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SURAT TUGAS

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Dekan Fakultas Ekonomi dan Bisnis, Universitas Putra Indonesia YPTK Padang dengan ini menugaskan dosen yang tertera di bawah ini:

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Demikianlah surat tugas ini dibuat agar dapat dilaksanakan sebagaimana mestinya.

Padang, 13 Oktober 2021
Dekan



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Tembusan :

1. Rektor UPI-YPTK Padang
2. Ybs
3. Arsip



CERTIFICATE

is awarded to

Desi Ilona, SE., MSc. PhD

as a **Presenter** of The Second Economics, Law, Education, and
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Theme: “Social and Cultural Sciences on
Sustainable Development for World Challenge in Digital Era”

with a paper entitled:

Does financial literacy associate with SME sustainability during Covid-19



Prof. Dr. Tafdil Husni, S.E.,
M.B.A
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DOES FINANCIAL LITERACY ASSOCIATE WITH SME SUSTAINABILITY DURING COVID-19?

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Abstract

The role of small-medium enterprises and their contribution to the real economy is well recognised, and extraordinary evidence has been reported in the international literature. However, the small-medium enterprise has been challenged by the Covid-19 recently. Besides, extremely limited empirical findings suggest how the government policy (lock-down policy) implies SME sustainability. This study investigates Indonesia SME sustainability, social media adoption, financial literacy, and financial access during the Covid-19. Therefore, this study also determines the effect of social media adoption, financial literacy, and financial access on SME sustainability. Resources based theory is applied to understand the phenomena. Twenty-six SMEs are operating in Pariaman city participated in this study. Variable is measured by five-scale Likert and Descriptive analysis used to conclude the first study objectives. Further, the structural model equation (SEM) was utilised, and in this case, smart-pls 3.2.8. is used. The result shows that the level of social media adoption is extremely low (means=2.20). SME's financial literacy is adequate (means=3.56). Financial resources could access well by SMEs (means=3.84). Finally, SME's sustainability is extremely low (means=2.35). Also, results from SEM analysis reveals that out of three latent independent variables (social media adoption, financial literacy, financial access) are examined, only social media adoption has a positively significant ($\beta = 10\%$) effect on SME sustainability. This study implies that SMEs should increase social media adoption to gain higher sustainability. The authority should build the capability of digital marketing of SMEs to survive in this turbulent time. Theoretically, this study contributes to the resources-based theory because variation in SME sustainability is determined by SME's resources, such as digital marketing capability

Keywords: SME sustainability, Financial Literacy, Financial Access, Social Media Adoption

INTRODUCTION

The sudden appearance of coronavirus diseases -2019 (COVID-19) has severely influence the global economy (1) and challenging the world (2). The case was first identified in Wuhan, Hubei, China, in December 2019 and has yielded an underway pandemic (3). As of November 25th, 2020, more than 60 million cases were reported from 188 countries, deriving in more than 1.4 million deaths. Asian Development Bank predicted that the global economy could undergo between \$5.8 trillion and \$8.8 trillion



in losses -equal to 6.4%-9.7% of gross domestic product (GDP) globally due to pandemic coronavirus disease (4). The impact of COVID-19 negatively is limited to the loss of human lives and short and long-term social, economic, and political effects (5). (1) argue that there are several impacts of COVID-19 on enterprises, such as transportation disruption, supply chain disruption, cancellation of export orders, material shortage, decreased demand, etc. Small-medium enterprise (SME) is the major victim of the COVID-19 outbreak because it does not have sufficient resources and is prepared well for such disruption (6). Therefore, the sustainability of the small-medium enterprise will be threatened.

Small-medium enterprise roles and their contribution to the real economy are well acknowledged, and previous studies have been documented. In Indonesia's context, almost 75% of employment in Indonesia works in the small-medium enterprise, and Indonesia's SME contributed to the country's gross domestic product enormously (7). Besides, SMEs became the centre of economic rotation of the economy in local government (8). However, the sustainability of SMEs during COVID-19 is intimidated. A study on SMEs has been done largely (9); however, it did not concentrate on COVID-19 time. Even though previous studies are using SMEs during COVID-19 (Hardilawati, 2020; Marlinah, 2020; Pakpahan, 2020), they did not focus on sustainability from social media adoption, financial access, and financial literacy during COVID-19. Therefore, this study investigates the relationship between social media adoption, financial access, and financial literacy on SME sustainability. This work is organised as follow: the first session is discussing the background of the study. Second place, it deliberated about the theoretical aspect and followed by research methods. Fourth session converse about results and discussion. Finally, the conclusion and recommendation are in the fifth session.