Exploring Fintech's Intervening Role and its Impact on Financial Decisions in SMEs in Lombok

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ABSTRACT

Small and Medium Enterprises (SMEs) have a crucial role in the economy, but they continue to encounter challenges in financial decisions because of behavioral and managerial influences. The swift growth of fintech provides possible ways to enhance efficiency and the quality of financial decisions for SMEs. This research seeks to examine how financial knowledge and financial attitudes influence financial decisions, with fintech serving as an intervening variable, among SMEs on Lombok Island, West Nusa Tenggara. This research utilizes a quantitative method featuring an explanatory design. The sampling approach employs non-probability sampling through a judgment sampling method, targeting SMEs involved in the pottery craft sector with export operations, yielding 41 SMEs as research subjects. The findings show that financial knowledge and financial attitude positively and significantly impact the utilization of fintech. Fintech has been shown to influence how financial knowledge impacts financial decisions, yet it does not influence how financial attitude affects those decisions. Moreover, the utilization of fintech positively and significantly influences financial decisions. Fintech significantly contributes to enhancing the impact of financial knowledge on the financial decisions of SMEs.

Keywords*: Financial Attitude, Financial Decisions, Financial Knowledge, Fintech.*

INTRODUCTION

Small and Medium Enterprises (SMEs) play a strategic role in driving economic growth and improving public welfare. SMEs contribute significantly to job creation, income distribution, and the strengthening of local economies. However, SMEs also face various internal challenges that can affect business sustainability. SME characteristics are generally marked by fluctuations in turnover and workforce size, business management carried out by individuals who simultaneously act as owners and managers, weak financial supervision, and the use of labor from family members and close relatives. These conditions create internal weaknesses, particularly limited managerial competence and low financial decision-making capability, which ultimately influence SME performance and determine business success or failure (Klontz et al., 2011; Anderloni et al., 2012; Hidayati et al., 2020; Atmaningrum et al., 2021; Alice & Haryanto, 2022; Arifin & Widjaya, 2022).

The success of financial decision-making is essentially determined by an individual's ability to choose alternatives that generate optimal returns. Financial decisions may differ across individuals because they are influenced by various psychological factors. According to Davis (2017), decision-making is the process of selecting the best alternative from several available options. Consideration of potential risks and expected outcomes may encourage individuals to act rationally or irrationally. In practice, financial actors have begun to realize that individuals do not always behave rationally when making decisions. Investor irrationality is strongly influenced by psychological factors that affect

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how individuals process information based on their mindset and emotions (Lee et al., 2010). Traditional financial theory tends to ignore psychological aspects in the decision-making process, making it unable to explain many anomalies observed in financial markets (Ricciardi & Simon, 2000). This limitation has led to the development of the behavioral finance approach.

According to De Bondt et al. (2008), behavioral finance examines how psychological factors influence financial decisions in households, markets, and organizations. Eagly and Chaiken (1993) suggest that behavioral finance is affected primarily by two factors: financial knowledge and financial attitude. Low financial knowledge is often associated with a limited educational background. Robb and Woodyard (2011) explain that education can improve financial knowledge, resulting in more effective financial decision-making. Financial knowledge can be acquired through formal education as well as informal sources. Nababan and Sadalia (2012) state that financial knowledge includes several aspects, such as basic personal finance, money management, credit and debt management, savings, investment, and risk management.

Previous studies show mixed results regarding the influence of financial knowledge and financial attitude on investment decisions. Arianti (2018) finds that financial knowledge has no significant effect on investment decisions. Obagbuwa et al. (2021) and Moko et al. (2022) report similar results. Regarding financial attitude, Bona (2018), Ho and Lee (2021), Hidayati et al. (2021), Andana and Yuniningsih (2023), and Ratnawati et al. (2023) find that it significantly influences investment decisions. However, Fahriani (2019) reports that financial attitude does not have a significant effect on investment decisions.

These inconsistent findings indicate a research gap that needs further investigation. Therefore, this study introduces fintech as an intervening variable. In the digital era, the use of technology has become essential in business activities. Fintech offers innovative solutions that simplify transactions and improve business efficiency (Liu et al., 2024). Fintech enables financial processes to be carried out more quickly, flexibly, and efficiently in terms of time and effort. Thus, the uniqueness of this research is in the application of fintech as an intermediary variable to explore the link between behavioral finance and Financial Decisions in SMEs. This research seeks to examine how fintech influences the relationship between financial knowledge and financial attitude on the financial decisions of SMEs in Lombok Island, West Nusa Tenggara.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Effect of Financial Knowledge on Fintech

Financial knowledge plays an important role in shaping individuals' financial behavior, including the adoption and use of fintech. Individuals with higher financial knowledge tend to better understand financial products, assess risks, and evaluate the benefits of using digital financial services. According to Babajide et al. (2023) and Riyadi and Hadyarti (2024), financial knowledge improves individuals' ability to process financial information and make informed decisions. In the context of SMEs, adequate financial knowledge enables owners and managers to recognize fintech as a tool that can improve transaction efficiency, reduce operational costs, and enhance financial control.

Previous studies consistently show a positive relationship between financial knowledge and fintech adoption. Kumar et al. (2023) argue that individuals with stronger financial literacy are more open to adopting financial innovations because they are more confident in managing digital financial tools. Similarly, Mutasowifin and Sutisna (2023) found that SME owners with higher financial knowledge are more likely to use fintech services such as digital payments and online financing. These findings suggest that financial knowledge reduces uncertainty and perceived risk associated with fintech, thereby encouraging its use. Thus, prior literature supports the assumption that financial knowledge is a key driver of fintech utilization among SMEs.

H1: Financial knowledge has a positive effect on fintech.

The Effect of Financial Attitude on Fintech

Financial attitude reflects individuals' values, beliefs, and psychological tendencies toward money management and financial behavior. A positive financial attitude encourages proactive financial actions, including saving, investing, and adopting financial technologies. Rahayu et al. (2023) state that individuals with positive financial attitudes tend to be more responsible and adaptive in managing their finances. For SMEs, financial attitude influences how owners perceive fintech as either an opportunity or a risk in managing business finances. A strong financial attitude can also improve decision-making quality by reducing impulsive financial choices and encouraging strategic planning. This mindset enables SME owners to better evaluate financial tools and select solutions that maximize business efficiency and profitability.

Several empirical studies have found that financial attitude significantly affects fintech usage. Zahari et al. (2025) showed that individuals who have a positive attitude toward financial planning and income improvement are more willing to adopt fintech applications. In the SME context, Kusumawati et al. (2024) found that business owners with growth-oriented financial attitudes are more likely to use fintech to support business transactions and income generation. These studies indicate that financial attitude shapes motivation and willingness to use fintech, especially when fintech is perceived as efficient and beneficial. Moreover, SMEs with owners who maintain a proactive financial attitude are better positioned to adapt to technological changes, enhancing competitiveness in the digital economy. Financial attitude thus serves as both a motivational driver and a moderating factor in the effective utilization of fintech solutions.

H2: Financial attitude has a positive effect on fintech.

The Effect of Fintech on Financial Decision

Fintech has transformed the way financial decisions are made by improving access to financial information, increasing transaction speed, and reducing operational complexity. According to Nurhaeda (2025), fintech enhances decision quality by providing real-time data and more efficient financial processes. For SMEs, fintech simplifies cash management, payments, and financing decisions, which are crucial for daily operations and investment planning. By providing tools for real-time monitoring of income and expenses, fintech allows SME owners to identify trends and potential risks more quickly. This increased transparency can lead to more strategic decision-making and a reduced likelihood of financial mismanagement.

Empirical evidence supports the positive impact of fintech on financial decisions. Onabowale (2025) found that fintech adoption improves efficiency and accuracy in financial decisions, particularly in investment and funding decisions. Similarly, Nkwinika and Akinola (2023) reported that SMEs using fintech are better able to allocate working capital and manage liquidity. These studies suggest that fintech not only facilitates transactions but also supports better financial judgment. Thus, prior literature confirms that fintech plays a significant role in improving financial decisions, especially for SMEs facing resource and information constraints. Furthermore, the adoption of fintech can encourage SMEs to implement more systematic financial planning, including budgeting, forecasting, and risk assessment. Over time, these practices can strengthen financial resilience and promote sustainable business growth.

H3: Fintech has a positive effect on financial decisions.

The Effect of Fintech as a Mediator

Fintech can act as a mediating mechanism that translates financial knowledge and behavioral factors into better financial decisions. Individuals with strong financial knowledge may not automatically make better decisions unless supported by appropriate tools. Fintech serves as such a tool by enabling knowledgeable individuals to apply their understanding efficiently in real financial situations. According to Budhiraja et al. (2018)

and Liesa-Orús et al. (2023), technology can strengthen the relationship between individual capabilities and behavioral outcomes by increasing perceived usefulness and ease of use. For SMEs, this means that fintech can convert abstract financial knowledge into practical actions, such as optimizing cash flow or evaluating investment opportunities. By reducing manual calculation and information gaps, fintech allows owners to make faster and more accurate decisions.

Several studies highlight the mediating role of fintech. Bansah and Darko Agyei (2022) found that fintech mediates the relationship between financial literacy and financial behavior by reducing complexity and increasing confidence in decision-making. Similarly, Liu and Ma (2024) showed that fintech strengthens the impact of financial knowledge on investment decisions among SMEs. However, other studies by Hsu and Lin (2022) indicate that fintech may not mediate behavioral factors such as financial attitude if attitudes are not sufficiently strong or consistent. These mixed findings suggest that fintech's mediating role depends on the underlying financial capabilities and behavioral readiness of users. This implies that for SMEs to fully benefit from fintech, owners must not only have financial knowledge but also maintain a proactive and positive financial attitude. The effectiveness of fintech as a mediator is therefore contingent upon both skill and mindset.

H4: Fintech mediates the relationship between financial knowledge and financial decisions.
H5: Fintech mediates the relationship between financial attitude and financial decisions.

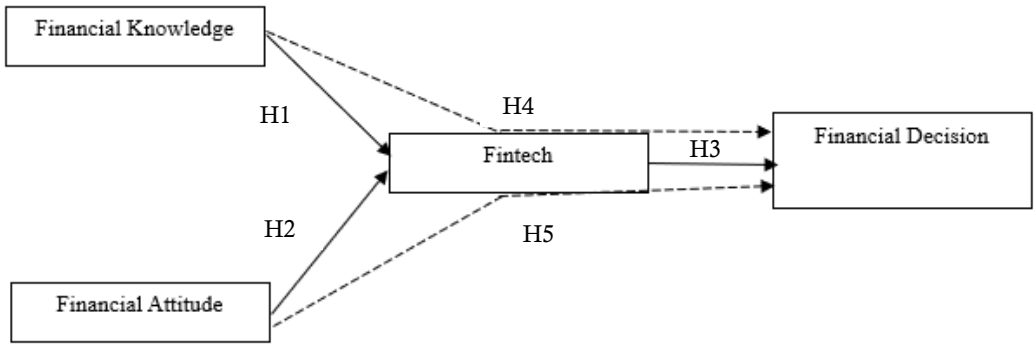

Figure 1. Research Framework

Figure 1 explains that financial knowledge and financial attitude play a crucial role in shaping financial decisions, with fintech as a mediating variable. Financial knowledge and financial attitude each influence fintech use (H1 and H2). Furthermore, fintech has a direct influence on financial decisions (H3). Furthermore, financial knowledge and financial attitude were also tested to have an indirect influence on financial decisions through fintech (H4 and H5). Thus, fintech serves as a bridge that strengthens the influence of financial knowledge and attitudes on Financial Decisions.

RESEARCH METHODS

This study is explanatory research with a quantitative approach. Explanatory research aims to analyze causal relationships between research variables, specifically to understand how one variable affects another. In this study, the variables analyzed are financial knowledge and financial attitude as independent variables, financial decision as the dependent variable, and fintech as an intervening variable. The focus of this study is on how the psychological factors of SME owners or managers, particularly their financial knowledge and attitude, shape their financial decision-making and the use of fintech in managing business finances.

The data for the research were obtained through a questionnaire, aimed at collecting quantitative responses from participants. The survey includes multiple statements assessing financial literacy, financial mindset, fintech utilization, and Financial Decisions. Participants were instructed to respond on a defined scale, enabling the gathered data to be analyzed statistically. The subjects of this study include owners or managers of SMEs participating in the pottery craft sector and engaged in export operations on Lombok Island. This research highlights the significance of comprehending the financial habits of SME owners, who are directly involved in Financial Decisions.

The collected data were analyzed using Generalized Structured Component Analysis (GSCA). GSCA is a structural modeling-based analysis method developed by Solimun et al. (2019). This method was chosen because it is effective for testing causal relationships between latent variables, providing a more accurate understanding of how financial knowledge and financial attitude influence financial decisions through the use of fintech. By applying GSCA, this study can explain both direct and indirect relationships among the research variables, showing the role of fintech as an intervening variable in the financial decisions of SME owners. This approach provides valuable insights for developing strategies to improve financial literacy and attitudes among SME actors, especially in utilizing financial technology to support more effective and informed business decisions.

RESULTS

Based on the mean values of each indicator, respondents' financial knowledge (X1) is considered high, with an average of 4.05. The highest indicators are investment (4.3) and risk management (4.2), showing that respondents consider risk, safety, and potential returns in their financial decisions. Money management (4.1) and savings (4.0) indicate that most respondents manage their money and save effectively. Meanwhile, basic personal finance (3.8) and credit management (3.9) are slightly lower, suggesting that some respondents have not fully understood these aspects. Consequently, the majority of respondents possess a strong grasp of finance, particularly in areas such as investment, risk management, and money management.

For financial attitude (X2), the mean values indicate a moderate level, with an overall average of 3.6. X2.1 (obsession, 3.8) shows that some respondents agree that managing money well ensures a good future, but it has not been fully practiced. x2.2 (power, 3.6) indicates that respondents are not fully convinced that money can be used as a tool for control or problem-solving. X2.3 (effort, 3.8) and X2.4 (inadequacy, 3.9) show that respondents try to earn additional income and feel the need to work hard. Meanwhile, X2.5 (retention, 2.9) shows that respondents are not yet accustomed to saving, while X2.6 (security, 4.2) shows that most feel comfortable saving or managing their own money. The mean of 3.6 suggests that respondents' financial attitude has not yet reached an optimal level, even though they have financial knowledge.

Regarding fintech usage (Y1), all indicators show that most respondents experience its benefits. Y1.1 (3.7) indicates that fintech is perceived as quick and accessible via smartphone. Y1.2 (4.2) and Y1.3 (4.4) show respondents feel efficiency and ease in conducting transactions. Y1.4 (4.0) indicates that respondents find it easy to understand fintech features and access financial products. Y1.5 (3.9) shows that fintech is practical for daily transactions, and Y1.6 (4.0) indicates respondents feel comfortable and supported in managing finances through fintech. The overall mean of 4.1 suggests that respondents have experienced fast, efficient, and convenient fintech services.

The financial decision (Y2) variable consists of two main indicators: fund placement for working capital and debt decision-making. For fund placement, the indicator ranges from 3.5 to 4.1. Y2.1 (3.8), Y2.3 (3.5), and Y2.5 (3.9) indicate that some respondents have not fully prepared a cash budget, calculated available cash, or checked accounts receivable. Meanwhile, Y2.2 (4.1), Y2.4 (4.0), Y2.6 (3.8), Y2.7 (4.0), Y2.8 (4.1), and Y2.9 (3.9) show that respondents have partially prepared credit guidelines, inventory budgets, and checked inventory levels. The mean of 3.9 suggests that efficiency in fund placement

for working capital has not been fully achieved. For debt decision-making, indicators range from 2.6 to 4.0. Y2.10 (3.2), Y2.11 (2.9), Y2.12 (2.6), and Y2.13 (3.7) indicate that not all respondents feel that debt supports productivity, provides more benefits than risks, or reflects trust from lenders. Only Y2.14 (4.0) shows that most respondents believe debt makes them more careful in managing and using money. The overall mean of 3.3 indicates that the role of debt in respondents' operational activities has not yet been fully effective.

The fit of the structural model is assessed through FIT (Goodness of Fit), which corresponds to R^2 in regression analysis, the total determination coefficient in path analysis, or Q^2 in PLS. FIT represents the overall variance of all variables that can be accounted for by the structural model. FIT values vary from 0 to 1, with higher values indicating a larger percentage of variable variance that the model can account for. If the FIT=1, it indicates that the model completely accounts for the phenomenon being examined. AFIT (Adjusted FIT) resembles adjusted R^2 in regression analysis. AFIT can serve to analyze model comparisons. The model exhibiting the highest AFIT value can be chosen from the superior models (Solimun et al., 2019; Nurhaedha, 2025).

Table 1. Testing Result of the Structural Model of Fit

Construct	Measure
FIT	0.492
Adjusted FIT (AFIT)	0.465
GFI	0.842

The findings from the Measure of Fit Structural Model tests in Table 5 indicate that the model accounts for 46.5 percent of the variable variance, meaning that the diversity of financial knowledge, financial attitude, fintech, and financial decisions is explained by 46.5 percent. Other factors, including cognitive bias and emotional bias, account for 53.5 percent (Hidayati et al., 2022). A Goodness of Fit Index (GFI) of 0.842 suggests that the model is well-fitting since it is near the value.

The measurement model is assessed using the loading factor value (standardized coefficient) of every indicator on the latent variable. The loading factor indicates the significance of each factor as an assessment of every variable. The indicator with the highest loading factor signifies that it is the primary variable measure (most influential).

Table 2. Estimate of Loading

Variable	Item	Estimate	SE	95%CI	
X1	X1.1.	0.715	0.083	0.521	0.824
	X1.2.	0.857	0.041	0.763	0.923
	X1.3.	0.761	0.099	0.544	0.882
	X1.4.	0.812	0.059	0.657	0.895
	X1.5.	0.691	0.075	0.542	0.813
	X1.6.	0.876	0.039	0.782	0.929
X2	X2.1.	0.834	0.058	0.688	0.926
	X2.2.	0.833	0.057	0.664	0.905
	X2.3.	0.641	0.1	0.378	0.794
	X2.4.	0.904	0.028	0.841	0.944
	X2.5.	0.717	0.076	0.538	0.828
	X2.6.	0.864	0.049	0.754	0.933
Y1	Y1.1.	0.593	0.136	0.157	0.788
	Y1.2.	0.869	0.031	0.799	0.916
	Y1.3.	0.714	0.124	0.449	0.902
	Y1.4.	0.891	0.028	0.816	0.933
	Y1.5.	0.539	0.168	0.125	0.767
	Y1.6.	0.634	0.133	0.257	0.825
	Y1.7.	0.783	0.069	0.61	0.906
	Y1.8.	0.688	0.082	0.506	0.831
	Y1.9.	0.725	0.062	0.591	0.853
Y2	Y2.1.	0.858	0.039	0.769	0.917
	Y2.2.	0.687	0.087	0.487	0.82

Variable	Item	Estimate	SE	95%CI	
	Y2.3.	0.679	0.08	0.524	0.828
	Y2.4.	0.67	0.087	0.49	0.833
	Y2.5.	0.816	0.078	0.633	0.932
	Y2.6.	0.548	0.095	0.346	0.693
	Y2.7.	0.594	0.104	0.384	0.8
	Y2.8.	0.666	0.116	0.419	0.875
	Y2.9.	0.672	0.135	0.373	0.874
	Y2.10.	-0.483	0.193	-0.774	-0.031
	Y2.11.	-0.453	0.18	-0.73	-0.135
	Y2.12.	0.344	0.175	-0.088	0.659
	Y2.13.	0.647	0.087	0.442	0.777
	Y2.14.	0.847	0.045	0.744	0.912

Table 2 presents the loading estimates, which show the strength of the relationship between each indicator and its latent variable. For financial knowledge (X1), all indicators have relatively high loadings, with the highest on X1.6 (0.876), indicating that risk management strongly reflects respondents' financial knowledge. In financial attitude (X2), most indicators also have loadings above 0.7, especially X2.4 (0.904) and X2.6 (0.864), showing that inadequacy and security are the most representative of financial attitude, while X2.3 is slightly lower (0.641) but still acceptable. For fintech (Y1), several indicators have high loadings, such as Y1.2 (0.869) and Y1.4 (0.891), indicating that efficiency and ease of use strongly represent the fintech variable, while others, like Y1.1 and Y1.5, have lower loadings and contribute less to the variable. For financial decision (Y2), most indicators for working capital placement (Y2.1–Y2.9) have loadings above 0.6, such as Y2.1 (0.858) and Y2.5 (0.816), indicating they are fairly representative. However, some debt decision indicators (Y2.10–Y2.12) have low or negative loadings, such as Y2.10 (-0.483) and Y2.11 (-0.453), suggesting they are not aligned with the latent variable or are less suitable for representing debt decisions. Thus, most indicators for X1, X2, and Y1 are valid and representative, while some indicators for Y2 need further evaluation.

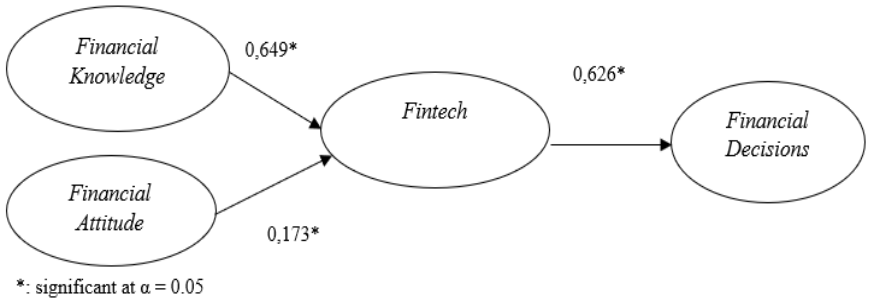

Figure 2. Research Structural Model

Table 3. Direct Effect

Path	Path Coefficient (β)	p-value	Description
Financial Knowledge → Fintech	0.649	<0.05	Accepted
Financial Attitude → Fintech	0.173	<0.05	Accepted
Fintech → Financial Decisions	0.626	<0.05	Accepted

Figure 2 and Table 3 show that financial knowledge has a positive and significant effect on fintech, with a coefficient of 0.649. This means that the better the financial knowledge of managers and SME owners, the better they can use fintech. In addition, financial attitude also has a positive and significant effect on fintech, with a coefficient of 0.173, indicating that a better financial attitude improves fintech usage. Furthermore, fintech itself has a positive and significant effect on financial decisions, with a coefficient of 0.626,

meaning that the better managers and SME owners use fintech, the better their financial decisions.

The calculation of the indirect effect coefficient value is obtained from the result of multiplying 2 direct effect coefficient values. The indirect effect is declared significant if the Sobel test has been carried out, namely, the Z value, calculated by dividing the direct effect coefficient by its standard error. The results of indirect effect testing are presented in Table 4.

Table 4. Indirect Effect

Path	Path Coefficient (β)	p-value	Description
Financial Knowledge →Fintech→ Financial Decisions	0.406	0.000	Significant Mediation
Financial Attitude→ Fintech→Financial Decisions	0.112	0.262	Insignificant Mediation

Table 4 explains the indirect effects of financial knowledge and financial attitude on financial decisions through fintech as a mediating variable. The first relationship, financial knowledge → fintech → financial decisions, shows an indirect effect coefficient of 0.406 with a p-value of 0.000. This result indicates a significant mediation effect, meaning that fintech plays an important role in transmitting the effect of financial knowledge to financial decisions. In other words, respondents with better financial knowledge tend to use fintech more effectively, which then leads to better financial decisions. On the other hand, the relationship between financial attitude → fintech → financial decisions has an indirect effect coefficient of 0.112 and a p-value of 0.262. Since the p-value is greater than 0.05, this indirect effect is not significant. This indicates that although financial attitude may influence the use of fintech directly, its impact on financial decisions through fintech is relatively weak and not statistically supported.

DISCUSSION

Financial knowledge significantly and positively influences the use of fintech among SME owners and managers. This suggests that individuals with greater financial understanding are more likely to utilize fintech effectively in managing their financial activities. Adequate financial knowledge encourages SMEs to adopt fintech in financial decision-making, as it helps improve transaction efficiency and reduce risks such as payment delays (Hidayati, 2020). Consequently, fintech supports more efficient financial decisions, particularly investment decisions related to the allocation of working capital. These results are also shaped by the characteristics of the respondents, most of whom are in their productive age, predominantly male, have completed high school education, and have been running their businesses for over five years. This study contributes to behavioral finance literature by demonstrating that financial knowledge, especially in terms of risk management, plays a significant role in improving financial decision-making among SMEs (De Bondt et al., 2008).

Financial attitude also shows a positive and significant effect on fintech usage. This suggests that SMEs with better financial attitudes are more likely to adopt and use fintech effectively. Financial attitude in this study is reflected by the inadequacy indicator, which represents respondents' motivation to continuously seek additional income. To support these efforts, SMEs rely on fintech because it is perceived as efficient, particularly in facilitating financial transactions (Atmaningrum et al., 2021). Similar to financial knowledge, this relationship is also supported by the characteristics of the respondents, the majority of whom are in their productive age, predominantly male, possess a high school education, and have operated their businesses for more than five years. These findings further contribute to the behavioral finance literature by confirming that financial attitude has a significant influence on fintech adoption, as also reported by Widjaya (2022).

The study also finds that fintech mediates the relationship between financial knowledge and financial decisions. Winarsih et al. (2020) emphasize that financial literacy significantly strengthens the positive impact of financial technology on SMEs' outcomes, highlighting the importance of knowledge in optimizing fintech benefits. Financial knowledge, especially when reflected in effective risk management, plays a crucial role in financial decisions. When combined with fintech utilization, the influence of financial knowledge on financial decisions becomes stronger. Fintech enhances efficiency in financial processes, particularly in investment decisions related to working capital placement. This indicates that adequate financial knowledge, supported by fintech, leads to higher-quality financial decisions. This finding extends behavioral finance literature by confirming fintech's role as an intervening variable between financial knowledge and financial decisions.

In contrast, fintech does not mediate the relationship between financial attitude and financial decisions. Although a positive financial attitude encourages the use of fintech, it does not necessarily lead to better financial decisions through fintech platforms. This is reflected in the average financial attitude score of 3.6, suggesting that most respondents have not yet developed an optimal financial attitude, even though they possess adequate financial knowledge. A suboptimal financial attitude may constrain the effective utilization of fintech, resulting in its insignificant effect on financial decisions. This finding underscores that fintech adoption alone is not sufficient to enhance decision-making without a strong underlying financial attitude, consistent with the results reported by Liu et al. (2024).

Fintech has a positive and significant effect on financial decisions. SME owners and managers perceive fintech as helpful in making financial decisions, particularly investment decisions related to working capital. Fintech enables faster, easier, and more efficient transactions, which positively influence financial decisions. This result strengthens the behavioral finance literature by confirming the direct role of fintech in improving financial decisions among SMEs, with respondents predominantly productive-age individuals with sufficient business experience.

CONCLUSION

This study finds that both financial knowledge and financial attitude have a positive and significant effect on fintech usage among SMEs. Financial knowledge also has a positive influence on financial decisions, both directly and indirectly through fintech as a mediating variable. In contrast, fintech does not mediate the relationship between financial attitude and financial decisions, even though financial attitude significantly affects fintech usage. In addition, fintech itself has a positive and significant impact on financial decisions, particularly investment decisions related to the allocation of working capital. These findings highlight the critical role of financial literacy in enabling SMEs to leverage digital financial tools effectively. Furthermore, they suggest that enhancing financial knowledge among SME owners can lead to more informed and strategic financial decision-making.

The practical implication of these findings is that improving the financial knowledge of SME owners and managers is crucial for encouraging effective fintech utilization and enhancing the quality of financial decisions. From a policy perspective, the results suggest that governments and financial institutions should strengthen financial education programs that are integrated with fintech adoption to support SME development. This study has several limitations. First, it uses cross-sectional data, which limits the ability to observe changes over time. Second, the respondent characteristics are relatively homogeneous, as most SMEs have a high school education background and more than five years of business experience, which may restrict the generalizability of the findings. Future research is recommended to expand the sample size, apply a longitudinal research design, and include additional variables such as digital literacy, trust in technology, and perceived risk. Further studies may also compare different business sectors or regions to enrich the literature on behavioral finance and fintech adoption among SMEs.

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