

ISLAMIC RELIGIOSITY AND ISLAMIC BRANDING ON MSMEs PERFORMANCE: FINANCIAL KNOWLEDGE AS MEDIATION

Ferdy¹, Muhammad Ali Fikri²

^{1,2}Universitas Ahmad Dahlan, Daerah Istimewa Yogyakarta, Indonesia

Corresponding e-mail: *¹ferdy2000011146@webmail.uad.ac.id

Abstract

This study aims to determine the effect of Islamic religiosity and Islamic Branding on Micro, Small and Medium Enterprises (MSMEs) performance mediated by Financial Knowledge. The purpose of this research is to enrich the literature and also to provide a strong foothold in developing entrepreneurial strategies with sharia principles and try to examine the factors to take advantage of this potential. This research is particularly interesting because currently, research on the role of Religion on entrepreneurship in Indonesia is limited and scarce, mostly conducted on Western and non-Muslim businesses. Currently, the Islamic economy and halal industry are growing rapidly in both local and global markets. However, the fact is that the potential of the Islamic economy has not been maximally utilized by entrepreneurship in Indonesia. Therefore, this research focuses on sharia management and Entrepreneurship with the aim of not only influencing consumer preferences, but also providing a strong foothold in developing products, services, and management strategies that are in accordance with sharia principles to capitalize on the potential of the sharia economy. This study used purposive sampling method to collect data, using a questionnaire with the criteria of Muslim entrepreneurship owners or managers in MSMEs. This study uses quantitative data processing methods using structural equation modeling partial least squares analysis with Smart PLS 4.0 statistical tools. Islamic religiosity directly affects the performance of organization and affects financial capability and Islamic branding affects financial knowledge but does not directly affect the performance of organization. In addition, organization performance is influenced by individual financial knowledge. Another finding is that financial knowledge mediates Islamic religiosity but has no effect for Islamic branding on organizational performance.

Key Words: *Financial Knowledge, Islamic Branding, Islamic Economics, Islamic Religiosity, MSME Performance*

INTRODUCTION

Religion is important for influencing the social environment that builds the relationship between God and social practices (Gümüşay, 2015). Barney (1991) argues that religion is a resource for firms in the context of the resource-based view (RBV). Islam empowers and encourages entrepreneurial activities such as opportunity pursuit, risk-taking, and innovation (Gümüşay, 2015). The success of entrepreneurship in improving performance is strongly influenced by the level of religiosity of an entrepreneur, which then has an impact on their behavior and attitudes (Sulung et al., 2020). Entrepreneurship that adopts religiosity and develops relevant regulations and procedures will result in harmony between managers and workers and business owners (Alharbi et al., 2022), thus increasing awareness, knowledge and togetherness among stakeholders, ultimately resulting in better company performance (Zailani et al., 2020). Leaders or top management people who are religious will behave positively and improve work outcomes that lead to higher entrepreneurial performance, because by adopting religiosity a person will practice kindness, justice, honesty, trust and care of managers towards their employees (Elias et al., 2019). The results of the study by Alharbi et al. (2022) said that the Islamic

religiosity of an MSME owner or manager has an impact on MSME performance. This is in line with the study of (Lestari et al., 2023), Islamic religiosity will have an impact on business performance. But on the contrary, the study of Sefnedi (2023) found that the variance of SME performance is not determined by one's religiosity.

According to Ogilvynoor in Anggraini & Noviarita (2021) Islamic branding is a relatively new marketing concept. Even studies that discuss Islamic branding on entrepreneurial performance are still very limited (Hussin, 2017). Islamic branding is one of the driving factors for increasing business turnover (Shandy Ma'n'an Mukti, 2023) with an increase in turnover means that the performance of MSMEs increases according to the assessment of performance achievement according to financial (Mendoza, 2015). Islamic branding can be an effective tool to strengthen the identity of sharia-based MSMEs and attract customers who are sensitive to Islamic religious values. Islamic branding is important for the survival of MSMEs in Islamic countries (Alharbi et al., 2022), especially like Indonesia where 87,2% of the population is Muslim. To succeed in the Islamic market, businesses must strictly follow Islamic values by being honest and open. This is important so that consumers trust and find the business credible (Hamizar et al., 2023). Islamic branding will help build trust and credibility among consumers, which will drive long-term success (Hamizar et al., 2023) and can have a significant influence on product purchasing decisions (Nasrullah, 2015) in this context business performance will be better.

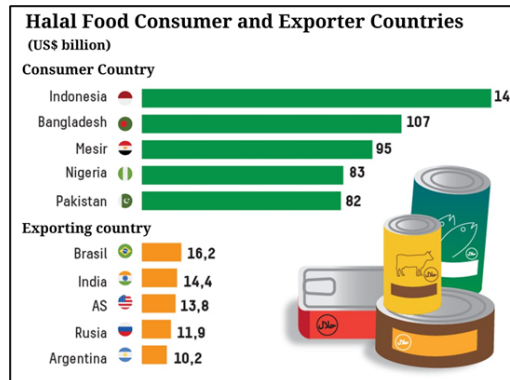
Studies related to Islamic aspects and performance in general find that Islamic aspects and practices among MSMEs are not sufficient to sustain business growth mainly due to lack of awareness of financial knowledge (Alharbi et al., 2022). Financial knowledge is important in financial management for daily needs as well as long-term needs. Lack of financial knowledge results in individuals being less effective in making financial decisions (Surenggono & Djamilah, 2022). In the entrepreneurial aspect, MSME owners and managers must have financial literacy as an essential skill to succeed and improve business performance (Mozammel & Jayasundera, 2024). Esiebugie et al. (2018) stated that the financial perception of MSMEs has an impact on their performance. But currently most MSME owners and managers have a negative attitude towards their financial activities (Mozammel & Jayasundera, 2024). whereas good financial knowledge can be an important intermediary in the economic relationship between external factors and MSME performance.

This study examines the role of financial knowledge as a mediator in the relationship between Islamic religiosity and Islamic branding on MSME performance. Several studies have noted the effect of financial literacy on MSME performance (Fikri & Nahda, 2023). However, the literature still shows a gap regarding the role of sharia practices on financial knowledge and its effect on MSMEs performance (Alharbi et al., 2022).

Research data from Indonesia Halal Markets 2022 shows that the world's Muslim population in 2020 has spent US\$1.9 trillion on food and beverage consumption, fashion, cosmetics, recreation and tourism. Based on data from the Global Islamic Economy 2020-2021, Indonesia is the largest consumer of halal products in the world, ranging from food and beverages, fashion, and cosmetics. Therefore, it is important for entrepreneurship to know the effect of the interaction between Islam and entrepreneurship in order to be able to take advantage of the opportunities of the Islamic Economy trend to improve performance (Gümüşay, 2015).

The influence of Islamic religiosity and faith-based marketing strategies (Islamic branding) on the performance of Micro, Small and Medium Enterprises (MSMEs) is an interesting topic in the context of Islamic economics. Islamic religiosity and Islamic branding are drivers of the success of MSMEs and companies in many Muslim countries (Alharbi et al., 2022). Because to target the halal market, MSMEs must also apply and comply with Islamic principles in every entrepreneurial activity (Fathoni, 2020). Halal-based MSMEs are able to improve the Indonesian economy (Siregar & Razali, 2022) and growth in business (Alfarizi & Kamila Hanum, 2023).

Figure 1. Halal Food Consuming and Exporting Countries

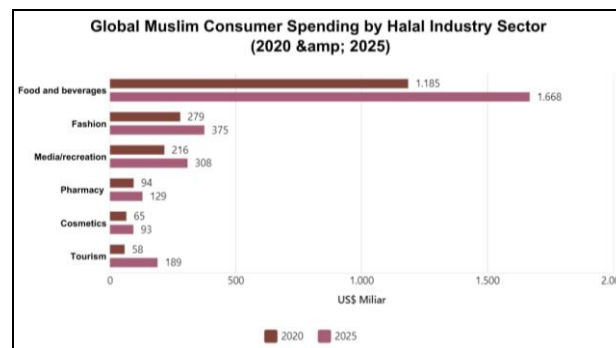


Source: State of Global Islamic Economy Report 2020-2021

MSMEs play a crucial role in fostering economic growth, innovation, job creation, and enhancing overall welfare (Zaitsev, 2023). Small and medium-sized enterprises encounter numerous obstacles and chances that impact their overall success and contribution to a nation's economic landscape (Vrontis et al., 2022). MSME performance is a multifaceted concept covering multiple dimensions, such as financial success, operational efficiency, market share, strategic marketing, innovation, and the ability to adapt to changes in the business environment (Hamidi et al., 2018). MSME performance is important to explain how well an organization runs and contributes to a country's economy (Hoque & Awang, 2019). Especially a country like Indonesia, where MSMEs are the backbone of the economy with a contribution to the national Gross Domestic Product (GDP) of 61.07% (Novitasari, 2022), and are experiencing an increase in the halal industry in the local market (Saestu, 2023). It is important to explore the determinants of MSME performance to identify opportunities and barriers that affect their growth (Prihandono et al., 2024), whether the business is doing well and revenue and customers are increasing over time.

The developed trend of Islamic economics, which can be seen from the significant growth in the Islamic finance sector, as well as the increasing consumer awareness of products and services that comply with Islamic principles (Menne et al., 2023). The Indonesian government is currently making Sharia Finance, the halal food and beverage industry and halal tourism a major focus in Indonesia's economic development and development strategy (State of the Global Islamic Economy, 2016).

Figure 2. Global Muslim Consumer Spending by Halal Industry Sector



Source: Dinar Standard

According to Yahya and Agunggunanto (2012), philosophically, Islamic economics has several distinctive characteristics, one of which is the religiosity of Islam which creates an economy with rules that prohibit usury. someone who applies religiosity in their work will have a high influence on their work motivation and team in responding to something, how to think, how to manage feelings, how to observe something, and obedience to religious beliefs (Elias et al., 2019). Religious religiosity is also able to influence economic growth in a country (Basedau et al., 2018), because religious beliefs affect political preferences, human capital and work ethics in this context Islamic religiosity will affect Islamic economic growth (No et al., 2023).

Islamic branding of a brand in an Islamic country is important because, a Muslim's perception of a brand characterized by Islam will influence a person in their decision to buy a product (Nasrullah, 2015). According to Najmari (2017: 60) in El Adawiyah & Patrianti (2021) said that brands that implement marketing practices in accordance with the principles described in the Al-Quran and Sunnah, and adapt their products to the needs of the Islamic market, have a greater chance of developing in the halal market. Indonesia is one of the largest Muslim population countries with 87,2% of the population being Muslim. From the data Coordinating Ministry for Economic Affairs of the Republic of Indonesia (2022), it is recorded that the Indonesian people have spent USD 184 billion on halal products and services (Sari, 2023) and the potential of the Islamic economy in Indonesia is USD 300 billion (KNEKS, 2023). The Islamic economy in Indonesia has not been utilized properly because its potential has not been utilized to grow in the halal market. Whereas Islamic economics provides opportunities for MSMEs to develop their businesses (Silviyah & Lestari, 2022). So it is important to understand how religiosity and Islamic branding factors affect the performance of MSMEs with financial knowledge as a mediator to maximize the potential of the Islamic economy.

The topic of religion has been relatively neglected in the entrepreneurship literature (Li et al., 2019). Yet religion and entrepreneurial activity have a complex and interconnected relationship (Gursoy et al., 2017). Many theories about business practices from various perspectives have emerged, but the role of religion in entrepreneurship is still largely ignored (Smith et al., 2021). Even in the case of Indonesia, problems often arise about the relationship between religion (Islam) and business activities, some say it is something different and some say it is something related (Zikwan, 2021).

In this context, studies on the effect of Islamic religiosity and Islamic branding on the performance of micro, small and medium enterprises (MSMEs) mostly produce inconsistent findings regarding the relationship between Islamic practices and firm growth (Gursoy et al., 2017; Zailani et al., 2020). Whereas religious religiosity can affect entrepreneurial growth and is also able to affect the economic growth of a country (Basedau et al., 2018). Currently, studies on Islamic religiosity on the performance of MSMEs in Indonesia are still limited, most of which have been conducted on Western and non-Muslim businesses (Hari Adi & Adawiyah, 2018; Kashif et al., 2017).

Several studies have supported that empirical evidence on Islamic branding is still relatively new and scarce and suggested further research on the influence of Islamic brands (Hussin, 2017; Khan et al., 2022). Studies on Islamic branding literature are also still limited, most of the Islamic entrepreneurship literacy is carried out on financial transactions (Alharbi et al., 2022). From several studies in Indonesia, it is only limited to a few industries, for example banking (Andespa et al., 2024).

Therefore, this research focuses on Islamic management and marketing, considering that the Muslim customer market and Islamic economics are growing in Indonesia and the global, it is necessary to reflect on the interaction between Islamic values and entrepreneurship (Hari Adi & Adawiyah, 2018). In addition, there is still a lack of in-depth understanding of how Islamic religiosity and Islamic branding contribute to the performance of MSMEs in Indonesia. Therefore, the author wants to examine the effect of Islamic religiosity and Islamic branding on the performance of Indonesian MSMEs in the context of Islamic Economic potential mediated by financial knowledge. This study aims to offer several aspects of

novelty and enrich the literature on the potential of the Islamic economy. This is the first study in Indonesia to examine the relationship between Islamic religiosity and Islamic branding on the performance of Muslim MSMEs, and also the first study in Indonesia to mediate the role of financial knowledge on the relationship between Islamic religiosity, Islamic branding and the performance of Muslim MSMEs. This study also offers Islamic/Sharia Economic knowledge for business owners and managers.

The object of this research is Muslim business people (owners/managers) who produce halal products/services. Halal MSMEs are part of the development of the halal industry in Indonesia and have high potential to be developed nationally and internationally. Research from Dinar Standard revealed that in 2020, Indonesian spending on halal products increased by 53%, with total consumption reaching US\$184 billion (Sari, 2023). This makes Indonesia the largest consumer of halal products in the world, contributing around 11.34% of global halal product consumption. As the country with the largest Muslim population, Indonesia has become the largest consumer of halal products and even spends USD 173 or 12.6% (BPJPH, 2024) on shopping for halal products from other countries, meaning that it can be said that Indonesia has not been able to meet its domestic needs (Fathoni, 2020). With this problem and the potential of the Islamic economy, MSMEs in Indonesia should take advantage of this potential to be developed. Therefore, this study examines the influence of Islamic religiosity and Islamic branding in the context of MSMEs, the aim is not only to influence consumer preferences, but also to provide a strong foothold in developing products and services that comply with sharia principles and try to examine factors to take advantage of this potential.

LITERATURE REVIEW

Islamic Religiosity

Religiosity is defined as deep feelings and beliefs that encourage a person to carry out religious activities, such as worship and also motivate them to act in accordance with religious principles in everyday life (Rahmawati, 2016). Religiosity indicates how deeply an individual believes in God's involvement in all aspects of their life (Alhouti et al., 2015). Mathras et al. (2016) and Sofha and Utomo (2018) say that religiosity can be seen from how deep the knowledge, beliefs, implementation of worship and religious rules carried out by a person.

Islamic religiosity can be explained as a deep understanding of God from an Islamic perspective, which is reflected in behavior in accordance with that understanding (Alhouti et al., 2015). It also includes the manifestation of that level of awareness in daily life, which is based on the teachings of Islam, known as *ahlu Sunnah wal jama'ah* (Sirozi, 2016). In Islam, people who have good religiosity will carry out the teachings of the Prophet Muhammad, for example performing the obligatory 5 daily prayers, reading and practicing the contents of the Qur'an, fasting and others because they are accompanied by a sense of faith in God and try to stay away from actions that are prohibited by religion.

Islamic Branding

The culture and nature of marketing is evolving, nowadays branding is important for businesses given the shift in consumer behavior and beliefs (Renton et al., 2016). Branding involves crafting a unique and easily identifiable image for a product, service, or organization. Branding is a very important marketing strategy to build brands to achieve significant business performance rather than just focusing on financial value (Williams & Smart, 1995). Building a brand identity involves creating a good image and an established relationship between customers and the brand, influencing the way they perceive and feel about the brand (Andespa et al., 2024).

Islamic branding is an Islamic marketing strategy with a unique approach in the process of introducing brands in a way that is in accordance with Islamic principles and values (Andespa et al.,

2024). The concept of Islamic branding is an effort to create a brand identity that understands and adheres to Sharia values. The goal is to attract the attention of Muslim consumers by highlighting aspects of Sharia hospitality and compliance with Islamic principles in all aspects of the brand and related behaviors (Abuznaid, 2020). Islamic brands require careful consideration of aspects such as halal certification, ethics in advertising, and conformity to Islamic principles. This becomes a crucial strategy for businesses targeting the Muslim market (Andespa et al., 2024).

Financial Knowledge

Financial knowledge correlates with both financial literacy and financial education (Surenggono & Djamilah, 2022) and is an important factor in the development of financial literacy (Aydin & Akben Selcuk, 2019). Financial knowledge refers to a person's capacity to comprehend various aspects of the financial realm (Li et al., 2024). Financial knowledge involves a general understanding of financial ideas and activities (Tanggamani, et al., 2024) that empowers individuals to understand, master, analyze, and manage their finances wisely, thus avoiding financial difficulties (Li et al., 2024). With a deep understanding of finance, an individual can move towards their planned financial goals and will improve their economic well-being both now and in the future (Gignac & Stevens, 2024). Because with good financial knowledge, it can be a strong capital to help individuals overcome any risks that may occur in the process of managing and making financial decisions (Surbakti & Muslih, 2024).

MSMEs Performance

MSME is a business conducted by individuals, groups, small business entities, or households. Law No. 20 of 2008 concerning MSMEs states that MSMEs are small companies owned and managed by an individual or owned by a small group of people with a certain amount of wealth and income. According to Syahputra and Arfah (2022) performance is a description of the level of achievement of the implementation of a program, activity, or policy to successfully achieve the goals, objectives, vision, and mission of an organization as planned in its strategic planning. According to (Pramestiningrum & Iramani, 2020), the definition of MSME performance is the work results achieved by MSMEs within a certain period of time as measured using certain standards or values and adjusting to the role or objectives of MSME objectives.

In other studies, it is explained that MSME performance is the result of evaluating business performance achieved by the division of activities in the form of tasks and roles within a certain period of time with entrepreneurial standards (Mutegi et al., 2015). The success of MSMEs can be seen from their achievements in producing high product quality, encouraging innovation, effective management practices, human resource management, customer relations, and financial stability (Mukson et al., 2021). This suggests that the business is development-oriented and recognizes opportunities for sustainable innovation (Jaksic, 2020). Meanwhile, according to Ardiyani et al (2021) MSME performance is an expectation to achieve achievements with financial and non-financial measures. The achievement of MSME performance with the financial dimension is characterized by an increase in the number of sales, increased business capital, and increased revenue. Meanwhile, the achievement of non-financial performance is measured by the increase in the number of workers and the expansion of marketing areas (Rokhayati, 2015).

Hypothesis and Research Model

H₁ : Islamic religiosity affects the performance of MSMEs.

H₂ : Islamic religiosity affects financial knowledge.

H₃ : Financial knowledge has an influence on the performance of MSMEs.

H₄ : The influence of Religiosity to Financial Knowledge has an impact on MSMEs Performance.

H₅ : There is an influence of Islamic branding on MSMEs performance.

H₆ : There is an influence of Islamic branding on financial knowledge.

H₇ : The mediating effect of financial knowledge on Islamic Branding on MSMEs Performance.

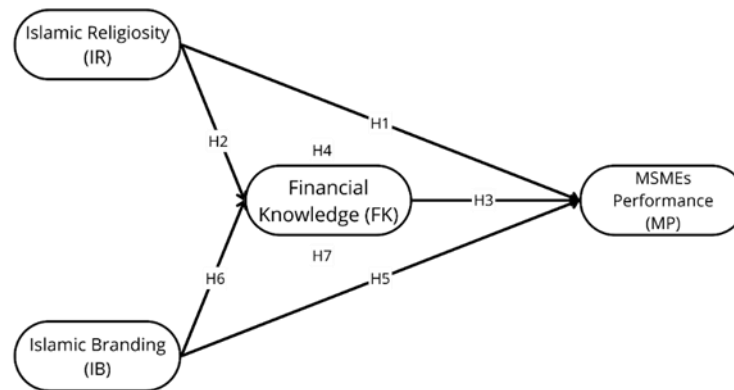


Figure 3. Research Model

RESEARCH METHODS

Research design and sample

This research is quantitative in nature with a type of survey through a questionnaire. Questionnaires or research instruments are used to generate data because questionnaires have a higher level of objectivity (Hair et al., 2021). The sample in this study are all owners, leaders and managers of MSMEs who are Muslim with locations in Indonesia, and businesses that produce halal products or services. The purposive sampling technique was used to sample the owners, leaders and managers of the MSMEs studied, making this research an organizational study. The number of samples obtained was 135 from 19 provinces in Indonesia. Business owners or managers were asked to complete the questionnaire after the consent form, and participant information sheet were checked and approved. All items in the scale were measured on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree).

To test the hypothesis, this study uses SEM-PLS which is supported by previous research (Alharbi et al., 2022). Based on Hair et al., (2021) PLS-SEM can certainly be used with smaller samples, instead Purwanto & Sudargini (2021) propose a minimum sample size of 100 is required when using PLS-SEM. To minimize the possible complications of a small sample size, 123 samples that met the criteria were operated as data samples.

Generalization of results is based on a deductive approach involving the use of a survey questionnaire. The item on Islamic religiosity utilized 14 items from the study of (Alharbi et al., 2022) which was sourced, modified and adapted from the study of (Ramadani et al., 2015). Items regarding Islamic branding are adopted from the research of Yunus et al, (2014), with a total of 5 items, which were modified from the research of (Golnaz et al., 2012) on Islamic branding. For financial knowledge mediation material using 6 items adapted from Herdjiono & Damanik (2016) ; Mien & Thao (2015). MSMEs performance variables are measured using 8 items adapted from (Hudson et al., 2001).

Findings

A total of 135 MSMEs were sampled, 123 valid responses were found that could be used for this study. Of the valid responses, 51.2% of respondents or MSME entrepreneurs are male, while the remaining 48.8% represent female entrepreneurs. From the location results (grouped based on major islands), it can be seen that there are many business actors and MSMEs on the island of Java as much as 72.4%, followed by Kalimantan Island as much as 14.6%, Papua Island as much as 5.7%, Sumatra Island

4.9%, Sulawesi Island as much as 1.6% and as much as 0.8% represents MSMEs located on Lombok and Sumbawa Islands. Most of the MSMEs owners and managers sampled were in the age group of less than 24-37 years old at 39%, followed by those aged between 38 years and 45 years and above at 61%. And 33.8% said their businesses were already Sharia-based.

Reliability and validity

Table 1 shows the measurement models of all variables used in this study (Islamic religiosity, Islamic branding, financial knowledge and MSME performance). The preliminary analysis assessed the measurement model to ensure the instrument was valid and reliable. The validity test includes an examination of the indicator loadings. A loading factor above 0.70 is recommended because the construct explains more than 50% of the indicator variance (Hair et al., 2021). However, according to (Hulland, 1999), the loading factor of reflective indicators can be considered a good measure for latent variables if it is above 0.50. So the decision that can be taken for the outer loadings acceptance limit is between 0.60 because it is still acceptable (Cohen, 1988; Ghazali & Latan, 2015). In this study, the loading of all measurement items for all variables is far above the 0.60 threshold except financial knowledge with 1 item (FK 2) with a value of 0.441 and MSME performance with an item (MP 1) with a value of 0.401. Therefore, FK 2 and MP 1 items will be discarded.

The results of Cronbach's alpha and composite reliability also show good results. The threshold for Cronbach alpha and composite reliability is 0.7 (Hair et al., 2010). In this study, the level of reliability is acceptable, which is addressed by Cronbach alpha and composite reliability above 0.70. This study also obtained good AVE results, which indicated that the convergent validity criteria were achieved because all constructs had an AVE higher than the 0.5 threshold as stated by Bagozzi et al. (1991).

Discriminant validation evaluation is a form of evaluation to ensure that variables are theoretically distinct and empirically proven/statistically tested. The Fornell-Larcker Ratio and Heterotrait-Monotrait (HTMT) criteria are also used to achieve stronger discriminant validity assessment results (Fornell & Larcker, 1981). The Fornell and Larcker criterion is that the root AVE of the variable is greater than the correlation between variables. For the Fornell - Larcker criterion (table 2), the results show that the AVE for each variable is greater than the highest squared correlation of that construct with the other constructs. These results indicate that the discriminant validation of the variables in this study is fulfilled except for the business performance variable. The HTMT results (Table 3) of this study, namely the correlation coefficient between variables, which is parallel to the undiluted variable score, show that the value is far below the threshold criterion of 0.9 as stated by many studies (Hair et al., 2019; Henseler et al., 2015). This means that the measurement variance variable on the item that measures it is stronger than dividing the variance on other variable items. In accordance with the results of the Fornell-Larcker and HTMT criteria, the study complies with the discriminant validity criteria.

Table 1. Factor Loading, Cronbachs Alpha Composite Reliability and AVE

Variabel	Item Indicator	Outer Loading	Cronbachs Alpha	Compite Realiability	AVE
ISLAMIC RELIGIOSITY	IR 1	0,920	0.975	0.978	0.758
	IR 2	0,684			
	IR 3	0.925			
	IR 4	0.754			
	IR 5	0.873			
	IR 6	0.831			
	IR 7	0.851			

	IR 8	0.911			
	IR 9	0.879			
	IR 10	0.960			
	IR 11	0.779			
	IR 12	0.900			
	IR 13	0.947			
	IR 14	0.929			
ISLAMIC BRANDING	IB 1	0.629			
	IB 2	0.820			
	IB 3	0.865	0.841	0.889	0.619
	IB 4	0.886			
	IB 5	0.701			
FINANCIAL KNOWLEDGE	FK 1	0.617			
	FK 3	0.859			
	FK 4	0.892	0.867	0.904	0.657
	FK 5	0.743			
	FK 6	0.906			
MSMEs PERFORMANCE	MP 2	0.715			
	MP 3	0.869			
	MP 4	0.907			
	MP 5	0.848	0.942	0.953	0.745
	MP 6	0.866			
	MP 7	0.906			
	MP 8	0.914			

Source: Author's Data Analysis

Table 2. Discriminant Validation (Fornel-Larker Criterion)

	FK	IB	IR	MP
Financial Knowledge	0.811	-	-	-
Islamic Branding	0.663	0.787	-	-
Islamic Religiosity	0.768	0.737	0.871	-
MSME Performance	0.729	0.673	0.844	0.863

Source: Author's Data Analysis

Table 3. Discriminant Validation (HTMT Criteria)

	FK	IB	IR	MP
Financial Knowledge	-	-	-	-
Islamic Branding	0.757	-	-	-
Islamic Religiosity	0.802	0.809	-	-
MSME Performance	0.774	0.754	0.878	-

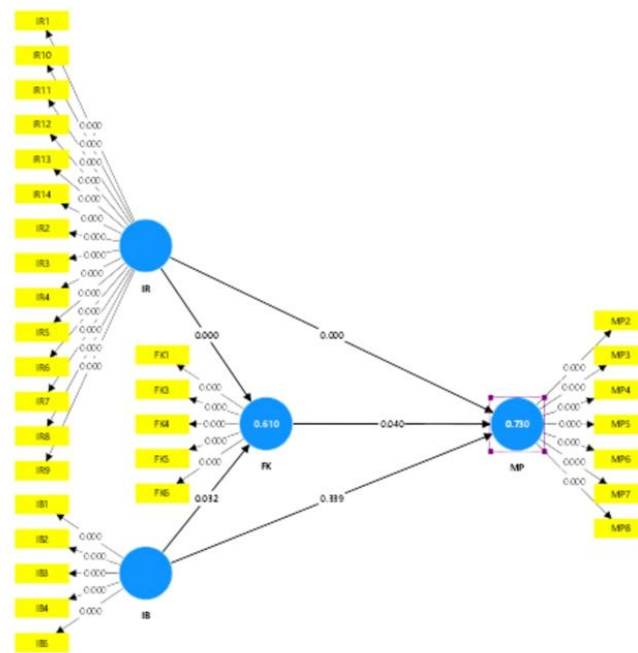
Source: Author's Data Analysis

RESULT AND DISCUSSION

Hypothesis Testing

The path analysis test using SmartPLS 4.0 can be done by looking at the results of the t-statistic test value and its probability value. This study also assesses the f square value to determine the effect of direct variables at the structural level with the f square criteria of 0.02 low, 0.15 moderate and 0.35 high (Hair et al., 2021) and the f square of the mediation effect is called the upsilon V statistic with the criteria of 0.02 low mediation effect, 0.07 moderate and 0.175 high mediation effect (Lachowicz, 2018). Hypothesis testing between variables, the hypothesis is accepted if the p-value with an alpha of 5% for the probability value is less than 0.05 (Ghozali & Latan, 2015; Hair et al., 2019). The results of hypothesis testing are shown in table 4 below.

Figure 4. Research Model Testing Results



Source: Primary Data Processed 2024

Table 4. Hypothesis Testing Results

Hipotesis	Original Sampel	Mean	STDEV	t-stat	p-value	f-square
H1. IR → MP	0.650	0.652	0.106	6.147	0.000	0.497
H2. IR → FK	0.612	0.599	0.095	6.445	0.000	0.439
H3. FK → MP	0.180	0.191	0.088	2.049	0.040	0.047
H4. IR → FK → MP	0.110	0.113	0.053	2.076	0.038	-
H5. IB → MP	0.075	0.075	0.078	0.956	0.339	0.009
H6. IB → FK	0.212	0.214	0.098	2.151	0.032	0.052
H7. IB → FK → MP	0.038	0.044	0.032	1.193	0.233	-

Source: Primary Data Processed 2024

1. The Effect of Islamic Religiosity on MSMEs Performance

The results of hypothesis testing show the effect of Islamic religiosity on MSME performance with a positive *original sample* value of 0.650 and a *p-value* of 0.000. This means that the first hypothesis in this study which states that Islamic religiosity has a positive effect on the performance of MSMEs is accepted. The f square value of 0.497 indicates that Islamic religiosity has a high influence in improving the performance of MSMEs.

2. The Effect of Islamic Religiosity on Financial Knowledge

The results of hypothesis testing show the effect of Islamic religiosity on financial knowledge with a positive *original sample* value of 0.612 and a *p-value* of 0.000. This means that the second hypothesis in this study states that Islamic religiosity has a positive effect on financial knowledge is accepted. The f square value of 0.439 indicates that religiosity has a high influence on financial knowledge.

3. The Effect of Financial Knowledge on MSMEs Performance

The results of hypothesis testing show the effect of financial knowledge on MSME performance with a positive *original sample* value of 0.180 and a *p-value* of 0.040. This means that the third hypothesis in this study which states that financial knowledge has a positive effect on the performance of MSMEs is accepted. Judging from the f square value of 0.047, financial knowledge in improving the performance of MSMEs has a low influence.

4. The Mediating Role of Financial Knowledge on the Effect of Islamic Religiosity on MSMEs Performance

The results of hypothesis testing show the effect of financial knowledge on MSME performance with a positive *original sample* value of 0.110 and a *p-value* of 0.038. This means that the fourth hypothesis in this study states that the effect of Islamic religiosity on financial knowledge has an impact on the performance of MSMEs.

5. The Effect of Islamic Branding on MSMEs Performance

The results of hypothesis testing show the effect of Islamic branding on the performance of MSMEs with a positive *original sample* value of 0.075 and a *p-value* of 0.339. This means that the fifth hypothesis in this study states that Islamic branding has no positive effect on the performance of MSMEs. Islamic branding has no direct influence on improving the performance of MSMEs seen from the f square value of 0.009.

6. The Effect of Islamic Branding on Financial Knowledge

The results of hypothesis testing show the effect of Islamic branding on financial knowledge with a positive *original sample* value of 0.212 and a *p-value* of 0.032. This means that the sixth hypothesis in this study states that Islamic branding has a positive effect on financial knowledge is accepted. The f square value of 0.052 indicates that Islamic branding has a low influence on financial knowledge.

7. The Mediating Role of Financial Knowledge on the Effect of Islamic Branding on MSMEs Performance

The results of hypothesis testing show the effect of Islamic branding on MSME performance with financial knowledge as a mediator with a positive *original sample* value of 0.038 and a *p-value* of 0.233. This means that the seventh hypothesis in this study states that the effect of Islamic branding on financial knowledge has an impact on the performance of MSMEs is rejected.

DISCUSSION

The results showed a strong positive effect of Islamic religiosity in improving the performance of MSMEs. The results of this study are in line with several previous studies which say that Islamic religiosity has a significant positive effect on the performance of MSMEs (Hunjra et al., 2021; Lestari et al., 2023). An MSME owner or manager who has Islamic religiosity can improve his business performance, because religiosity is an important element that can influence a person in terms of cognition and behavior (Muslichah & Sanusi, 2019) and shape beliefs, knowledge and attitudes (Lestari et al., 2023), or responsibility (Li et al., 2019). In the context of Islamic economics and entrepreneurship, entrepreneurial owners/managers who have Islamic religiosity will affect the growth of Islamic economics because they tend to reject usury (Yahya and Agunggunanto, 2012). In addition, entrepreneurship that adopts Islamic religiosity (sharia-based business) produces harmony between leaders and workers and increases awareness and knowledge among stakeholders so as to create a sense of togetherness to achieve business goals and produce good performance (Alharbi et al., 2022; Zailani et al., 2020). This finding contradicts several previous studies which state that Islamic religiosity does not directly affect MSME performance because religiosity is still a form of commitment and the results cannot be assessed except through personal rituals that have not resulted in economic performance (Lestari et al., 2023; Sefnedi, 2023).

A person's Islamic religiosity will also affect the way an entrepreneur thinks and behaves in managing finances. From the research of Alharbi et al, (2022) said religiosity has no effect on the financial knowledge of Saudi Arabian SMEs. However, the results of this study state that a person's Islamic religiosity will have a high effect on his financial knowledge. Islamic religiosity factors become important in a Muslim to determine financial behavior related to investment choices (Nazir & Saqib, 2024). In social relations or muamalah, religion directs entrepreneurial practices to good governance, honesty, and orientation to customer satisfaction. Islamic religiosity will motivate a business person to manage a business with healthy finances, which in turn supports improved business performance (Lestari et al., 2023), because people who have strong religiosity have good financial management skills, while people who have weak religiosity tend to have poor financial management skills.

From several previous studies examining financial literacy conducted in East Nusa Tenggara Province (Kharisma et al., 2024) and Central Java Province (Mayasari, 2022) stated that financial literacy has no effect on MSME performance. However, the results of this study are not in line with several previous studies that say financial knowledge has an influence on the performance of MSMEs in Indonesia. This study assesses financial knowledge as the actual behavior of MSMEs in planning and managing business finances. With financial knowledge, entrepreneurs can use profit and loss concepts such as financial records properly in their entrepreneurial activities. As a result, entrepreneurs will know in real time the amount of sales and profits of their business (Wati et al., 2021). This is further evidenced by the fact that almost all MSME owners who are respondents in this study have applied financial knowledge related to basic financial principles in their businesses. An MSME owner/manager who has financial knowledge will have financial strategies in financing such as Mudarabah and Musharakah, so as to reduce future business losses and increase the participation of venture capitalists in the business (Alfarizi & Ngatindriatun, 2022). Resource-based theory says that firm resources such as financial literacy can influence the achievement of business improvement (Priyantoro et al., 2023). The findings of this study are similar to research by Alharbi et al, (2022) which say that financial knowledge will affect the improvement of MSME performance.

The results of this study state that the mediating role of financial knowledge on Islamic religiosity will have an impact on the performance of MSMEs. A person's religiosity will affect attitudes and behavior (Graafland, 2017), resulting in individuals being more responsible in the financial and

investment aspects of their business (Li et al., 2019). With financial knowledge, MSME owners or managers will be better at making financial decisions for businesses to improve their business performance, because the key to MSMEs' competitive advantage is in decision making (John, 2022). Contrary to this finding, Alharbi et al. (2022) suggest that MSMEs need to adopt more Shariah-based financial strategies such as Mudarabah and Musharakah, in order to minimize the risk of future business losses and encourage increased participation of venture capitalists in their ventures.

The findings in this study show that Islamic branding has no effect on the performance of MSMEs. This means that the high and low performance of SMEs is not determined by the level of Islamic branding. This research found similar results to (Shandy, 2023) that Islamic branding had no effect on the performance of MSMEs. This is not in line with the research of (Afrianty, 2020) which says that Islamic branding has a positive effect on the performance of MSMEs. The awareness of Muslim consumers about the importance of sharia principles is still very small, from KNEKS data (2023) that sharia economic literacy in Indonesia is only 20.1%, it is undeniable that the concept of Islamic branding is a new concept (Ogilvynoor), especially in marketing in Indonesia. In addition, Islamic brands have a big challenge from global brands. As old players, global brands have dominated the market and have high trust from consumers. The dominance of global brands is not. Also, basically the purchasing decisions of consumers are many aspects of consideration such as price, taste, location, and others (Janah et al., 2023).

Branding is a form of investment activity in marketing by a business (Sulistio, 2021), Branding will affect a person's financial knowledge in investing, this is needed to control and make marketing resource asset management decisions (Yulianto & Siswati, 2023). The concept of Islamic Branding is based on sharia principles and Islamic values that are applied in the company's marketing and communication strategies. Thus, Islamic Branding can increase individual awareness and ability to understand and use Islamic financial knowledge (Yulianto & Siswati, 2023) such as the use of funding sources that avoid usury. In addition, Islamic branding can influence consumer behavior, and potentially have an impact on purchasing decisions (Khadijah & Wulandari, 2020). The results of this study are agreed with Alharbi et al. (2022) which supports the resource-based theory saying that one type of internal resource, such as Islamic branding, can influence other firm resources, such as financial knowledge, to improve MSME performance.

The findings in this study are in line with the research of Alharbi et al. (2022) that financial knowledge does not mediate the relationship between Islamic branding and MSME performance, meaning that any changes in Islamic branding do not directly affect the performance of MSMEs. From the UMKM empowerment report (2022) says 70% of entrepreneurship in Indonesia has difficulty in carrying out marketing strategies including branding. This can be seen in the object of this study, on average, at the micro and small business level, which does not have sufficient budget to allocate funds for marketing activities, especially branding activities. besides that basically the purchasing decisions of Indonesian consumers are in aspects of consideration such as price, taste, location, and others (Shandy, 2023).

CONCLUSIONS

The findings in this study are that Islamic religiosity has a direct effect on the performance of MSMEs, besides that with the mediation of financial knowledge, it will strengthen the effect of religiosity in improving the performance of MSMEs. Although Islamic branding does not directly affect the performance of MSMEs, Islamic branding is an important marketing practice for entrepreneurship in Islamic countries (Alharbi et al., 2022).

This study also found that Islamic religiosity and Islamic branding have a significant effect on financial knowledge. This finding agrees with the opinion of Alharbi et al, (2022) and Menne et al, (2022) which supports the resource-based theory that one form of internal resources (Islamic religiosity

and Islamic branding) can influence another form of corporate resources (financial literacy) towards achieving improved SME performance.

Regarding mediation, financial knowledge was found to mediate the relationship between Islamic religiosity and MSME performance. But financial knowledge does not mediate the relationship between Islamic branding and MSME performance. Businesses will be more successful when they have a lot of knowledge. Therefore, financial knowledge is an important aspect in building successful entrepreneurship in various ways such as decision making (Paskelian et al., 2019), money management (Tanggamani et al., 2024), business needs and investment (Razak & Amin, 2020).

With research that focuses on aspects of sharia (Religiosity and Islamic branding), it allows entrepreneurial actors to design effective strategies in utilizing the halal industry and the Sharia economy (Yulia, 2015) and design an ecosystem that supports and provides solid support for sharia-based MSMEs, this will advance Indonesia's position as a key player in the global halal industry market. In Islamic economics, developing MSMEs is not only the skills needed, but how entrepreneurs can apply the best Islamic principles in building and developing businesses, as well as making it easier for MSME players to be able to build economic activities (Lingga, 2023). In addition, the development of MSMEs in line with Islamic economic principles can strengthen the local economy while advancing human and social values in society (Harahap & Azmi, 2019).

Islamic religiosity and Islamic branding are key practices among MSMEs and many other firms in many Islamic countries. Although the results of this study found that Islamic branding does not currently have a direct impact on MSMEs of halal products in Indonesia. Owners and managers of MSMEs who demonstrate high levels of financial knowledge should focus on all dimensions of Islamic religiosity and give priority to Islamic branding. In terms of contingent MSME managers, they should improve their general financial literacy skills in order to effectively use various branding and financial literacy techniques to address Indonesia's complex issues.

In addition, this research contributes to the study of MSMEs by integrating the components of Islamic religiosity, Islamic branding and financial dimensions as determinants of MSME performance, which expands the RBV theory in the context of MSME performance. Basically, this study identifies factors that can affect the performance of MSMEs that want to enter the Islamic economic market. Practically, this study documents what areas the government and policymakers need to focus on to complement the Islamic economy for MSMEs. For example, this study found that Islamic branding has a negative influence on MSME performance. Therefore, the government needs to make efforts to explain several issues regarding Islamic economics such as halal certificates, Islamic finance, Islamic marketing, and others to MSMEs. With Indonesia planning to become a major producer of the global halal industry by 2024, this study argues that the Islamic religiosity of owners or managers and Islamic branding strategies are not enough for MSMEs to compete in the halal industry. In addition, sharia literacy among the public needs to be increased so that there are more consumers in the sharia product market, this will encourage MSMEs to enter and compete and take advantage of existing opportunities, the effect will encourage the Islamic economy to develop faster.

REFERENCES

- Abdul Razak, D., & Amin, H. (2020). the Effects of Financial Knowledge, Socialisation, Attitude and Skill on Malaysian Smes' Performance. *International Journal of Industrial Management*, 8(1), 1–11. <https://doi.org/10.15282/ijim.8.0.2020.5758>
- Abuznaid, S. A. (2020). Islamic Marketing and Muslim Consumers' Behavior. *Asian Journal of Social Science Studies*, 5(1), 10. <https://doi.org/10.20849/ajsss.v5i1.710>

- Afrianty, N. (2020). Pengaruh Islamic Branding dan Product Ingredients Terhadap Minat Beli Produk PT.HNI HPAI Kota Bengkulu. *Journal of Islamic Economics and Finance Studies*, 1(2), 121. <https://doi.org/10.47700/jiefes.v1i2.2057>
- Alfarizi, M., & Kamila Hanum, R. (2023). Meningkatkan Transformasi Digital Dan Keberlanjutan Pada Umkm Kuliner Halal Indonesia: Studi Pemodelan Kinerja. *Journal of Religious Policy*, 2(2), 345–382. <https://doi.org/10.31330/repo.v2i2.30>
- Alfarizi, M., & Ngatindriatun, N. (2022). Indonesian Halal Msme Open Innovation With Islamic Fintech Adoption. *Jurnal Akuntansi Dan Keuangan Indonesia*, 19(2), 221–243. <https://doi.org/10.21002/jaki.2022.11>
- Alharbi, R. K., Yahya, S. Bin, & Kassim, S. (2022). Impact of religiosity and branding on SMEs performance: does financial literacy play a role? *Journal of Islamic Marketing*, 13(12), 2717–2741. <https://doi.org/10.1108/JIMA-08-2019-0162>
- Alhouti, S., Gillespie, E. A., Chang, W., & Davis, L. (2015). The thin line between love and hate of attention: The customer shopping experience. *Journal of Marketing Theory and Practice*, 23(4), 415–433. <https://doi.org/10.1080/10696679.2015.1049687>
- Andespa, R., Yeni, Y. H., Fernando, Y., & Sari, D. K. (2024). Sustainable Development of Islamic Banks by Creating Islamic Branding: Challenges, Importance, and Strategies of Islamic Branding. *International Journal of Sustainable Development and Planning*, 19(2), 637–650. <https://doi.org/10.18280/ijstdp.190221>
- Anggraini, W., & Noviarita, H. (2021). The Effect of Life Style and Islamic Branding on Consumer Decisions in Buying Muslim Gamis Fashion Products in Bandar Lampung. *BASKARA: Journal of Business and Entrepreneurship*, 4(1), 29–36. <https://doi.org/10.54268/baskara.4.1.29-36>
- Anisa Salsabila Kemala Fikri, & Nahda, K. (2023). The Effect of Financial Literacy on MSME Performance Through Financial Access and Financial Risk Attitude as a Mediation Variable. *Jurnal Economic Resource*, 6(2), 238–247. <https://doi.org/10.57178/jer.v6i2.664>
- Aydin, A. E., & Akben Selcuk, E. (2019). An investigation of financial literacy, money ethics and time preferences among college students: A structural equation model. *International Journal of Bank Marketing*, 37(3), 880–900. <https://doi.org/10.1108/IJBM-05-2018-0120>
- Bagozzi, R., Yi, Y., & Phillips, L. (1991). Assessing Construct Validity in Organizational Research. In *Administrative science quarterly* (Vol. 36, Issue 3). Sage Publications, Inc. <https://doi.org/10.2307/2393203>
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal Of Management*, 17(1), 99–120. <https://doi.org/https://doi.org/10.1177/014920639101700108>
- Basedau, M., Gobien, S., & Prediger, S. (2018). the Multidimensional Effects of Religion on Socioeconomic Development: a Review of the Empirical Literature. *Journal of Economic Surveys*, 32(4), 1106–1133. <https://doi.org/10.1111/joes.12250>
- Cohen, J. (1988). Statistical Power Analysis for the Behavioral Sciences (Second Edition). In *Analytical Biochemistry* (Vol. 11, Issue 1). <http://dx.doi.org/10.1016/B978-0-12-420070-8.00002-7>
- Data Base Peraturan BPK-RI. Usaha mikro, Kecil, Menengah. www.bpk.go.id (Diakses: 13 Mei 2023)
- El Adawiyah, S., & Patrianti, T. (2021). ISLAMIC BRANDING DALAM EKONOMI SYARIAH. *Jurnal Ilmiah Al-Tsarwah.*, 4, 26–35. <https://doi.org/10.30863>
- Elias, E. M., Mahidin, N., & Bahaudin, A. Y. (2019). The influence of religiosity leaderships practices towards the SMEs business performance in food and beverages industry. *International Journal of Supply Chain Management*, 8(4), 1082–1088.

- Esiebugie, U., Richard, A., & Emmanuel, A. (2018). Financial literacy and performance of small and medium scale enterprises in Benue State, Nigeria. *International Journal of Economics, Business and Management Research*, 2(4), 65–79.
- Fathoni, M. A. (2020). Potret Industri Halal Indonesia: Peluang dan Tantangan. *Jurnal Ilmiah Ekonomi Islam*, 6(3), 428. <https://doi.org/10.29040/jiei.v6i3.1146>
- Fornell, C., & Larcker, D. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. In *Journal of Marketing Research* (Vol. 18, Issue 1). American Marketing Association. <https://doi.org/https://doi.org/10.2307/3151312>
- Ghozali, I., & Latan, H. (2015). *Partial Least Squares Konsep, Metode dan Aplikasi Menggunakan Program Warppls 4.0* (3rd ed.). Penerbit : Badan Penerbit Universitas Diponegoro.
- Gignac, G. E., & Stevens, E. M. (2024). Attitude toward numbers: A better predictor of financial literacy and intelligence than need for cognition. *Intelligence*, 103(December 2023), 101808. <https://doi.org/10.1016/j.intell.2024.101808>
- Global Islamic Economy Report. (2021). Negara Konsumen Produk Halal Terbesar di Dunia Tahun 2020.
- Golnaz, R., Mohamed, Z., & Shamsudin, M. N. (2012). *Golnaz, R., Zainal, A. M. & Mad-Nasir, S. (2012), 20(1), 33–42.*
- Graafland, J. (2017). Religiosity, Attitude, and the Demand for Socially Responsible Products. *Journal of Business Ethics*, 144(1), 121–138. <https://doi.org/10.1007/s10551-015-2796-9>
- Gümüşay, A. A. (2015). Entrepreneurship from an Islamic Perspective. *Journal of Business Ethics*, 130(1), 199–208. <https://doi.org/10.1007/s10551-014-2223-7>
- Gursoy, D., Altinay, L., & Kenebayeva, A. (2017). Religiosity and entrepreneurship behaviours. *International Journal of Hospitality Management*, 67(June), 87–94. <https://doi.org/10.1016/j.ijhm.2017.08.005>
- Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). *An Introduction to Structural Equation Modeling*. Springer Nature Switzerland AG. <https://doi.org/10.1007/978-3-030-80>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). The Results of PLS-SEM Article information. *European Business Review*, 31(1), 2–24.
- Hair J, J. B., Babin B, & Black W. (2010). *Multivariate Data Analysis: A Global Perspective*. In *Australia : Cengage: Vol. 7 edition*. Pearson Education.
- Hamidi, S. R., Aziz, A. A., Shuhidan, S. M., Aziz, A. A., & Mokhsin, M. (2018). SMEs maturity model assessment of IR4.0 digital transformation. *Advances in Intelligent Systems and Computing*, 739, 721–732. https://doi.org/10.1007/978-981-10-8612-0_75
- Hamizar, A., Holle, M. H., & Mohamad, & S. I. S. (2023). *AL-IQTISHADIYAH*. 9.
- Harahap, S. A. R., & Azmi, M. U. (2019). The Consumption Behavior of Moslem: A Maqashid Shariah Approach toward Foundational Consumption Theory in Islam Economics. *AL-FALAH: Journal of Islamic Economics*, 4(2), 163. <https://doi.org/10.29240/alfalah.v4i2.941>
- Hari Adi, P., & Adawiyah, W. R. (2018). The impact of religiosity, environmental marketing orientation and practices on performance: A case of Muslim entrepreneurs in Indonesia. *Journal of Islamic Marketing*, 9(4), 841–862. <https://doi.org/10.1108/JIMA-09-2016-0067>
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. <https://doi.org/10.1007/s11747-014-0403-8>

- Herdjiono, I., & Damanik, L. A. (2016). Pengaruh Financial Attitude, Financial Knowledge, Parental Income Terhadap Financial Management Behavior. *Jurnal Manajemen Teori Dan Terapan/ Journal of Theory and Applied Management*, 9(3), 226–241. <https://doi.org/10.20473/jmtt.v9i3.3077>
- Hoque, A. S. M. M., & Awang, Z. Bin. (2019). Does gender difference play moderating role in the relationship between entrepreneurial marketing and bangladeshi SME performance? *Accounting*, 5(1), 35–52. <https://doi.org/10.5267/j.ac.2018.6.001>
- Hudson, M., Smart, A., & Bourne, M. (2001). Theory and Practice in SME Performance Measurement Systems", *International Journal of Operations & Production Management*. In *International Journal of Operations & Production Management* (Vol. 21, Issue 8).
- Hulland, J. (1999). USE OF PARTIAL LEAST SQUARES (PLS) IN STRATEGIC MANAGEMENT RESEARCH: A REVIEW OF FOUR RECENT STUDIES. *Strategic Management Journal*, 20, 195–204. <https://doi.org/10.1038/aps.2012.31>
- Hunjra, A. I., Boubaker, S., Arunachalam, M., & Mehmood, A. (2021). How does CSR mediate the relationship between culture, religiosity and firm performance? *Finance Research Letters*, 39, 101587. <https://doi.org/10.1016/j.frl.2020.101587>
- Hussin, R. (2017). The Awareness of Islamic Branding among Modern Malay Muslim Women (MMW). *International Journal of Academic Research in Business and Social Sciences*, 7(13). <https://doi.org/10.6007/ijarbss/v7-i13/3185>
- Indonesia Halal Markets. (2021). Pengeluaran Konsumen Muslim Global per Sektor Industri Halal Tahun 2020.
- Jaksic, M. L. (2020). New business opportunities based on sustainable innovation. *Social and Economic Challenges in Europe 2016-2020*, 1, 447–455.
- Janah, D., Muslihudin, M., Nurhuda, A., & Nurdianto, N. (2023). the Influence of Product Quality, Price, and Store Atmosphere on Consumer Purchasing Decisions. *Jurnal Ekonomi LLDIKTI Wilayah 1 (JUKET)*, 3(2), 68–78. <https://doi.org/10.54076/juket.v3i2.402>
- John, O. I. (2022). Financial Literacy and Financial Performance of Micro, Small and Medium Enterprises in Lagos City, Nigeria. *The International Journal of Business & Management*, 10(10), 113–156. <https://doi.org/10.24940/theijbm/2022/v10/i10/bm2210-026>
- Kashif, M., Zarkada, A., & Thurasamy, R. (2017). The moderating effect of religiosity on ethical behavioural intentions: An application of the extended theory of planned behaviour to Pakistani bank employees. *Personnel Review*, 46(2), 429–448. <https://doi.org/10.1108/PR-10-2015-0256>
- KEMENTERIAN KOORDINATOR BIDANG PEREKONOMIAN REPUBLIK INDONESIA, (2022), "Tak Hanya Miliki Domestic Market yang Besar, Indonesia Juga Berpeluang Menjadi Produsen Halal Terkemuka Dunia" www.ekon.go.id (diakses: 30 April 2024).
- Khadijah, S., & Wulandari, O. A. (2020). Islamic Branding Restoran Korea Terhadap Minat Beli Konsumen. *MAKNA: Jurnal Kajian Komunikasi, Bahasa Dan Budaya*, 6(1), 16–29.
- Khan, M. A., Hashim, S. Bin, & Bhutto, M. Y. (2022). the Role of Halal Brand Relationship Quality Towards Relational, Utility Value and Halal Brand Resonance. *International Journal of Business and Society*, 23(1), 1–18. <https://doi.org/10.33736/ijbs.4595.2022>
- Ardiyani Komala, Syafnita, L. A. (2021). PENINGKATAN KINERJA UMKM DITINJAU DARI MODEL PENGELOLAAN KEUANGAN, SUMBER DAYA MANUSIA, STRATEGI PEMASARAN, DUKUNGAN PEMERINTAH DAN UMUR USAHA Komala. *Jurnal Ekonomi Dan Bisnis Www.Jurnal.Unikal.Ac.Id/Index.Php/Jebi PENINGKATAN*, 24(September), 103–111.

- Komite Nasional Ekonomi dan Keuangan Syariah, (2023), “Isu Utama Ekonomi dan Keuangan Syariah”, www.kneks.go.id (diakses: 24 April 2024).
- Komite Nasional Ekonomi dan Keuangan Syariah, (2023). “Taukah Kamu apa itu Brand Ekonomi Syariah”, www.youtube.com/@komitenasionalekonomidanke279 (diakses: 9 Mei 2024).
- Lachowicz, M. (2018). *A class of individual – based models*. 7, 1–8.
- Lestari, W., Lindiawati, L., Ulum, A. S., & Permana, D. B. (2023). the Mediating and Moderating Effect on Smes’ Performance: Does Religiosity Matter? *EL DINAR: Jurnal Keuangan Dan Perbankan Syariah*, 11(2), 190–208. <https://doi.org/10.18860/ed.v11i2.21043>
- Li, C., Xu, Y., Gill, A., Haider, Z. A., & Wang, Y. (2019). Religious beliefs, socially responsible investment, and cost of debt: Evidence from entrepreneurial firms in India. *Emerging Markets Review*, 38(December 2018), 102–114. <https://doi.org/10.1016/j.ememar.2018.12.001>
- Li, P., Li, Q., & Du, S. (2024). Does digital literacy help residents avoid becoming victims of frauds? Empirical evidence based on a survey of residents in six provinces of east China. *International Review of Economics & Finance, Elsevier*, 91, 364–377. <https://doi.org/10.1016/j.iref.2024.01.056>
- Lingga, R. R. B. (2023). PENERAPAN PRINSIP EKONOMI SYARIAH DALAM UPAYA PENINGKATAN USAHA MIKRO KECIL DAN MENENGAH (UMKM) PASANGSIDIMPUAN. In [Etd.Uinsyahada.Ac.Id](http://etd.uinsyahada.ac.id). <http://etd.uinsyahada.ac.id/8609/1/1840100339.pdf>
- Mathras, D., Cohen, A. B., Mandel, N., & Mick, D. G. (2016). The effects of religion on consumer behavior: A conceptual framework and research agenda. *Journal of Consumer Psychology*, 26(2), 298–311. <https://doi.org/10.1016/j.jcps.2015.08.001>
- Mayasari, N. L. (2022). Pengaruh Kualitas Laporan Keuangan, Inklusi Keuangan, dan Literasi Keuangan terhadap Kinerja UMKM di Kabupaten Pati. In *Paper Knowledge . Toward a Media History*.
- McWilliams, A., & Smart, D. L. (1995). The Resource-Based View of the Firm. *Journal of Management Inquiry*, 4(4), 309–316. <https://doi.org/10.1177/105649269500400402>
- Mendoza, R. R. (2015). An empirical analysis of financial performance of micro, small and medium enterprises in the philippines. *Global Conference on Business and Finance Proceedings*, 10(1), 192.
- Menne, F., Mardjuni, S., Yusuf, M., Ruslan, M., Arifuddin, A., & Iskandar, I. (2023). Sharia Economy, Islamic Financial Performance and Factors That Influence It—Evidence from Indonesia. *Economies*, 11(4). <https://doi.org/10.3390/economies11040111>
- Menne, F., Surya, B., Yusuf, M., Suriani, S., Ruslan, M., & Iskandar, I. (2022). Optimizing the Financial Performance of SMEs Based on Sharia Economy: Perspective of Economic Business Sustainability and Open Innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(1), 18. <https://doi.org/10.3390/joitmc8010018>
- Mien, N. T. N., & Thao, T. (2015). Factors Affecting Personal Financial Management Behaviors: Evidence from Vietnam Proceedings of the Second Asia-Pacific Conference on Global Business, Economics, Finance and Social Sciences. (*API5Vietnam Conference*), 10(5), 1–16.
- Mozammel, S., & Jayasundera, A. (2024). *Remittances Review Understanding Financial Literacy and Entrepreneurial Knowledge In Predicting SME Performance : Can Organizational Commitment Play any Role ? July*. <https://doi.org/10.33182/tmj.v8i2.01>
- Mukson, M., Hamidah, H., & Prabuwo, A. S. (2021). Work environment and entrepreneurship orientation towards MSME performance through organizational commitment. *Management Science Letters*, 11, 871–878. <https://doi.org/10.5267/j.msl.2020.10.012>

- Muslichah, I., & Sanusi, S. (2019). The effect of religiosity and financial literacy on intention to use Islamic banking products. *Asian Journal of Islamic Management (AJIM)*, 1(2), 85–92. <https://doi.org/10.20885/ajim.vol1.iss2.art2>
- Mutegi, H. K., Njeru, P. W., & Ongesa, N. T. (2015). Financial Literacy and Its Impact on Loan Repayment by Small and Medium Entrepreneurs: An Analysis of the Effect of Book Keeping Skills from Equity Group Foundation's Financial Literacy Training Program on Entrepreneurs' Loan Repayment Performance. *International Journal of Economics, Commerce and Management*, 3(3), 1–28.
- M. Zikwan. (2021). Antara Agama Dan Bisnis Dalam Pandangan Islam. *Al-Idarah: Jurnal Manajemen Dan Bisnis Islam*, 2(1), 123–132. <https://doi.org/10.35316/idarrah.2021.v2i1.123-132>
- Nasrullah, M. (2015). Islamic Branding, Religiusitas Dan Keputusan Konsumen Terhadap Produk. *Jurnal Hukum Islam*, 13(79), 79–87. <https://doi.org/10.28918/jhi.v13i2.487>
- Nazir, M., & Saqib, S. (2024). Religiosity-based behavioral study, Islamic finance users' approach and selection standard: empirical evidence from Pakistan. *Journal of Islamic Accounting and Business Research*, December. <https://doi.org/10.1108/JIABR-02-2023-0047>
- No, I. Z. A. D. P., Becker, S. O., Woessmann, L., & Becker, S. O. (2023). *DISCUSSION PAPER SERIES Religion and Growth Religion and Growth*. 16494.
- Novitasari, A. T. (2022). Kontribusi Umkm Terhadap Pertumbuhan Ekonomi Era Digitalisasi Melalui Peran Pemerintah. *JABE (Journal of Applied Business and Economic)*, 9(2), 184. <https://doi.org/10.30998/jabe.v9i2.13703>
- Paskelian, O., Jones, K., Bell, S., & Kao, R. (2019). Financial Literacy and Behavioral Biases among Traditional Age College Students. *Accounting and Finance Research*, 8(1), 30. <https://doi.org/10.5430/afr.v8n1p30>
- Pramestiningrum, R. D., & Iramani. (2020). Pengaruh Literasi Keuangan, Financial Capital, dan Kebijakan Pemerintah terhadap Kinerja UMKM di Jawa Timur. *STIE Perbanas Press*, 9(2), 279–296.
- Prihandono, D., Wijaya, A. P., Wiratama, B., Prananta, W., & Widia, S. (2024). Digital transformation to enhance Indonesian SME performance: Exploring the impact of market competition and digital strategy. *Problems and Perspectives in Management*, 22(2), 103–113. [https://doi.org/10.21511/ppm.22\(2\).2024.09](https://doi.org/10.21511/ppm.22(2).2024.09)
- Priyantoro, P., Ratnawati, K., & Aisjah, S. (2023). The effect of financial literacy on business performance through mediation of financial access and financial risk attitude. *International Journal of Research in Business and Social Science (2147-4478)*, 12(9), 275–287. <https://doi.org/10.20525/ijrbs.v12i9.3024>
- Purwanto, A., & Sudargini, Y. (2021). Partial Least Squares Structural Equation Modeling (PLS-SEM) Analysis for Social and Management Research: A Literature Review. *Journal of Industrial Engineering & Management Research*, 2(4), 114–123.
- Rahmawati, H. K. (2016). Kegiatan Religiusitas Masyarakat Marginal di Argopuro. *Jurnal Community Development*, 1(2), 35–52.
- Ramadani, V., Dana, L. P., Ratten, V., & Tahiri, S. (2015). The context of Islamic entrepreneurship and business: Concept, principles and perspectives. *International Journal of Business and Globalisation*, 15(3), 244–261. <https://doi.org/10.1504/IJBG.2015.071906>
- Renton, M., Daellenbach, U., Davenport, S., & James E, R. (2016). Finding fit: An exploratory look at SME brand orientation and brand management in the New Zealand food and beverage sector. *Journal of Brand Management*, 23(3), 289–305. <https://doi.org/10.1057/bm.2016.7>

- Rokhayati, I. (2015). Pengukuran Kinerja pada Usaha Mikro Kecil Dan Menengah (Umkm): Suatu Telaah Pustaka. *Monex Journal Research Accounting Politeknik Tegal*, 4(2), 94–100. <https://doi.org/10.30591/monex.v4i2.273>
- Saestu, I. (2023). *Perkembangan Industri Halal terhadap Pertumbuhan Ekonomi Indonesia Iwi S aes tu Fakultas Syariah dan Ekonomi Islam , Universitas Islam Tribakti Lirboyo Kediri , Indonesia*. 87–92.
- Sari, M. (2023). Potensi Pasar UMKM Halal Dalam Perekonomian Indonesia. *El-Kahfi: Journal of Islamic Economics*, 04(1), 1–8.
- Sefnedi, S. (2023). THE IMPACT OF RELIGIOSITY AS MODERATOR ON THE RELATIONSHIP BETWEEN ENTREPRENEURIAL ORIENTATION, MARKET ORIENTATION AND THE PERFORMANCE OF SMEs. *Jurnal Apresiasi Ekonomi*, 11(2), 292–299. <https://doi.org/10.31846/jae.v11i2.621>
- Shandy Ma'nau Mukti. (2023). Pengaruh Kepemilikan Sertifikat Halal Dan Islamic Branding Terhadap Kinerja Umkm. [Http://Repository.Uinsaizu.Ac.Id/Id/Eprint/20035](http://Repository.Uinsaizu.Ac.Id/Id/Eprint/20035), Mi, 5–24.
- Silviyah, N. M., & Lestari, N. D. (2022). Pengaruh Etika Bisnis Islam Dalam Meningkatkan UMKM. *Jurnal Pemikiran Dan Penelitian Ekonomi Islam*, 10(1), 96–112. <https://doi.org/10.37812/aliqtishod>
- Siregar, F. A., & Razali, K. (2022). Umkm Participation in Halal Industry: the Legal Framework and Opportunities. *Jurnal Ilmiah Islam Futura*, 22(1), 127–138. <https://doi.org/10.22373/jiif.v22i1.10393>
- Sirozi, M. (2016). *Islamic education in the dynamics of political islam*. [https://repository.radenfatah.ac.id/26909/2/lengkap_islamic education%201%29.pdf](https://repository.radenfatah.ac.id/26909/2/lengkap_islamic%20education%201%29.pdf)
- Smith, B. R., McMullen, J. S., & Cardon, M. S. (2021). Toward a theological turn in entrepreneurship: How religion could enable transformative research in our field. *Journal of Business Venturing*, 36(5), 106139. <https://doi.org/10.1016/j.jbusvent.2021.106139>
- Sofha, D., & Utomo, St. D. (2018). Keterkaitan Religiusitas, Gender, Lom Dan Persepsi Etika Penggelapan Pajak. *Jurnal Ilmu Manajemen Dan Akuntansi Terapan (JIMAT)*, 9(2), 43–61.
- Sugiyono. (2016). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D* (Cet. 23., Issue January). Alfabeta.
- Sulistio, A. B. (2021). BRANDING SEBAGAI INTI DARI PROMOSI BISNIS. *Jurnal ProFilm 2020-Boim-Membangun Branding*, 1–16.
- Sulung, L. A. K., Ririh, K. R., Putri, N. I. S., & Robbani, M. M. (2020). Religion, Attitude, and Entrepreneurship Intention in Indonesia. *The South East Asian Journal of Management*, 14(1). <https://doi.org/10.21002/seam.v14i1.10898>
- Surbakti, D. D., & Muslih, M. (2024). Pengaruh Financial Knowledge terhadap Financial Behavior Dimediasi oleh Locus of Control dan Financial Self Efficacy pada UMKM Kabupaten Karo. *Jurnal Manajemen Bisnis Dan Keuangan*, 5(1), 187–198. <https://doi.org/10.51805/jmbk.v5i1.207>
- Surenggono, S., & Djamilah, S. (2022). The Effect of Financial Attitude and Financial Knowledge on the Financial Performance of Small and Medium Enterprises (SMEs) with the Application of Management Accounting as a Mediator. *Jurnal Ad'ministrare*, 9(2), 441. <https://doi.org/10.26858/ja.v9i2.38998>
- State Of The Global Islamic Economy. (2016). “State of the global Islamic economy report 2016”, www.shariaknowledgecentre.id (diakses: 7 Mei 2024).
- Syahputra, R., & Arfah, M. (2022). Pengukuran Kinerja Perusahaan Dengan Menggunakan Metode Balance Scorecard Dan Importance Performance Analysis Di Ud.Mini Top Medan Johor.
- Kharisma Sintyas Syaharani, & Gustaf Naufan Febrianto. (2024). PENGARUH LITERASI KEUANGAN, LITERASI DIGITAL, DAN INKLUSI KEUANGAN TERHADAP KINERJA UMKM (STUDI KASUS PADA UMKM DI LABUAN BAJO, MANGGARAI BARAT, NUSA TENGGARA

- TIMUR). *Musyitari : Neraca Manajemen, Akuntansi, Dan Ekonomi*, 7(8), 41–50. <https://doi.org/10.8734/musyitari.v7i8.5147>
- Tanggamani, Vani, Azlina Rahim, H. B. & N. A. A. (2024). Elevating Financial Literacy Among Women Entrepreneurs: Cognitive Approach of Strong Financial Knowledge, Financial Skills and Financial Responsibility. *Information Management and Business Review*, 1(1), 4–6.
- Vrontis, D., Chaudhuri, R., & Chatterjee, S. (2022). Adoption of Digital Technologies by SMEs for Sustainability and Value Creation: Moderating Role of Entrepreneurial Orientation. *Sustainability (Switzerland)*, 14(13). <https://doi.org/10.3390/su14137949>
- Wati, R. C., Sumiati, & Andarwati. (2021). The effect of financial knowledge on firm performance : The role of financial risk attitude as moderation. *Research in Business & Social Science*, 10(8), 236–249.
- Yulianto, A., & Siswati, I. (2023). Review of Islamic Branding in Building Islamic Financial Literacy and Religious Behavior on Sharia Financing Preferences (Study on Employees of Pandu Holding Company). *Indikator: Jurnal Ilmiah Manajemen Dan Bisnis*, 7(3), 23. <https://doi.org/10.22441/indikator.v7i3.19465>
- Yulia, Lady. (2015). Halal Products Industry Development Strategy Strategi Pengembangan Industri Produk Halal. *Jurnal Bisnis Islam*, 8(1), 121–162.
- Yunus, N. S. N. M., Rashid, W. E. W., Ariffin, N. M., & Rashid, N. M. (2014). Muslim’s Purchase Intention towards Non-Muslim’s Halal Packaged Food Manufacturer. *Procedia - Social and Behavioral Sciences*, 130, 145–154. <https://doi.org/10.1016/j.sbspro.2014.04.018>
- Zailani, S., Iranmanesh, M., Jafarzadeh, S., & Froughi, B. (2020). The influence of halal orientation strategy on financial performance of halal food firms: Halal culture as a moderator. *Journal of Islamic Marketing*, 11(1), 31–49. <https://doi.org/10.1108/JIMA-01-2018-0023>
- Zaitsev, S. (2023). Optimizing SME performance through KPI utilization. *Journal of Innovations and Sustainability*, 7(4), 09. <https://doi.org/10.51599/is.2023.07.04.09>