

MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) FINANCIAL MANAGEMENT IN INDONESIA AND MALAYSIA: A COMPARISON

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diterima: 3/7/2018; direvisi: 12/9/2018; diterbitkan: 26/9/2020

Abstract: This study examines the financial management of Micro Small and Medium Enterprises (MSMEs) in Indonesia and Malaysia which are the drivers of the economy in both countries, but this sector has not been able to become an independent sector and become the foundation of the national economy in both countries. The problem is that financial management in Micro Small and Medium Enterprises (MSMEs) ignores the importance of financial management standards, the problem is that poor financial management makes Micro Small and Medium Enterprises (MSMEs) insignificant in advancing the economy. The method used is descriptive qualitative with a case study approach. Data were obtained from MSME actors by distributing questionnaires and interviews. The results of this study indicate that MSME financial management in Indonesia is not as good as Micro Small and Medium Enterprises (MSMEs) in Malaysia, meaning that Malaysia has better MSME management, this can be seen from various research indicators, namely: planning indicators, budget use, recording, reporting and controlling. Micro Small and Medium Enterprises (MSMEs) in Indonesia and Malaysia when compared to Indonesian Micro Small and Medium Enterprises (MSMEs) do not have good planning, have not carried out standard records, standardized reporting, are not concerned with standard financial statements, balance sheets, profit and loss, cash flow, do not have or install systems in their business units, such as control of systems and procedures, billing records of sales notes, it is very clear that Micro Small and Medium Enterprises (MSMEs) in Indonesia have not done so. Meanwhile, from the other side, when compared to Indonesian MSME respondents, the level is very small, more so for micro cart businesses, small shops that are not in the form of their own buildings, the context is very small. In Malaysia, micro, small and medium enterprises are not comparable to the conditions in Indonesia, while in Malaysia, the Micro Small and Medium Enterprises (MSMEs) already have a more appropriate place. Thus, it is easier for Micro Small and Medium Enterprises (MSMEs) in Malaysia to get banking support, while Micro Small and Medium Enterprises (MSMEs) in Indonesia are still difficult to upgrade and are still difficult to enter the bank compared to Malaysia

Keywords: *Micro Small and Medium Enterprises (MSMEs), Finance, Management*

INTRODUCTION

Even though Micro Small and Medium Enterprises (MSMEs) are small-scale businesses, their role is very significant in supporting the economy and creating many new jobs, but all of this cannot be separated from the role of the Government in participating in developing the MSME sector. Of a number of Micro Small and Medium Enterprises (MSMEs) spread throughout Indonesia, the trade sector is the most

desirable sector compared to the service, production and industrial sectors (Central Bureau of Statistics, 2016).

The countries of Indonesia and Malaysia as allied countries are rich with the potential for abundant natural wealth, both land and sea, making these two countries a good investment development country in Southeast Asia. As a result they feel less able to grow further and put them in a difficult position to face new challenges arising from globalization,

liberalization and broad organizational, institutional and technological changes. It has been documented that the barriers that Micro Small and Medium Enterprises (MSMEs) face in Malaysia undermine their performance (Mongid & Notodihardjo, 2011). Several studies state the challenges faced by Micro Small and Medium Enterprises (MSMEs) in the global environment, for example, lack of capital/financing, low productivity, lack of managerial skills, access to management and technology, and so on (Kellen, 2011).

In addition, Malaysian Micro Small and Medium Enterprises (MSMEs) face other challenges that have been highlighted by the APEC survey, namely Micro Small and Medium Enterprises (MSMEs) in Malaysia face many challenges, which can be summarized as follows: (1) lack of a comprehensive framework in the form of policies towards MSME development. (2) Too many institutions for Micro Small and Medium Enterprises (MSMEs) without effective coordination. (3) Micro Small and Medium Enterprises (MSMEs) in Malaysia still occupy land or sites that are not approved for use for industrial purposes. (4) Underutilization of technical assistance, advisory services and other incentives owned by the government and its institutions. (5) There is a shortage of skilled and talented workforce.

Likewise in Indonesia, currently Micro Small and Medium Enterprises (MSMEs) in Indonesia face very dominant capital problems (Suci et al., 2020; Sumarni, 2017; Turmudi, 2017). Thus, there must be an effort to cooperate with banks in order to encourage the growth and development of Micro Small and Medium Enterprises (MSMEs) in Indonesia in obtaining facilities and various facilities in obtaining capital (Yandra et al., 2021).

The interest rate set by banks for loan funds for Micro Small and Medium Enterprises (MSMEs) in Indonesia is still a major obstacle. Considering the relatively high interest rate, it is considered disproportionate to the business turnover. This is still an obstacle for small and medium entrepreneurs besides the requirements in terms of administration and financial management that must be bankable, this adds to the complexity of the problems experienced by Micro Small and Medium Enterprises (MSMEs), especially in Indonesia (Rahardjo et al., 2019).

Besides that, another problem for Micro Small and Medium Enterprises (MSMEs) in Indonesia is the inability of Micro Small and Medium Enterprises (MSMEs) to manage their business properly, so it is not uncommon for Micro Small and Medium Enterprises (MSMEs) to fail in their business. This failure is due to the low knowledge of MSME owners on business management. Business management that needs to be considered is management in the financial sector. However, according to Srikandi and Setyawan (2004), the problems often faced by MSME owners are in the areas of product marketing, technology, quality of human resources, and financial management. Financial management is a problem in Micro Small and Medium Enterprises (MSMEs) because MSME owners ignore the importance of financial management.

TINJAUAN PUSTAKA

According to Law Number 20 of 2008: Micro Small and Medium Enterprises (MSMEs) have the following criteria: Micro Enterprises, namely productive businesses owned by individuals or individual-owned business entities that meet the criteria, namely Having a net worth of at most Rp. 50,000,000 (fifty million rupiahs) not including land and buildings for business premises. Have annual sales of a maximum

of Rp. 3000,000,000 (three hundred million rupiah). Small Business, which is a stand-alone productive economic business carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled or become a part, either directly or indirectly, of medium-sized businesses or large businesses that meet the criteria, namely: Have a net worth of more than IDR 50,000,000 (fifty million rupiah) up to a maximum of IDR 500,000,000 (five hundred million rupiah) excluding land and building for business; or Have annual sales of more than Rp.300,000,000.00 (three hundred million rupiah) up to a maximum of Rp.2,500,000,000.00 (two billion five hundred million rupiah).

Table 1. Definition of MSME in Malaysia

Size	Manufacturing (including Agro-based) & Manufacturing-related services	Primary Agriculture	Services Sector (including ICT)
Micr o	Less than RM250,000	Less than RM200,000	Less than RM200,000
Smal l	Between RM250,000 and less than RM10 million	Between RM200,000 and less than RM1 million	Between RM200,000 and less than RM 1million
Medi um	Between RM10 million and RM25 million	Between RM1 million and RM5 million	Between RM1 million and RM5 million

According to management is working with people to determine, interpret and achieve organizational goals by implementing the functions of planning, organizing, preparing personnel, directing and leadership as well as supervising. Understanding management according to Wahjono & Budiman (2008) is a combination of science and art which is a set of action processes of planning, organizing, directing and leading, as well as controlling the use of available organizational resources to achieve predetermined goals so that they are beneficial to humans. Kasmir (2010)

states that financial management includes all activities related to the acquisition, funding, and management of assets with several overall objectives.

According to Hartati (2013), the entire process is carried out to obtain company income by minimizing costs, in addition to the efficient use and allocation of funds to maximize company value. The functions of financial management are: (1) Activities to seek funds aimed at investment decisions that generate profits, (2) Activities to allocate funds are aimed at managing the use of funds in company activities. In contrast, Kasmir (2010) divides the function of financial management into 4 functions, namely: (1) Forecasting and planning finances; which aims to predict conditions that will occur in the future which may or may not have an impact towards the achievement of company goals, (2) After the forecast, a financial management plan will be prepared. Capital, investment and growth decisions to raise the funds needed, both short-term and long-term investments, and can determine the company's growth in sales, (3) Carry out control; The function of financial management as a controller in the company's operations, so that the company can run efficiently, in accordance with the plans that have been made, and (4) Relations with the capital market; where financial management is used as a liaison between the company and the capital market, so that companies can seek alternative sources of funds or capital. Despite the different kinds of functions presented by Hartati (2013) and Kasmir (2010).

Efficient financial management means that it can be seen from the ability to maximize input and output, in finance it means the income and expenditure of money. Effective financial management means the extent to which the company is able to achieve the company's targets (Kuswadi, 2005). In carrying out all programs properly and using the right

finances, effective and efficient financial management will need to be achieved (Agustinus & Rachmadi, 2008).

Planning is the activity of setting organizational goals and choosing the best way to achieve these goals. According to Kuswadi (2005) planning activities in finance, one of which is to formulate annual and long-term financial targets, as well as financial budgets. Budgeting is a process to help carry out effective planning and control functions. The budget is a plan made by the company and expressed in monetary form (Adisaputro & Anggarini, 2011).

The risk if there is no separation between personal and business money is the use of excess personal money, so physically separating personal money and business money is very important, (a) Make a money spending plan, Plan the best possible use of money. (b) Make a financial notebook. (c) Calculating profit correctly, which is as important as making profit itself. (d) Managing cash flow. (e) Controlling assets, debts, and capital, Checking the inventory in the warehouse periodically and making sure everything is complete and in good condition. (f) Setting aside profits

METHOD

Descriptive qualitative method with the type of case study research by comparing two cases in different countries becomes a tool in this research. According to Bungin (2011, p. 132), a case study is an in-depth study of one or more groups of people/countries or events.

HASIL DAN PEMBAHASAN

This research data obtained from Micro Small and Medium Enterprises (MSMEs) in two countries, namely Indonesia and Malaysia. Primary data is obtained directly from the owner or administrator. The primary data in this study include legal forms, owner profiles,

business processes, MSME characteristics, and quantitative data related to financial management. These data were obtained through interviews, and distributing questionnaires or questionnaires to MSME owners or administrators in both countries. The data obtained from interviews and questionnaires are described with 4 (four) indicators in the following table:

Table 2. MSME Financial Management Indicators in Indonesia

No (1)	Indicators (2)	Description (3)
1	(a) Budget Use/Planning and Composing	Not planning well
2	(b) Recording	Not recording anything
3	(c) Reporting and Controlling	Not reporting anything
4	(d) Managing	Not managing well

The table above shows that Micro Small and Medium Enterprises (MSMEs) in Indonesia, especially in Tenayan Raya, mostly do not make financial planning in production and do not make plans in product sales, therefore most do not serve product sales on credit and most do not even make profit planning.

Furthermore, the recording indicators show that Micro Small and Medium Enterprises (MSMEs) in Indonesia, especially in Tenayan Raya, mostly do not record sales transactions but most do not record purchase transactions and most do not record sales transactions manually, most do not record purchase transactions manually, some most do not record sales transactions, therefore the implication is that they do not record purchase transactions so that they do not routinely recapitulate cash receipts, of course most do not recapitulate cash disbursements every month.

In the reporting and control aspects as shown in the table above, none of the respondents answered Yes. This shows that Micro Small and Medium Enterprises (MSMEs) in Indonesia, especially in Tenayan Raya, mostly do not make complete financial reports, do not make balance sheet financial statements, and

most of them do not even make balance sheet financial statements in assessing business progress.

In the control section of Micro Small and Medium Enterprises (MSMEs) in Indonesia, most of them do not have billing procedures for credit sales and procedures or stages for cash out withdrawals.

Table 3. MSME Financial Management in Malaysia

No (1)	Indicators (2)	Description (3)
1	(a) Budget Use/Planning and Composing	Has composed a good plan
2	(b) Recording	Has recorded the necessary information
3	(c) Reporting and Controlling	Has reported financial statements
4	(d) Managing	Has managed the finance

The financial management of Micro Small and Medium Enterprises (MSMEs) in Malaysia shows that Micro Small and Medium Enterprises (MSMEs) in the region, especially in Selangor, Negeri Sembilah and Johor, have mostly made financial planning in production, have made plans in product sales and almost some of them have served product sales on credit. It would be interesting if some of them had already made a profit plan. Making initial capital planning to set up a business has also become something that already exists, so most have made plans in product sales.

Furthermore, the financial recording indicators show that Micro Small and Medium Enterprises (MSMEs) in Malaysia, especially in Selangor, Negeri Sembilah and Johor, have mostly recorded sales transactions, recorded purchase transactions and also recorded sales transactions manually, although there are still very few.

In terms of reporting on Micro Small and Medium Enterprises (MSMEs) in Malaysia, especially in Selangor, Negeri Sembilah and Johor, most of them have made complete financial reports and

have also made balance sheet financial reports on business progress and have made profit and loss reports in assessing business progress, which in the end most of them have made cash flow reports.

From the control aspect, it shows that Micro Small and Medium Enterprises (MSMEs) in Malaysia, especially in Selangor, Negeri Sembilah and Johor, mostly already have billing procedures for credit sales, already have procedures or stages for withdrawing cash out, and have also archived notes on the use of cash that have been issued in two copies.

From the results of the research above, it can be explained that the comparison of MSME financial management in Indonesia and Malaysia is as follows: In general, MSME financial management in Indonesia, when viewed from the indicators of Budget Usage, Recording, Reporting and Controlling is not better than Malaysia, as for an explanation of the management comparison Micro Small and Medium Enterprises (MSMEs) in Indonesia and Malaysia are as follows: The results of research on indicators of Budget/Planning Use such as financial planning in production, planning in product sales, serving product sales on credit, profit planning, planning for initial capital to set up a business, planning made with actual or reality, evaluate if there is a discrepancy between planning and actual, separating personal money and business capital, having cash reserves for unexpected expenses, and planning programs for the future, where in Indonesia, which has carried out the following indicators: call it with an average of 13.33% and those who have not carried out the indicator points of 86.67%, In contrast to Malaysia, where the management of Micro Small and Medium Enterprises (MSMEs) is much better, where the country of Malaysia has carried out these indicators with an average percentage by 86.00% and those who do

not carry out the indicator points are 14.00%.

Furthermore, the results of research with recording indicators such as recording sales transactions, recording purchase transactions, recording sales transactions manually, recording purchase transactions manually, recording sales transactions, recapitulation of cash receipts, recapitulation of monthly cash disbursements, and sales and purchase transactions that can assist management in the financial sector, where in Indonesia which has carried out these indicators by an average of 9.26% and those who have not carried out these indicator points by 90.74%. While in Malaysia, which has carried out these indicators, the average percentage is 83.70% and those who have not carried out the indicator points are 16.30%. Then the results of research on reporting indicators such as making complete financial reports, making balance reports, using balance reports in assessing business progress, making profit and loss reports, regularly making profit and loss reports, using profit and loss statements in assessing business progress, making cash flow reports, use cash flow statements in assessing business progress and making other financial reports. From the results of the questionnaire distributed by the Indonesian state, which has carried out these indicators, an average of 0.00% and those who have not carried out the indicator points are 100.00%. This is in contrast to Malaysia, which has carried out the indicators with an average percentage of 84.00% and those who have not carried out the indicator points are 16.00%. Furthermore, the results of research on control indicators such as having billing procedures for sales on credit, having procedures or stages for withdrawing cash out, filing notes on the use of cash that has been issued, making two copies of sales notes for sales of

merchandise and archiving all notes of sales of goods trade, then the average percentage results in Indonesia that have carried out these indicators with an average of 5.33% and those who have not carried out these indicator points of 94.67%. Meanwhile in Malaysia, which has carried out these indicators, the average percentage is 74.67% and those who have not carried out the indicator points are 25.33%.

Indonesia is an archipelagic country that is rich in various natural resources (the number of islands reaches 16,056) and also has an abundance of human resources (population reached 261.9 million people in 2017) (Central Bureau of Statistics, 2018). However, based on the 2018 Central Bureau of Statistics (BPS) report, the open unemployment rate reached 5.5 million people and the poor reached 27.8 million people. Of course this is inversely proportional to the wealth that is actually stored so that it has high potential to be processed by the people.

Micro Small and Medium Enterprises (MSMEs) are the backbone of the Indonesian economy. The Indonesian government has also realized how important Micro Small and Medium Enterprises (MSMEs) are. The programs that have been carried out by the government include the establishment of the Ministry of Cooperatives and SMEs, reducing the final income tax rate for SMEs to 0.5 percent, reducing loan interest rates, protecting MSME business continuity, the One Million Domain Name program, 1000 Startup Movement and so on. In fact, the number of MSME practices in Indonesia has indeed increased significantly. Based on BPS data in 2017, the number of MSME business units increased by 2.06 percent (1,271,440 units) from 61,651,177 units in 2016 to 62,928,077 units in 2017. absorbed by the MSME sector increased by 3.41 percent (3,844,806 people) from the previous year

of 112,828,610 people to 116,673,416 people in 2017. -researchers in Indonesia. In general, researchers in Indonesia focus on various kinds of analysis, such as analysis of financial and banking reports per sector in Micro Small and Medium Enterprises (MSMEs) (Hutami & Maharani, 2018), analysis related to marketing per sector in Micro Small and Medium Enterprises (MSMEs) (Wibowo et al., 2015), analysis of determining superior products and increasing competitiveness per sector in Micro Small and Medium Enterprises (MSMEs) (Fasyah et al., 2016; Purbasari et al., 2018; Ridwan, 2014; Sedyastuti, 2018), and analysis of Micro Small and Medium Enterprises (MSMEs) related to the use of technology (Latubessy & Triyanto, 2014; Damayanti & Sumiati, 2018). In other words, as far as researchers know, there has been no special research on the development of research from year to year on Micro Small and Medium Enterprises (MSMEs) in Indonesia.

The roles of micro, small and medium enterprises Micro Small and Medium Enterprises (MSMEs) in the Indonesian economy are as follows: (1) their position as a major player in economic activity in various sectors, (2) the largest provider of employment, (3) an important player in the development of business activities. local economy and community empowerment, (4) creating new markets and sources of innovation, and (5) contributing to maintaining the balance of payments through community export activities so as to reduce poverty levels and others (Tedjasuksmana, 2014). According to Ashariyadi, Secretary of the Directorate General of ASEAN Cooperation, Ministry of Foreign Affairs of the Republic of Indonesia in the ASEAN Community electronic magazine edition 12/June 2016, Micro Small and Medium Enterprises (MSMEs) contributed greatly to the economy of Indonesia and ASEAN, that there are

about 96 % of business forms in ASEAN are Micro Small and Medium Enterprises (MSMEs) with a contribution to Gross Domestic Product (Gross Domestic Product). GDP) around 30% to 57%; and absorb labor around 50% to 95%. Thus placing Micro Small and Medium Enterprises (MSMEs) as a top priority in the joints of the Indonesian economy.

From a policy perspective in Malaysia, the state has a high commitment to improving the standard of living of its people and its massive movement reduces poverty, this is supported by a relatively small population, low poverty, high GNP income, the problem is not as complex as in Indonesia with a large population, GNP small high poverty. Thus, it is easier for Micro Small and Medium Enterprises (MSMEs) in Malaysia to get banking support, while Micro Small and Medium Enterprises (MSMEs) in Indonesia are still difficult to upgrade and are still difficult to enter the bank compared to Malaysia. In Malaysia, the kingdom at various levels plays an important role in attracting the interest of the people, especially the natives in this country to enter the field of Small and Simple Enterprises (PKS). This views this field as making a large contribution to state revenue. According to the 2012/13 PKS Annual Report by the National PKS Council, the overall contribution of PKS to Gross Domestic Product (KDNK) by main economic activity has increased from 32.5 percent in 2011 to 32.7 percent in 2012. the sector has also grown from 4,100,952 in 2009 to 4,854,142 in 2012 (SME Corp official website). In fact, according to Rosli Mahmud et al. (2008), entrepreneurs not only create new commerce but also increase job opportunities which lead to the creation of the latest inventions, new technologies and innovations.

From the point of view of the problem, according to Khairunnisa Mardzuki, Zaimah Darawi, Mohd Radzuan Rahid (2012) Malay society is often

considered excluded and far behind in all aspects compared to other groups. Therefore, the Malays now need to take the initiative to make drastic changes and transformations from all aspects, especially in terms of thinking and mentality to enter the field of entrepreneurship to increase economic strength and stability to compete healthily with other nations and not continue to lag behind in the country's journey towards high-income country. According to Thuaibaih@Suaibah Abu Bakar et al (2007), most of the studies and findings conducted on entrepreneurs who have been successful in commerce show that they have experienced business failures at least once, before resurrecting in their respective businesses. Behind the various problems and challenges faced by Malay entrepreneurs, there are also among them who have been able to survive and have achieved success in line with the basic objectives of state development which want to increase the number of Malay entrepreneurs. Therefore, this conceptual paper will discuss the factors that contributed to the success and failure of PKS Bumiputera in Malaysia. Instead of highlighting the study, it was found that there were several factors that contributed to the success and failure of PKS in Malaysia as follows:

The results of the study conducted by Mohd Hassan Bin Mohd. Osman (2007) found that two of the three main critical success factors for TEKUN entrepreneurs are management skills and specialization in making work. This is in line with the results of a study by Nurul Huda Che Abdullah & Ramlee Mustapha (2009) who found the practice of business management rather than the perception of farmer entrepreneurs. The successful Bumiputera is at a high stage. Even so, the results found that the farmer entrepreneurs studied acknowledged that their marketing management practices

were still at a weak stage while the results of observations also showed that the respondents' financial management practices were still in an unsatisfactory stage. From the results of a study conducted by Azmi Abdul Manaf, Nik hairi Omar & Lee Kuan Yee (2012), there are four factors that are considered critical to the success of entrepreneurs (women and men) namely design skills, economic conditions, industrial experience and management experience. This is also in line with the findings of a study conducted by Buerah Tunggak, Hussin Salamon and Baharin (2011) which found that aspects of knowledge and skills in entrepreneurship management were the main weaknesses of PKS Bumiputera entrepreneurs.

All entrepreneurs have a high internal locus of control as they are individuals who believe that they are actually in control of what happens to them, not fate, chance or destiny (Deraman et al., 2005). They themselves determine the ups and downs of their business whether they fail or succeed. This finding rejects the allegation that Malay businessmen have the characteristics of an external locus of control that always expects royal subsidies and succeeds due to external factors such as fortune and royal support. Hasnah Ali, Norhafizah Abdul Razak and Sanep Ahmad (2010) also found the success factor of entrepreneurs, namely self-confidence, was a significant factor in influencing their success. A study by Yusof et al. (2013) also states that the success of Malay entrepreneurs on Langkawi Island is due to the internal factors of the entrepreneur, namely the background of the Malay entrepreneur, namely identity, honesty, not giving up easily, confident and persistent in trying. In addition, entrepreneurs who have negative attitudes such as dishonesty, cheating, passing or not paying back loans received, not wanting to improve knowledge and lacking in practicing

accountability attitudes are usually less successful (Tunggak et al., 2011).

Makhbul & Hasun (2011) stated that the combination of entrepreneurial factors has a significant relationship with the success of an entrepreneur. In fact, entrepreneurs also need to combine their leadership and network strengths in an effort to channel or access relevant and important information. This is in line with a study conducted by Arif et al. (2019) who found that one of the weaknesses of marketing among small halal food entrepreneurs in Central Melaka is the lack of teaching and sharing of opinions due to the lack of a network of cooperation between fellow entrepreneurs. While studies conducted by Farinda et al. (2009), Noorashiah Sulaiman, Mohd Nasir Mohd Saukani (2007) show that social capital (social network) has an important influence on the level of competitiveness and success of a firm. Entrepreneurs also recognize that the elements that make up social capital are important to their work. But what is a problem and a challenge for them is how to build a network indicator for this social capital. The results of this study are supported by Alam et al. (2011), which shows that family support, social relations, internal motivation give a positive and significant impression on the success of women entrepreneurs in small businesses except for the support of Information Technology and Communications (ICT).

Norashidah & Noraishah (2009) through his study of six Small and Simple Enterprises (IKS) entrepreneurs in Malaysia found they have almost the same entrepreneurial attitude, high willingness to learn, and strong religious and spiritual grip. They also have awareness of ethical values, have entrepreneurial skills, namely abilities in their respective fields, manage commerce and their resources. This study also finds that the willingness of PKS entrepreneurs

to enter the field of entrepreneurship is influenced by spiritual elements related to entrepreneurship, namely religious beliefs and values. This study is in line with the opinion of Tunggak et al. (2011) which states that the Bumiputera community needs to be planted with an effective and ethical entrepreneurial attitude that will give birth to entrepreneurial characteristics that are in line with Islamic teachings such as honesty and truth, trustworthiness, justice, keeping promises, *ihsan*, *istiqamah*, *taufian*, knowledgeable and campy and pious (high *iltizam*). Hashom & Azmin (2019) indicated that there is a positive relationship between entrepreneurial orientation and commercial success. In fact, this positive relationship is stronger if the entrepreneur has a strong religious grip. Basir et al. (2010) and Rasip et al. (2020) presented several quality principles that need to be in place for successful Muslim entrepreneurs as below: (1) Muslim entrepreneurs are encouraged to operate through market power. (2) Avoid being greedy, (3) Establish an independent attitude, (4) Cooperating (organization) to establish a network, and (5) Economic Jihad. (6) Entrepreneurship orientation has a significant positive relationship giving the impression to the success of Malay businessmen.

Whereas for Muslim entrepreneurs who do not carry out their business according to the true teachings of Islam, they are found to be less successful. This is evidenced by a study conducted by Wei & Lyndon (2013), where the majority of Chinese farmers are less interested in dealing with Malay wholesalers or merchants even though there are Malay traders who offer to buy their agricultural products at a higher price. This is because the Chinese farmers do not trust the Malay contractors based on their freelance experience which is found by the Malay contractors or merchants who like to be in debt and do not keep their promises, in fact

they often lose themselves because they do not want to pay their debts. The results of the study by Muhammad & Abu (2016) found that all factors of royal assistance such as finance and credit, training and development, service of advice and negotiations, marketing and business opportunities, and infrastructure support provided by the kingdom can help increase the success of PKS entrepreneurs. Bumiputera.

The main economic sectors in Malaysia include the service sector, manufacturing, agriculture, construction and mining and quarrying. Based on the 2011 economic survey, the manufacturing sector is the sector with the second highest PKS participation after the service sector, which is 37,861 or 6 percent of the total PKS. Of this amount, 15.1% is from the food and beverage product sub-sector (Majlis Pembangunan, 2012). In an effort to reduce dependence on food imports, the government has launched the third Industrial Master Plan (2006-2020) to promote industrial development based on agriculture (Ministry of International Trade and Industry, 2006).

The food and beverage processing industry is dependent on sourcing raw materials from the agricultural sector. According to Talib, Ali, and Idris (2013) who gleaned from the writing of Dudbridge (2011) that this industry is a broad industry because it involves a large series starting from cultivation which supplies raw materials to the refinery sector to produce food and beverage products before being marketed to the user. The growth of the food and beverage processing sector will increase major food expenditures which will lead to added value, product diversity and market development.

The food and beverage processing sector is a lucrative industry. However, the released food and beverage products have a short shelf-life despite changes in demand by users. Apart from that, in this industry too, there is a need to issue clean

and safe products as it makes an impression on the health of the users. Therefore, this industry requires certain certifications such as Halal certification, Hazard Analysis and Critical Control Point (HACCP) certification and Good Manufacturing Practice (GMP) certification to ensure quality product output and safe to use. Such certifications are very important in the food and beverage industry because the elements studied in the licensing process include all aspects of the raw material so that the product can be marketed such as building environment, equipment, raw material receiving, production process, storage, distribution and labor. This idea is supported by Jalis et al. (2009) and Ahmad & Juhdi (2010), two studies on food processing mills in the Klang Valley that carried out HACCP which found that the mills received many benefits, such as increased sales, food quality and safety as well as productivity performance. According to Shah & Ahmad (2015), the manufacturing industry is always competing to issue quality products because any defects and damage in the manufacturing process will increase the cost of producing a product.

KESIMPULAN DAN SARAN

The financial management of Micro Small and Medium Enterprises (MSMEs) in Indonesia is not as good as Micro Small and Medium Enterprises (MSMEs) in Malaysia, meaning that Malaysia has better MSME management, this can be seen from various research indicators, namely: planning indicators, budget use, recording, reporting and control. Micro Small and Medium Enterprises (MSMEs) in Indonesia and Malaysia when compared to Indonesian Micro Small and Medium Enterprises (MSMEs) do not have good planning, have not carried out standard records, standardized reporting, are not concerned with standard financial statements, balance sheets, profit and loss, cash flow, do not have or install systems in their business units, such as control of systems and procedures,

billing records of sales notes, it is very clear that Micro Small and Medium Enterprises (MSMEs) in Indonesia have not done so. In Malaysia, it is seen that they are planning well, are familiar with the system that must be applied, standardized reporting, already have and install systems and procedures in their business, thereby increasing the level of bank confidence and being able to control their business. Meanwhile, from the other side, when compared to Indonesian MSME respondents, the level is very small, more so for micro cart businesses, small shops that are not in the form of their own buildings, indeed the context is very small.

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