fintech, digital accounting, and MSME performance.
2) Open Coding: Identifying key concepts that emerge from the text, including patterns of relationships between variables.
3) Searching for Themes: Grouping codes into main themes relevant to the research questions. The themes identified in this study include the role of financial literacy, the contribution of fintech, the influence of digital accounting, and integrative relationships among variables.
4) Reviewing Themes: Ensuring internal coherence and clear differentiation between themes.
5) Defining and Naming Themes: Producing an integrative framework that synthesizes findings across all themes into a coherent understanding of how financial literacy, fintech, and digital accounting work together to influence MSME performance.

Each theme is then interpreted in depth to produce a unified understanding of the integrative role of these three variables in explaining MSME performance in the digital era.

4. Results and Discussion

4.1 Integration of Financial Literacy, Financial Technology, and Digital Accounting in Explaining the Performance of MSMEs

The findings in this literature review show that the performance of MSMEs cannot be partially explained through just one variable, but requires an integrative approach that combines financial literacy, financial technology, and digital accounting. This is in line with previous studies that have confirmed that the relationship between these factors is multidimensional and interacts with each other (Kurniasari et al., 2023); (Tandilino et al., 2025). Financial literacy in this context serves as the main foundation that enables business actors to understand and manage financial resources effectively, as shown by (Culebro-Martínez et al., 2024) and (González-Prida et al., 2025). However, the findings of this study also confirm that financial literacy does not always have a direct influence on the performance of MSMEs, but is often mediated by other variables such as financial behavior and financial technology (Dwijayanty et al., 2025); (Widagdo & Sa'diyah, 2023) (Widagdo & Sa'diyah, 2023). In this case, financial technology plays an enabler that connects financial literacy with business performance through increased access to financial services and operational efficiency (Lontchi et al., 2023). Meanwhile, digital accounting functions as a decision support system that improves the quality of financial information and decision-making accuracy (Hung et al., 2023); (Rawashdeh & Rawashdeh, 2023). Thus, the three variables form a system that complements each other in improving the performance of MSMEs. These findings strengthen the argument that integrative approaches are more relevant than partial approaches in explaining the phenomenon of MSME performance in the digital era.

In addition, the findings of this study also show that the relationship between the three variables is not linear, but involves various complex mediation and interaction mechanisms. Financial literacy not only plays a role as an independent variable, but also as a factor influencing the adoption of digital technologies, including fintech and digital accounting (Kurniasari et al., 2023). This shows that financial literacy has a dual function as knowledge and as a driver of technology adoption. On the other hand, financial technology not only functions as a transaction tool, but also as a mechanism that strengthens the relationship between financial literacy and MSME performance (Lontchi et al., 2023). Meanwhile, digital accounting contributes to improving the transparency, efficiency, and quality of financial information, which ultimately has an impact on business performance (Lutfi et al., 2022). Thus, the integration of these three variables creates an ecosystem that supports the continuous improvement of MSME performance. These findings also suggest that previous studies that examined these variables separately have not been able to provide a comprehensive picture. Therefore, this research contributes to developing a more holistic conceptual model. This shows that an integrative approach is a new direction in research related to MSMEs in the digital era.

4.2 The Role of Financial Literacy as the Foundation of MSME Performance

The results of this study confirm that financial literacy is the main foundation in improving the performance of MSMEs, as has been shown in various previous studies. Financial literacy allows business actors to understand basic financial concepts, manage cash flow, and make rational investment decisions (Culebro-Martínez et al., 2024); (González-Prida et al., 2025). In addition, financial literacy also plays a role in increasing access to formal financial services, which ultimately has an impact on business performance (Widyastuti et al., 2023). These findings also show that financial literacy has an indirect influence on performance through financial behavior, where more than 80% of the influence of literacy is mediated by financial management behavior (Dwijayanty et al., 2025). This shows that financial knowledge alone is not enough, but must be followed by a change in behavior in financial management. However, the study also found that financial literacy does not always have a significant effect on the performance of MSMEs in all contexts, especially in areas with limited infrastructure and access to technology (Miran et al., 2025b). This shows that the effectiveness of financial literacy is highly dependent on environmental conditions and other external factors. Thus, financial literacy must be understood in a broader context and cannot be separated from other factors such as technology and financial inclusion. These findings strengthen the argument that financial literacy is an important factor, but it is not enough to comprehensively explain the performance of MSMEs.

Furthermore, the findings of this study also show that financial literacy has a strategic role in encouraging the adoption of digital technology, including financial technology and digital accounting. This is in line with research (Kurniasari et al., 2023) which shows that MSME actors with a high level of financial literacy tend to adopt digital technology more easily. In addition, financial literacy also plays a role in reducing barriers to access to credit through increasing understanding of financial services (Charfeddine et al., 2024). Thus, financial literacy not only serves as an independent variable, but also as a factor that influences other variables in the research model. These findings show that financial literacy has a more complex role than what has been understood in the literature. In addition, financial literacy also contributes to business sustainability through improving risk management and financial planning skills (Ratnawati et al., 2025). Thus, financial literacy can be seen as a foundation that supports various aspects of MSME performance. This shows that increasing financial literacy must be a priority in the development of

MSMEs. These findings also provide implications that policies that focus on improving financial literacy can have a significant impact on business performance.

4.3 Financial Technology as an Enabler of Financial Performance and Inclusion

The findings of this study show that financial technology has an important role in improving the performance of MSMEs, especially through increasing operational efficiency and access to financial services. This is in line with research (Daud et al., 2022) which shows that digital finance and digital payments have a positive influence on the financial performance of MSMEs. In addition, fintech also plays a role in increasing financial inclusion, which ultimately impacts profitability and business growth (Anthanasius Fomum & Opperman, 2023). These findings show that fintech not only serves as a technological tool, but also as a mechanism that increases access to financial resources. In addition, fintech was also found to play a role as a mediating variable that connects financial literacy with the performance of MSMEs (Lontchi et al., 2023). This shows that the effectiveness of fintech is highly dependent on the level of financial literacy of business actors. Thus, fintech cannot stand alone, but must be integrated with financial literacy to provide optimal impact. These findings strengthen the argument that financial technology is an important factor in improving the performance of MSMEs in the digital era. In addition, fintech also contributes to increasing transaction efficiency and flexibility in financial management.

Furthermore, the findings of this study also show that fintech has a strategic role in reducing barriers to credit access for MSMEs. This is in line with research (Charfeddine et al., 2024) which shows that the use of digital technology can increase MSMEs' opportunities to obtain formal financing. In addition, fintech also allows the transaction process to be faster and more transparent, thereby increasing trust between business actors and financial institutions. These findings show that fintech has a significant contribution to improving financial inclusion. However, the effectiveness of fintech is also influenced by the level of digital literacy and the ability of business actors to utilize this technology. This shows that there is an interdependent relationship between fintech and financial literacy. Thus, the development of fintech must be accompanied by an increase in the capacity of human resources. These findings also show that fintech has great potential in improving the performance of MSMEs, but its implementation requires support from various factors. Therefore, fintech must be understood as part of a broader ecosystem in the development of MSMEs.

4.4 Digital Accounting as a Decision Support System

The results of this study show that digital accounting has an important role in improving the performance of MSMEs through improving the quality of financial information and operational efficiency. This is in line with research (Hung et al., 2023) and (Rawashdeh & Rawashdeh, 2023) which shows that digital accounting can improve the quality of decision-making and organizational performance. In addition, the use of digital accounting systems also allows financial recording to be carried out in real-time, thus supporting faster and more accurate decision-making (Lutfi et al., 2022). These findings show that digital accounting not only functions as a recording tool, but also as a strategic decision support system. In addition, digital accounting also plays a role in increasing transparency and accountability of business finances. However, the adoption rate of digital accounting among MSMEs is still relatively low, mainly due to limited resources and digital literacy. This shows that there is a gap between the potential and

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implementation of digital accounting technology. Thus, digital accounting has great potential in improving the performance of MSMEs, but its implementation still faces various challenges.

Furthermore, the findings of this study show that digital accounting has an important role in supporting the integration between financial literacy and fintech. Digital accounting provides accurate and real-time financial information, which can be used in making decisions regarding the use of fintech services. Thus, digital accounting serves as a bridge between financial knowledge and technology implementation. These findings show that digital accounting has a strategic role in the integrative model developed in this study. In addition, digital accounting also contributes to improving operational efficiency and reducing administrative costs. Thus, digital accounting can improve business performance through various mechanisms. These findings also show that research on digital accounting is still relatively limited compared to financial literacy and fintech. Therefore, this research contributes to expanding the literature related to digital accounting in the context of MSMEs.

4.5 Significance, Scientific Contribution, Implications, and Limitations of Research

The findings of this study have high significance in the development of management science, especially in the field of entrepreneurship and MSMEs. This research makes a theoretical contribution by developing an integrative model that combines financial literacy, financial technology, and digital accounting in explaining the performance of MSMEs. This model provides a more comprehensive understanding than previous studies that tend to be partial. In addition, this research also makes a practical contribution by showing that improving the performance of MSMEs requires an integrated approach between financial and technological aspects. This has implications for policymakers and practitioners in designing MSME development programs. In addition, this study also shows that increasing financial literacy must be accompanied by digital capacity building and technology adoption. Thus, this research makes a significant contribution to the development of MSME literature and practices in the digital era.

However, this study also has some limitations that need to be considered. First, this study uses a literature review approach, so it does not involve empirical data directly. Second, the results of the study are highly dependent on the quality and scope of the articles studied, so there is a possibility of bias in the selection of literature. Third, this study has not examined in depth the role of moderation variables such as environmental conditions and government policies. Fourth, this study is still limited to the integration of three main variables, so it does not cover all factors that affect the performance of MSMEs. Thus, further research is suggested to test the conceptual model developed in this study empirically. In addition, further research can also examine the role of other relevant variables in improving the performance of MSMEs. Thus, this research provides a solid basis for the development of further research.

5. Conclusion

Based on the results of the literature review that has been conducted, it can be concluded that the performance of MSMEs in the digital era is the result of a complex interaction between financial literacy, financial technology, and digital accounting that cannot be partially explained. Financial literacy has been proven to play a key role in improving the ability of business actors to manage finances, make decisions, and access formal financial services (Culebro-Martínez et al., 2024); (Widyastuti et al., 2023).

However, the findings also show that the influence of financial literacy is not always direct, but is often mediated by financial behavior and financial technology (Dwijayanty et al., 2025); (Widagdo & Sa'diyah, 2023). Financial technology in this case functions as an enabler that improves operational efficiency and financial inclusion, as well as strengthens the relationship between financial literacy and MSME performance (Lontchi et al., 2023). Meanwhile, digital accounting contributes through improving the quality of financial information, transparency, and support for data-driven decision-making (Hung et al., 2023); (Lutfi et al., 2022). Thus, the three variables form an integrative model that explains the performance of MSMEs more comprehensively than the partial approach used in the previous study. These findings make an important contribution to the development of management and entrepreneurship science, especially in understanding the dynamics of MSME performance in the era of digital transformation. In addition, this research also strengthens the direction of literature development which leads to a multidimensional and integrative approach in explaining the phenomenon of the digital economy (Kurniasari et al., 2023); (Tandilino et al., 2025).

The main contribution of this research lies in the development of an integrative conceptual framework that combines financial literacy, financial technology, and digital accounting as determinants of MSME performance. This study not only confirms the previous findings, but also fills the research gap by integrating all three variables in one complete analysis model. This is important because most previous studies have still examined these variables separately or partially, so they have not been able to explain the complex and interrelated relationships between variables (Hung et al., 2023); (Widagdo & Sa'diyah, 2023). In addition, this study also places digital accounting as a strategic variable that has not received much attention in the literature, although it has great potential in improving the quality of MSME financial management (Lutfi et al., 2022). Thus, this research makes a theoretical contribution by expanding the scope of the literature and strengthening the understanding of the role of technology in improving business performance. On the other hand, this research also has a practical contribution by providing a basis for the formulation of digital-based MSME development policies and strategies. This shows that this research is not only academically relevant, but also has real implications in practice. Thus, this research provides significant added value in the development of MSME management science and practice.

Based on the findings of this study, there are several suggestions for future research that can be done to deepen and expand understanding of the performance of MSMEs in the digital era. First, further research is recommended to empirically examine the integrative conceptual model that has been developed in this study, so as to provide quantitative evidence regarding the relationship between financial literacy, financial technology, digital accounting, and MSME performance. Second, future research can examine the role of moderation variables such as environmental conditions, government policies, and the characteristics of business actors in influencing the relationship between variables. This is important considering that the literature shows that the influence of financial literacy and digital technology is highly context-dependent (Miran et al., 2025a). Third, further research can also expand the scope of variables by including other factors such as digital capability, financial inclusion, and business innovation that have been proven to affect the performance of MSMEs (Asandimitra et al., 2024); (Anthanasius Fomum & Opperman, 2023). Fourth, future research can use a longitudinal approach to understand the dynamics of relationships between variables in the long term. Thus, future research is expected to provide a deeper and more comprehensive understanding of the factors that affect the performance of MSMEs. In addition, further research is also expected to contribute to the development of more effective policies in supporting the digital transformation of MSMEs.

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