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FINANCIAL LITERACY AS ONE OF THE STRENGTHENING OF ENTREPRENEURIAL COMPETENCIES IN PMI ON TAIWAN

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ABSTRACT

Starting from the problem of poverty that makes Indonesian people want to change their fate by becoming Indonesian Migrant Workers. Taiwan is one of the countries that is the destination of PMI. In this case, PMI must also be equipped with entrepreneurial skills to improve a better standard of living. Thus, the purpose of this study is to strengthen entrepreneurial competencies for Taiwanese PMI business actors through financial literacy and building creativity and innovation. This research is quantitative causal associative. Financial literacy, creativity and innovation are independent variables. Entrepreneurial competence is the dependent variable. The data in this study are the entire population, namely PKBM Taiwan PPI participants. The number of PPI PKBM Taiwan participants totaled 35 people. This study uses primary data through the use of survey procedures. The results of this study accept the first and second hypotheses, namely financial literacy and creativity have a positive and significant influence on entrepreneurial competence in Taiwanese PMI, but the third hypothesis is rejected because innovation has no effect on strengthening entrepreneurial competence in Taiwanese PMI. The findings in this study are that financial literacy and creativity are needed by Taiwanese PMI business actors who want to start a business and improve entrepreneurial competence. Also, the finding in this study is that innovation is not the main thing for business actors in Taiwanese PMI in strengthening entrepreneurial competence because innovation is not a new invention but the development of an invention.

KEYWORDS: Financial literacy, creativity, innovation, entrepreneurial competence, PMI Taiwan

1. RESEARCH BACKGROUND

One of the most urgent issues for developing countries, including Indonesia, is poverty. Poverty has a wide scope, including inadequate education, health levels, social problems, unequal laws, high crime rates, and culminates in a low economy. (Suryawati, 2005). Indonesia tries to make various efforts to solve these problems, but Indonesia still cannot be said to have experienced significance in reducing the poverty rate of its citizens. (Marmujiono, 2014).

Departing from the above conditions, one of the initiatives taken by some Indonesian citizens is to migrate to certain countries to increase income and cover economic problems that are the source of poverty itself. Indonesia is the country with the largest number of migrant workers in the world. Every year, thousands of Indonesian Migrant Workers (PMI) leave for abroad in search of a better life. (Solechan, 2020). Although many migrant workers work in the formal or informal sector, many of them lack the skills and knowledge necessary to start and manage their own businesses. In fact, entrepreneurship is recognized as one of the most important factors in poverty alleviation by creating new jobs (Alshebami & Serrano, 2020). (Alshebami & Seraj, 2021).

However, migrant workers who want to start their own business often face various challenges, including lack of access to resources and support. Lack of knowledge about the market and business regulations in the destination country. Lack of preparation of migrant workers in entrepreneurship and business. The problems stem from both technical and internal factors within the budding entrepreneur. The problem of financial literacy is a fundamental technical problem in starting a business. Financial literacy has an important role in entrepreneurship (Putri et al., 2021). Financial literacy facilitates MSMEs in managing company risks, reducing financial restrictions and has an important role in decision making (Molina-Garcia et al., 2021). (Molina-Garcia et al., 2023; Ye & Kulathunga, 2019). According to the results of research, the lack of knowledge about financial literacy can create a pattern of consumerism based on self-reward and combine business capital and personal funds and the lack of making business financial reports on novice entrepreneurs. (Putri et al., 2021).

In addition to technical problems, there are internal problems, namely creativity and innovation. One of the internal factors that also needs to be considered in strengthening entrepreneurial competence by prospective business actors is creativity, creativity is an initiative about a product that produces and is useful. Understanding creativity will provide a strong basis for making tools about entrepreneurship. Creativity is defined as "thinking something new" or "finding new ways to solve problems in the face of opportunities." 2003 (Suryana Dr.). An entrepreneur must think more critically, which necessitates creativity. (Rani, 2013). Schumpeter suggests that successful entrepreneurs can see opportunities in their surroundings if they have the ability to embrace creativity. (Chea, 2008).

Another crucial factor is the element of innovation. One of the most essential characteristics of entrepreneurs, according to (Larsen & Lewis, 2007), is their ability to innovate. Innovation is critical to the success of any organization and has a significant impact on our daily lives. According to (Keeh et al., 2007), innovation is highly important since technical changes are very fast, environmental changes to the product life cycle are growing shorter, consumers are smarter and demand fulfillment of demands is easier, and existing products can be easily imitated. Innovation itself can encourage entrepreneurial activities that can facilitate economic growth. (Raies & Ben mimoun, 2021);

Sumidartini et al., 2022). So, it can be concluded that innovation can produce faster growth, increase market segments, and create more jobs.

Due to the above factors, this research aims to strengthen entrepreneurial competencies for migrant workers in Taiwan through financial literacy and building creativity and innovation. This research is projected to aid migrant workers by strengthening entrepreneurial skills and competencies, allowing them to find better jobs and improve their quality of life.

2. LITERATURE REVIEW

2.1 Entrepreneurship Competency

General ability is a competency that is needed to support a person's performance in a particular job. The required competencies are in the form of skills, knowledge and understanding. Entrepreneurial competencies have been recognized to assist entrepreneurs in carrying out their underlying characteristics or tasks in the most beneficial way. (Osman & Rahim, 2014). Entrepreneurial competencies have an undeniable influence on the growth, viability, and success of SMEs, which is crucial. Entrepreneurial competence is stated as an essential component to succeed in business by utilizing the assets that develop small businesses. (Al Mamun et al., 2019). It is a well-known truth that discovering and applying entrepreneurial abilities is a crucial component of every successful business initiative. (Ahmad et al., 2010) In fact, strategic, managerial, entrepreneurial, and conceptual competences are important to the successful performance and success of any firm (Grimmer et al., 2017). This competency can also be:

- a) Skill, which is a demonstration of the ability of a person's expertise such as the ability to communicate effectively, the ability to negotiate.
- b) Knowledge, pertains to the accumulation of key areas of expertise that a person is assessed on.
- c) Self-concepts, regarding behavior, values, and self-image.
- d) Traits relate to general behavior in a clear way, such as a person's flexibility in dealing with situations and.
- e) Motive, related to the drive of a person to behave. With regard to good entrepreneurs, entrepreneurs who have various roles as owners, managers, or executors of the company must certainly carry out management functions such as planning, organizing, motivation, and justice.

Seeing the ability in a leader can be seen from a proactive attitude towards business opportunities, always being proactive in existing threats, and having ethical values that are also open to the values brought by others. Entrepreneurship requires the ability to calculate the risks that may arise and be able to take advantage of every opportunity in certain ways, all of which require knowledge, skills, including experience.

According to the study's findings, entrepreneurial competences for women entrepreneurs, such as strategic, commitment, conceptual, opportunity, and connection abilities, are crucial to company

success. Bin IDRIS and bin ABU BAKAR (2020). In their research of 211 women entrepreneurs, Sallah and Caesar concluded that developing entrepreneurial abilities in women entrepreneurs is crucial to the success and maintenance of their enterprises (Sallah & Caesar, 2020).

2.2 Financial Literacy

Financial literacy in general encompasses a number of ideas, including product knowledge and awareness, understanding of financial institutions and financial skills, and competencies such as financial planning and money management. Sumidartini et al. (2002). The ability, willingness, and confidence to apply knowledge of financial concepts and risks to make educated financial decisions, increase individual and communal financial well-being, and participate in the economy is defined as financial literacy in this study. (OECD., 2019).

According to (Carpena et al., 2011) Financial literacy consists of three components:

- a) Counting
- b) understand the basics of finance,
- c) a person's attitude towards making financial decisions.

Financial literacy is a fundamental requirement for everyone in order to prevent financial troubles. If there is a mistake in financial management (mismanagement), financial troubles might occur. (Palameta et al., 2016).

Financial literacy is essential for entrepreneurship (Putri et al., 2021). According to the findings of his research, a lack of financial literacy understanding can lead to a pattern of consumption centered on self-reward and the combination of business capital and personal cash, as well as a lack of creating business financial reports on beginner entrepreneurs. 2021) (Putri et al. However, research on financial literacy in SMEs is still in its early stages and requires further empirical focus (Seraj et al., 2022). Financial literacy has a favorable impact on entrepreneurial abilities as well (Saptono, 2018). company decisions based on proper financial literacy can contribute to development while simultaneously improving company competencies (Sumidartini et al., 2022). Financial literacy also influences saving behavior which in turn can ensure business competence and business sustainability. (Alshebami & Seraj, 2021). Research results (Seraj et al., 2022) Financial literacy has been demonstrated to have a strong beneficial influence on entrepreneurial ability. As a result, the proposed hypothesis is:

H1: Financial literacy influences entrepreneurial ability in P M I Taiwan.

2.3 Creativity

As a human talent or capability, creativity is predicated on the presence of a reality. From a theological or philosophical standpoint, human behavior is determined by the order of existence and the area of action. Ballor and Claar (2019). Creativity is a cognitive capacity that is essential to our species' existence; it is a human attribute that exists in all of us; nonetheless, creativity can appear elusive and

difficult to call at will (Levick-Parkin, 2014). Most people identify creativity with the capacity to think beyond the box, with originality or with the ability to create something that has never been before. Tschmuck (2012).

According to (Weisberg, 2014), making a differentiation between creative and non-creative thinkers is difficult since creative thinking is prevalent and we all have the ability to do so. Creativity, as opposed to convergent thinking, which is related with generally established general cognitive talents (Esquivias Serrano, 2004) (Castillo-Vergara et al., 2018), should be differentiated from intelligence. stress the importance of creativity in regard to its influence on the competitiveness of organizations, citing research that reveals a correlation between teams that score highly in creativity tests and their performance.

In entrepreneurship, creativity is an initiative regarding a product that creates and is helpful; understanding creativity provides a solid foundation for developing business tools. Creativity is defined as "thinking something new" or "finding new ways to solve problems in the face of opportunities." 2003 (Suryana Dr.). According to (Hadiyati, 2011), creativity is an issue that is important not just for new entrepreneurs, but also for firms and commercial operations in general. According to A.Roe in (Frinces, 2004), the requirements of a creative person are:

- a) Be open to new experiences;
- b) Look at how things are generally done
- c) Desire
- d) Independence in judgment, ideas, and actions
- e) Require and accept autonomy
- f) Self-confidence
- g) Being exempt from group monitoring
- h) Availability to face risks.
- i) An entrepreneur must think more critically.

As a result, entrepreneurs must be inventive. (Rani, 2013). (Schumpeter, 1934) suggests that successful entrepreneurs may detect possibilities in their surroundings if they have the ability to embrace innovation. (Chea, 2008) . Previous research on the impact of creativity on entrepreneurial competence discovered that (Hadiyati, 2011) which suggests that creativity is extremely important on enhancing an entrepreneur's competence. Furthermore, there is a substantial effect on study from (Soegiastuti J. & Muchayatin., 2020) that relates creativity entrepreneurship to the capacity and entrepreneurial performance of SMEs. Furthermore, study (Sain, 2019) discovered that creativity might have a good influence on entrepreneurial ability. As a result, the proposed hypothesis is:

H2: In PMI Taiwan, creativity has a favorable impact on entrepreneurial ability.

2.4 Innovation

To use resources, innovation is the effective commercialization of new ideas, which is typically a collaborative process including venture capitalists, attorneys, and industry professionals. If creativity is defined as a sort of human activity that is largely based on basic reality, then innovation is described as a human action that happens within the context of recent historical development (Ballor & Claar, 2019). (Tschmuck, 2012) contends that innovation happens after invention, that innovation occurs only when the invention is effectively commercialized, and that the inventor is distinct from the innovator.

Innovation begins with inventions, prototypes, or ideas. Innovation occurs when businesses and factories employ scientific and technical research to create goods that are more responsive to the demands and expectations of their consumers and clients. 2014 (Weisberg) According to Weisberg (2014), innovation is the consequence of a creative process mixed with other market forces affecting products, services, systems, or processes. Innovation is vital to the survival and profitability of inventive firms in today's competitive environment. Businesses may suffer setbacks and collapse if innovation is not present, owing to the global economy's quick growth rate, strong demand, and limited supply. Fadaee and Abd Alzahrh (2014).

According to (Afuah, 2020), innovation is the utilization of fresh information to create new products or services that people desire. This definition, however, excludes process innovation (altering how a firm is conducted) and system innovation (altering how processes are monitored and structured). According to Weisberg (2014), innovation is the consequence of a creative process mixed with other market forces affecting products, services, systems, or processes.

(Keeh et al., 2007) emphasized that innovation is critical because:

- a) technology evolves swiftly as rivals provide new goods, processes, and services, driving entrepreneurial ventures to compete and prosper.
- b) The influence of environmental changes on product life cycles is shorter, which means that old goods or services must be replaced fast, which can be accomplished through creative thinking.
- c) Today's consumers are more educated and demanding.
- d) Because the market and technology are changing so quickly, successful ideas are becoming increasingly easier to copy.

Innovation may result in faster growth, expanded market sectors, and a stronger business position. According to (Keeh et al., 2007), innovation is critical due to fast technology changes, environmental changes, shorter product life cycles, wiser customers and demanding fulfillment of demands, and the increased ease with which existing items may be imitated. Innovation may lead to faster growth, expanded market sectors, and a stronger business position.

Previous research examining innovation on entrepreneurial competence found that (Hadiyati, 2011) which states that creativity is very influential on increasing the competence of an entrepreneur. In addition, a significant influence in research from (Soegiastuti J. & Muchayatin., 2020) which determines entrepreneurial innovation on the ability and entrepreneurial performance of SMEs. As

well as research (Sain, 2019) found the results that innovation can have a positive effect on entrepreneurial competence. Therefore, the proposed hypothesis is:

H3: Innovation has a positive influence on entrepreneurial competence in PMI Taiwan

3. RESEARCH METHODS

This research is quantitative because it uses statistical analysis to analyze the numerical data that has been collected. This research is associative causal research, which means that this research examines the features of the issue as an influence between two or more variables. There are independent and dependent factors in this research variable. Financial literacy, creativity and innovation are independent variables. Entrepreneurial competence is the dependent variable.

3.1 Data and data collection techniques

The data in this study are the entire population, namely PPI PKBM Taiwan participants. The number of participants of PPI PKBM Taiwan amounted to 35 people. This research uses primary data through the use of survey procedures. There are four factors that make up the questionnaire presented: financial literacy, creativity, innovation and entrepreneurial competence. A modified Likert scale questionnaire with a range of 5 to 1 was used to measure the entrepreneurial competence data (Strongly agree/very important is represented by the number 5, while strongly disagree/very unimportant is represented by the value 1). As for other variables, a guttman scale was used, which is a scale used for answers that are clear (firm) and consistent (yes or no).

3.2 Data Analysis Technique

Data analysis is a process carried out after collecting data from all respondents or other data sources. Statistics are used in quantitative research data analysis procedures. There are several main processes that researchers must carry out during the data analysis process, which are as follows:

3.2.1 Instrument Validity Test

1. Instrument Test

a. Validity Test

The validity test is a metric that indicates an instrument's level of validity. The validity test determines whether or not a questionnaire is valid. The questionnaire is regarded legitimate if the questions on the questionnaire can reveal anything that the questionnaire can measure. (2018) (Ghozali). If the estimated r value is larger than the r table, the questionnaire indications are regarded authentic. If the estimated r value is larger than the r table, the questionnaire indications are regarded authentic. If the validity value of each response acquired while submitting a list of questions is more than 0.3, the question item is considered legitimate. Sugyono (2016).

b. Reliability Test

The phrase test reliability is derived from the term reliability, which refers to the extent to which measurement findings may be accepted if roughly the same measurement results are obtained in several implementations on the same set of individuals. The accuracy and precision of measurement are connected to dependability. The goal of reliability testing is to establish if the data acquired from the research instrument has sufficient internal consistency. The Cronbach's Alpha value was employed to conduct the reliability test in this study. A research instrument is regarded dependable if the Cronbach's Alpha value is greater than 0.60. Ghazali (2018). The following are the decision-making factors in the reliability test:

- If the Cronbach's Alpha value is > 0.60 , then the question items in the questionnaire are reliable.
- If the Cronbach's Alpha value is < 0.60 , then the question items in the questionnaire are not reliable.

3.2.2 Classical Assumption Test

a. Normality test

The normality test examines if the regression model's confounding or residual variables have a normal distribution. (2018) (Ghozali). In this study, the Kolmogorov Smirnov Test may be utilized to perform a normalcy test. The normalcy test requirements include the following provisions:

- A significant value or probability value ≤ 0.05 then the data is not normally distributed.
- A significant value or probability value > 0.05 then the data is normally distributed.

b. Multicollinearity Test

The multicollinearity test determines whether or not there is a connection between independent variables (free) in a research regression model. There is no connection between independent variables in a suitable regression model, and it is devoid of multicollinearity symptoms. The size of the VIF (Variance Inflation Factor) and Tolerance values can be utilized to assess whether multicollinearity exists. Tolerance measures the variability of variables that are not explained by other independent variables. VIF value of 10.00 and Tolerance value > 0.10 are used to identify the presence of multicollinearity symptoms. (Ghozali, 2018).

c. Heteroscedasticity Test

The heteroscedasticity test checks whether there is a difference in variance between the residuals of different observations in a regression model. The Glejser test is used to identify the presence of heteroscedasticity. To perform a Glejser test, the independent variable is regressed on the absolute value of the residuals. According to Ghazali (2018) a significant value or probability value ≤ 0.05 , the data has heteroscedasticity. A significant value or probability value > 0.05 then the data does not have heteroscedasticity.

3.2.3 Multiple Linear Regression Analysis

Numerous linear regressions are a regression model with numerous independent variables. Multiple linear regression analysis is used to identify the degree and direction of the independent variable's effect on the dependent variable. (Ghozali, 2018).

a. Hypothesis Test

In this study, hypothesis testing is divided into three stages: partial test (t test), simultaneous test (F-test), and coefficient of determination test (R2).

- Partial Test (t test) is used to determine the effect of Halal awerness, blockchain technology on Halal Value Chain individually. At a significant level of 5% with the test criteria used if the p-value <0.05 then H1 is accepted (Ghozali, 2018).
- Simultaneous Test (f test) is used to test the ability of Halal awerness, blockchain technology together in explaining the Halal Value Chain. If the F- statistic p-value <0.05 then H1 is accepted.
- The coefficient of determination (R2) test is used to measure the level of ability of X1 and X2 in influencing Y. The coefficient of determination is between zero and one ($0 < \text{adjusted } R^2 < 1$). A small adjusted R2 value means that Halal awerness and blockchain technology in explaining the Halal Value Chain variable are small. If the adjusted R2 value is closer to one (1), the better the ability of X1 (Halal Awerness) and X2 (Blockchain Technology) in explaining variable Y or Halal Value Chain. (Ghozali, 2018).

4. RESULTS AND DISCUSSION

4.1 Validity Test

If the estimated r value is larger than the r table, the indicator in the questionnaire is deemed to be genuine. The question item is considered to be legitimate if the validity value of each response received while delivering a list of questions is more than 0.3 (Sugiyono, 2016).

Table 4.1 Validity Test

Questionnaire Questions	r Count	Conclusion	Questionnaire Questions	r Count	Conclusion
X1.1	0.910	Valid	X3.3	0.584	Valid
X1.2	0.769	Valid	X3.4	0.724	Valid
X1.3	0.868	Valid	X3.5	0.577	Valid
X1.4	0.699	Valid	Y1	0.826	Valid
X2.1	0.747	Valid	Y2	0.826	Valid
X2.2	0.747	Valid	Y3	0.875	Valid
X2.3	0.492	Valid	Y4	0.905	Valid
X2.4	0.859	Valid	Y5	0.911	Valid
X3.1	0.643	Valid	Y6	0.906	Valid
X3.2	0.614	Valid	Y7	0.876	Valid

The validity test results in table 4.1 above are R table at N = 35 at alpha = 0.05 of 0.325 in the 2-way test. Then all the question items are valid because the amount of r count > than r table.

4.2 Reliability Test

The Cronbach's Alpha value was used to perform the reliability test in this study. If the Cronbach's Alpha value is > 0.60 , a research instrument is regarded to be dependable (Ghozali, 2016).

Table 4.2 Reliability Test

Case Processing Summary			
		N	%
Cases	Valid	35	100.0
	Excluded	0	.0
	Total	35	100.0
Cronbach's Alpha		N of Items	
.721		20	

The reliability test results in table 4.2 above are the *Cronbach's Alpha* value in this study $0.721 > 0.60$, which means that this research is reliable.

4.3 Normality Test

The Kolmogorov Sminov test can be used to perform the normalcy test in this investigation. The following are the normalcy test criterion provisions: 1) If the significant or probability value is ≤ 0.05 , the data is not normally distributed. 2) If the significant or probability value is > 0.05 , the data is regularly distributed (Ghozali, 2016).

Table 4.3 Normality Test

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			35
Normal Parameters ^{a,b}	Mean		.0000000
	Std. Deviation		.75666681
Most Extreme Differences	Extreme	Absolute	.142
		Positive	.142
		Negative	-.089
Test Statistic			.142
Asymp. Sig. (2-tailed)			.072 ^c
Exact Sig. (2-tailed)			.441
Point Probability			.000
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			

Table 4.4 Multicollinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	finance	.846	1.183
	creativity	.991	1.009
	innovation	.844	1.185

a. Dependent Variable: competency

From the multicollinearity test results in table 4.4 above, it shows the VIF value of 1.009 - 1.183 < 10.00 and the tolerance value of 0.846 - 0.991 > 0.10. This means that the data in this study are free from multicollinearity.

4.5 Heteroscedasticity Test

The Glejser test is used to determine the presence or absence of heteroscedasticity symptoms. By regressing the independent variables on the absolute value of the residuals, the glejser test is done. The Glejser test findings for heteroscedasticity are shown below. The data is heteroscedastic if the significant value or probability value is ≤ 0.05, according to (Ghozali, 2018). If the significance or probability value is > 0.05, the data is not heteroscedastic.

Table 4.5 Heteroscedasticity Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.786	.634		2.816	.008
	finance	-.137	.301	-.084	-.456	.652
	creativity	-.194	.233	-.142	-.833	.411
	innovation	-.703	.529	-.246	-1.330	.193

a. Dependent Variable: ABS_RES

The significant value of financial literacy, originality, innovation, and 0.652 0.411, and 0.193 > 0.05, according to the findings of the heteroscedasticity test in table 4.5 above. This signifies that there is no heteroscedasticity in the data in this study variable.

4.6 Multiple Regression Analysis

a. Partial Test (T Test)

Partial Test (t test) is used to determine the effect of financial literacy, creativity and innovation on entrepreneurial competence individually. At a significant level of 5% with the test criteria used if the p-value <0.05 then H1 is accepted. (Ghozali, 2018).

Table 4.6 T Test Table (Hypothesis Test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.415	1.099		6.748	.000
	finance	0.934	.522	0.261	1.789	.083
	creativity	1.750	.404	0.585	4.336	.000
	innovation	0.712	.917	0.113	0.776	.443

a. Dependent Variable: competency

The findings of the financial literacy variable in table 4.6 above have a t value of 1.789 and a significant level of 0.083, indicating that financial literacy has a positive and significant influence on entrepreneurial competence with a df of 0.10. This suggests that the more the financial literacy of business players, the greater the entrepreneurial competence of Taiwanese PMI. The creative variable, with a t value of 4.336 and a significant level of 0.000, indicates that creativity has a positive and significant influence on entrepreneurial ability. This suggests that the more a business actor's creativity, the greater the strengthening of entrepreneurial skill. The variable innovation has a t value of 0.776 and a significant level of 0.443, indicating that it has no influence on entrepreneurial skill. This suggests that an entrepreneur's level of invention (particularly in Taiwanese PMI) has no bearing on a business actor's entrepreneurial competency in Taiwanese PMI.

b. Simultaneous Test (F Test)

Simultaneous Test (F-test) is used to test the ability of financial literacy, creativity and innovation together in explaining entrepreneurial competence in Taiwanese migrant workers. If the p-value of the F-statistic <0.05 then financial literacy, creativity and innovation together affect entrepreneurial competence in Taiwanese migrant workers.

Table 4.7 Output Table F Test (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.364	3	5.121	8.156	.000 ^b
	Residuals	19.467	31	.628		
	Total	34.830	34			
a. Dependent Variable: competency						
b. Predictors: (Constant), finance, creativity, innovation						

Table 4.7 above shows that the value of f is 8.156 with a significant level of 0.000, meaning that the financial literacy, creativity and innovation variables together affect the entrepreneurial competence variable with positive significance. This shows that, if the level of awareness of business actors at PMI Taiwan is high towards financial literacy, creativity and innovation, the integration of entrepreneurial competence in business actors at PMI Taiwan will be stronger.

c. Determinant Coefficient Test

The coefficient of determination (R²) test is used to measure the level of ability of X1, X2 and X3 in influencing Y. The coefficient of determination is between zero and one (0 < adjusted R² < 1). The coefficient of determination is between zero and one (0 < adjusted R² < 1). A small adjusted R² value means that financial literacy, creativity and innovation in explaining entrepreneurial competence variables are small. If the adjusted R² value is closer to one (1), the better the ability of financial literacy, creativity and innovation in explaining variable Y or entrepreneurial competence. (Ghozali, 2018).

Table 4.8 R Square Table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664 ^a	.441	.387	.79243
a. Predictors: (Constant), finance, creativity, innovation				

The result of table 4.8 above is the adjust R² value of 0.387. This means that financial literacy variables, creativity and innovation affect the entrepreneurial competency variable by 38.7%. Then the other 61.3% is influenced by other variables not examined in this study.

4.7 The effect of financial literacy on entrepreneurial competence

According to the findings of this study's analysis in table 4.6, financial literacy has a positive and substantial influence on entrepreneurial competence. This suggests that financial literacy among

Taiwanese PMI business players is required to encourage the development of entrepreneurial skills. The findings of this study support the study's first hypothesis (H1). The findings of this study are consistent with earlier studies indicating that financial literacy is vital in entrepreneurship. (Putri et al., 2021). In line with his research (Putri et al., 2021) found that the lack of knowledge about financial literacy can create a pattern of consumerism based on self-reward and combine business capital and personal funds and the lack of making business financial reports on novice entrepreneurs. Other research that supports are (Saptono, 2018) who found a positive relationship between financial literacy and entrepreneurial competence. When based on adequate financial literacy business decisions can lead to development that simultaneously increases business competence (Sumidartini et al., 2018). (Sumidartini et al., 2022). Financial literacy also influences saving behavior which in turn can ensure business competence and business sustainability. (Alshebami & Seraj, 2021).

Research results (Seraj et al., 2022) also found that financial literacy has a significant positive effect on entrepreneurial competence. The findings in this study are that financial literacy is needed by entrepreneurs who want to start a business and improve entrepreneurial competence.

4.8 The influence of creativity on entrepreneurial competence

According to the findings in table 4.6, creativity has a good and considerable influence on increasing entrepreneurial skills. This means that Taiwanese PMI business players must continue to produce innovative ideas in order to grow and strengthen their entrepreneurship skills. This study's findings support this research hypothesis (H2). The findings of this study are consistent with earlier studies indicating that businesspeople must be innovative (Rani, 2013). From the outset, (Schumpeter, 1934) shown that successful business people may see possibilities around them when they are able to embrace innovation (Chea, 2008). Previous studies, especially (Hadiyati, 2011) Hadiyati, 2011), who explored creativity on entrepreneurial competence, discovered that creativity is significantly important on boosting an entrepreneur's competence. Furthermore, study from (Soegiastuti J. & Muchayatin., 2020) which determines entrepreneurial creativity on the capacity and entrepreneurial performance of SMEs has a substantial effect. Furthermore, study (Sain, 2019) discovered that creativity might have a good influence on entrepreneurial ability. As a result, the findings of this study reflect prior research, namely that the innovation of business actors, particularly business players in Taiwanese PMI, is required to enhance and strengthen entrepreneurial skill.

4.9 The effect of innovation on entrepreneurial competence

According to the findings in table 4.6, innovation has no significant influence on enhancing entrepreneurial skill. This suggests that a growth or reduction in entrepreneurial skill among Taiwanese migrant workers is not determined by innovation. The findings of this investigation contradict the notion. The findings of this study contradict earlier studies on the impact of innovation on entrepreneurial skills. According to Hadiyati (2011), creativity has a significant impact on an entrepreneur's competency. Furthermore, a substantial influence was shown in research from (Soegiastuti J. & Muchayatin., 2020). which determines entrepreneurial innovation on the ability and

entrepreneurial performance of SMEs. As well as research (Sain, 2019) found the results that innovation can have a positive effect on entrepreneurial competence. The finding in this study is that innovation is not the main thing for business actors in Taiwanese PMI in strengthening entrepreneurial competence. Innovation is not a new invention but rather the development of an invention. This means that PMI Taiwan business actors do not need significant development of an invention, but still need to carry out the invention with creative ideas. Thus, business actors in PMI Taiwan can strengthen entrepreneurial competencies with creative ideas and improve financial literacy.

5. CONCLUSION

The purpose of this study is to strengthen entrepreneurial competence for Taiwanese PMI business actors through financial literacy and building creativity and innovation. The hypotheses used in this study are H1 financial literacy has a positive and significant effect on entrepreneurial competence in Taiwanese PMI, H2 creativity has a positive and significant

effect on entrepreneurial competence in Taiwanese PMI and H3 innovation has a positive and significant effect on entrepreneurial competence in Taiwanese PMI. The results of this study accept the first and second hypotheses, namely financial literacy and creativity have a positive and significant effect on entrepreneurial competence in Taiwanese PMI, but the third hypothesis is rejected because innovation has no effect on strengthening entrepreneurial competence in Taiwanese PMI. So it can be concluded that the findings in this study are that financial literacy and creativity are needed by Taiwanese PMI business actors who want to start a business and improve entrepreneurial competence. Also, the finding in this study is that innovation is not the main thing for business actors in Taiwanese PMI in strengthening entrepreneurial competence because innovation is not a new invention but the development of an invention.

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