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The Influence of Business Actors' Human Resource Capacity and Business Networks on Ease of Access to Financing through MSME Financial Competence in West Sumatra

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Abstract. This study examines the influence of human resource capacity and business networking on ease of access to financing through MSME financial competence among culinary MSMEs in West Sumatra. The research was motivated by the limited access of MSMEs to formal financing despite their significant contribution to regional economic growth. Many MSME owners still experience difficulties in fulfilling financing requirements due to limited financial management capability, weak business networks, and inadequate human resource quality. Therefore, this study aims to analyze the direct and indirect relationships among business networking, human resource capacity, financial competence, and ease of access to financing. This study employed a quantitative approach using Structural Equation Modeling–Partial Least Square (SEM-PLS) with SmartPLS 3. Data were collected through questionnaires distributed to 125 culinary MSME owners in West Sumatra. The findings reveal that business networking and human resource capacity significantly influence MSME financial competence and ease of access to financing. Furthermore, MSME financial competence was proven to mediate the relationship between business networking, human resource capacity, and financing accessibility. These findings highlight the importance of strengthening internal capabilities and external business relationships.

Keywords: Human Resource Capacity, Business Networking, Financial Competence, Financing Access, MSMEs

INTRODUCTION

In recent years, the economy of West Sumatra has demonstrated a positive growth trend, reflected in improved income distribution and increasing public purchasing power. This growth has been strongly supported by the strategic contribution of Micro, Small, and Medium Enterprises (MSMEs), which have become one of the main drivers of the regional economy. According to Satriadi (2023), MSMEs contribute approximately 55% to the economic growth of West Sumatra, indicating their significant role in maintaining regional economic stability. By the end of 2023, the number of MSMEs reached 87,884 business units spread across 19 regencies and cities, with the largest concentration in the food industry sector consisting of 36,559 business units, followed by the garment industry with 15,693 units and the

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textile industry with 11,811 units. These figures demonstrate that MSMEs not only function as providers of employment opportunities but also serve as the backbone of community economic activities.

Despite the increasing number of MSMEs, their distribution across West Sumatra remains uneven. Data from the Central Bureau of Statistics of West Sumatra and the Office of Cooperatives and MSMEs indicate that MSME activities are concentrated in several specific regions, particularly Agam Regency (12.98%), Limapuluh Kota Regency (11.37%), and Padang City (11.30%). Collectively, these three regions accommodate more than one-third of all MSMEs in West Sumatra, suggesting that areas with better infrastructure, market access, and economic growth centers experience more dominant business development (Mubarok, Sari, Wibowo, 2025). In contrast, several other regions still show relatively low proportions of MSMEs, reflecting spatial inequality in the development of the MSME sector at the regional level. This condition indicates that regional context and local business ecosystems influence MSMEs' opportunities to access financing, meaning that financing access analysis should consider both internal business factors and regional characteristics.

On the other hand, the increase in the number of MSMEs has not always been accompanied by adequate business sustainability. Liza et al., (2023) explained that one of the major problems faced by MSMEs in West Sumatra is limited capital, which hinders innovation and business development. Although MSME owners recognize the importance of financial support from formal financial institutions, the utilization of formal financing facilities remains relatively low, despite the availability of various financing support programs provided by the local government. A survey conducted by the West Sumatra Office of Cooperatives and MSMEs in 2025 involving 300 MSMEs revealed that the main obstacles to obtaining financing include the absence of financial statements, lack of readiness to fulfill administrative requirements, and the reluctance of some business owners to take on debt. These findings indicate that barriers to financing access are not only structural in nature but are also closely related to the internal capacity of business owners in managing financial and administrative aspects of their businesses.

The findings of a preliminary survey involving 30 MSME owners across several regencies and cities in West Sumatra further reinforced this phenomenon. Most respondents stated that access to financial services remains relatively difficult because banking requirements are considered complicated and financing processing costs are perceived as relatively high (Talip & Wasiuzzaman (2023); Meressa (2023); Aslam et al., (2023); Nugraha et al., (2022). This situation reflects a gap between MSMEs' financing needs and business owners' capacity to meet banking eligibility standards. Several previous studies have shown that easier access to financing is influenced by internal factors such as financial literacy, human resource capacity, and social networking. Talip & Wasiuzzaman (2023); Dudley (2021);) Anita et al., (2022) stated that strong financial literacy improves financial management and the preparation of financial reports, thereby increasing financial institutions' trust in MSMEs. Furthermore, Meliza & Prijadi (2024) emphasized that human resource capacity reflects business owners' ability to generate creative ideas and business strategies that support business growth. (Sherlock et al., 2022) explained that strong social networks facilitate relationships between MSMEs and financial institutions, thereby increasing opportunities to obtain financing access. Therefore, this study develops the model proposed by (Talip & Wasiuzzaman (2023) Shao & Sun (2021);Tambunan et al., (2022) by positioning financial competence as a mediating variable within the context of Minangkabau culture, which is characterized by strong social relations and kinship networks, with the expectation of providing new empirical contributions regarding MSME financing access mechanisms in West Sumatra.

LITERATURE REVIEW

2.1 Resource Based View (RBV) theory

Resource Based View (RBV) theory explains that organizational competitive advantage and business sustainability arise from the company's ability to manage valuable, rare, difficult-to-imitate, and irreplaceable resources effectively, including both tangible and intangible assets such as knowledge, managerial skills, experience, and business networks (Elya Dasuki, 2021). In the context of MSMEs, human resource capacity and business networking are considered strategic resources that can strengthen financial competence, particularly in managing business finances, preparing financial reports,

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understanding financing mechanisms, and making appropriate financial decisions (Barney, 1991). Strong human resource capacity enables business owners to improve managerial quality and business governance, while broader business networks facilitate access to information, partnerships, and relationships with financial institutions. Through adequate financial competence, MSMEs are more capable of meeting administrative and financial requirements set by banks or other financial institutions, thereby increasing business credibility and improving opportunities to obtain financing access. Therefore, RBV emphasizes that the integration of human resource capacity and business networks can become an important foundation for enhancing MSMEs' financial capability and supporting easier access to external financing sources (Khuroidah & Maunah, 2022).

2.2 Ease of Access to Financing

Ease of access to financing refers to the extent to which business owners can easily obtain financial services from banks or other formal financial institutions to support business operations and development (Tambunan et al., 2022). This concept reflects the simplicity of financing procedures, the suitability of financing products with business needs, affordable financing costs, and the availability of alternative financing options for MSMEs. Easier access to financing enables business owners to fulfill capital needs more effectively, increase business productivity, support innovation, and maintain long-term business sustainability. Therefore, access to financing plays an important role in supporting the growth and competitiveness of MSMEs in both local and national economic development.

2.3 Financial Literacy

Financial literacy is the knowledge, understanding, and ability possessed by individuals in managing financial resources effectively and making appropriate financial decisions. Financial literacy includes understanding bookkeeping, financial planning, cash flow management, financing products, savings, investment, and financial risk management (Khairunnisa, 2025). For MSME owners, financial literacy is important because it helps them manage business finances more systematically, prepare financial reports, and understand financing mechanisms provided by financial institutions. Strong financial literacy also enables business owners to avoid poor financial decisions and improve their ability to access external financing for business expansion and sustainability (Damayanti et al., 2024).

2.4 Human Resource Capacity

Human resource capacity refers to the quality and capability of individuals in carrying out business activities through their knowledge, education, experience, skills, creativity, and problem-solving abilities. In the context of MSMEs, human resource capacity reflects the ability of business owners to manage business operations, develop strategies, make effective decisions, and adapt to changes in the business environment (Kirana et al., 2023). Strong human resource capacity allows MSME owners to improve business performance, manage administration and financial records more effectively, and fulfill financing requirements established by financial institutions. As a result, better human resource capacity can increase business credibility and improve opportunities for MSMEs to obtain access to financing and business development opportunities (Effendi et al., 2022).

2.5 Social Networking (Social Capital)

Social networking or social capital refers to the ability of business owners to build and maintain positive relationships, cooperation, and communication with other entrepreneurs, business communities, customers, suppliers, and financial institutions. Strong social networks provide MSMEs with easier access to information, business opportunities, financing programs, partnerships, and professional support that can contribute to business growth (Rahi et al., 2022). In addition, social networking helps strengthen trust and business reputation, which are important factors considered by financial institutions when providing financing. Through effective social relationships and collaboration, MSME owners can gain broader business insights, improve access to financial resources, and increase opportunities to sustain and expand their businesses in competitive markets.

2.6 Conceptual Framework and Hypothesis Development

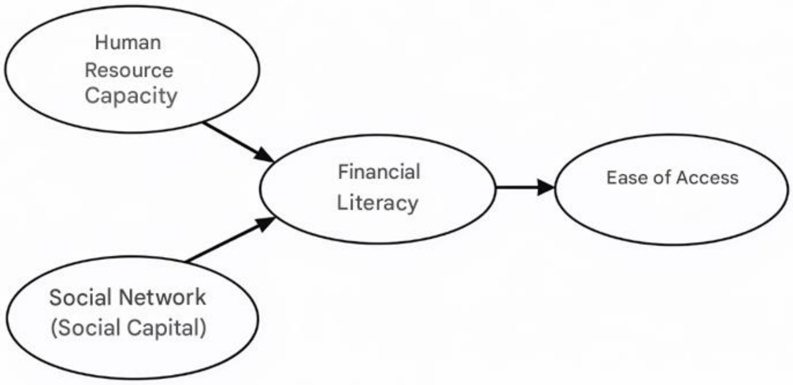

Figure 1. Conceptual Framework

Social networking or social capital refers to the ability of business owners to build and maintain positive relationships, cooperation, and communication with other entrepreneurs, business communities, customers, suppliers, and financial institutions. Strong social networks provide MSMEs with easier access to information, business opportunities, financing programs, partnerships, and professional support that can contribute to business growth (Rahi et al., 2022). In addition, social networking helps strengthen trust and business reputation, which are important factors considered by financial institutions when providing financing. Through effective social relationships and collaboration, MSME owners can gain broader business insights, improve access to financial resources, and increase opportunities to sustain and expand their businesses in competitive markets.

Based on the theoretical explanations and support from previous empirical studies, this study proposes that there are relationships among human resource capacity, social networking, financial literacy, and ease of access to financing for culinary MSMEs in West Sumatra. Human resource capacity and social networking are expected to directly influence ease of access to financing, while financial literacy is also assumed to strengthen MSMEs' ability to obtain financing from financial institutions. In addition, financial literacy is predicted to mediate the relationship between human resource capacity, social networking, and ease of access to financing.

H1: Human resource capacity has a positive effect on ease of access to financing for culinary MSMEs in West Sumatra.

H2: Social networking has a positive effect on ease of access to financing for culinary MSMEs in West Sumatra.

H3: Financial literacy has a positive effect on ease of access to financing for culinary MSMEs in West Sumatra.

H4: Human resource capacity has a positive effect on financial literacy among culinary MSMEs in West Sumatra.

H5: Social networking has a positive effect on financial literacy among culinary MSMEs in West Sumatra.

H6: Financial literacy mediates the relationship between human resource capacity and ease of access to financing for culinary MSMEs in West Sumatra.

H7: Financial literacy mediates the relationship between social networking and ease of access to financing for culinary MSMEs in West Sumatra.

METHODS

3.1 Research Design

This study employs a quantitative research approach with a causality design to examine the relationships among human resource capacity, social networking, financial literacy, and ease of access to financing for culinary MSMEs in West Sumatra. The study aims to test both direct and indirect effects,

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particularly the mediating role of financial literacy in the relationship between human resource capacity and social networking toward ease of access to financing. Quantitative research is considered appropriate because it allows the hypotheses to be tested empirically through statistical analysis and provides objective results regarding the relationships among variables (J. F. Hair et al., 2019).

3.2 Data Source

This study uses primary data collected directly from respondents through questionnaires distributed to culinary MSME owners in West Sumatra who meet the predetermined sampling criteria. The questionnaire was designed using a Likert scale to measure respondents' perceptions regarding the research variables, including human resource capacity, social networking, financial literacy, and ease of access to financing. In addition to questionnaires, the data collection process was also supported by documentation activities such as photographs and field observations to strengthen the validity of the research data.

3.3 Population and Sample

The population in this study consists of all culinary MSME owners across 19 regencies and cities in West Sumatra. Since the population size is large and cannot be identified precisely, the sampling technique used is purposive sampling by selecting respondents based on specific criteria, such as MSMEs that have operated for at least one year and are active in the culinary sector. The sample size determination refers to (Hair Jr. et al., 2019), which states that the ideal sample size in empirical research ranges from 5 to 10 times the number of indicators or variables used in the model. The formula applied is:

$$n = 30 \times 4 = 120$$

where n represents the sample size, 30 refers to the total indicators used in the study, and 4 represents the multiplication factor. Therefore, the total sample used in this study consists of 120 culinary MSME owners in West Sumatra.

3.4 Data Analysis Technique

The collected data were analyzed using the Partial Least Square–Structural Equation Modeling (PLS-SEM) approach with the assistance of SmartPLS 4.0 software. The analysis process consisted of descriptive analysis and structural model analysis. Descriptive analysis was used to describe respondents' characteristics and the level of responses toward each research variable, while SEM-PLS analysis was employed to test the measurement model (outer model) and structural model (inner model). The outer model evaluation included convergent validity, discriminant validity, composite reliability, and Cronbach's alpha testing, whereas the inner model evaluation included R-square, Q-square, hypothesis testing, and mediation effect analysis. This method was selected because PLS-SEM is capable of analyzing complex relationships among variables and does not require strict assumptions of multivariate normality (J. Hair et al., 2022).

RESULTS AND DISCUSSION

Results

The findings indicate that most respondents were female (61.6%), showing that women play a significant role in MSME activities in West Sumatra, although they often face limitations in accessing formal financing. The respondents were also dominated by individuals in the productive age group of 28–40 years, reflecting business owners who are adaptive and still developing their business capabilities. In terms of education, most respondents held bachelor's degrees, indicating relatively strong human capital in understanding business and financial management. Meanwhile, the majority earned monthly incomes between IDR 3,000,000 and IDR 5,000,000, suggesting that most MSMEs still require external financing to support business growth. From the Resource-Based View (RBV) perspective, these demographic characteristics represent important aspects of human capital that influence financial competence and ease of access to financing. Furthermore, this study used SEM-PLS analysis with SmartPLS 3 to examine the relationships among variables and evaluate the proposed research model.

Measurement Model (Outer Model)

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TABLE 1. Outer Loading Values

Variables	Business Networking	Human Resource Capacity	Ease of Access to Financing	MSME Financial Competence
BN1	0.898			
BN2	0.888			
BN3	0.922			
BN4	0.912			
BN5	0.907			
BN6	0.918			
BN7	0.914			
HR1		0.918		
HR2		0.913		
HR3		0.898		
HR4		0.884		
HR5		0.891		
HR6		0.903		
HR7		0.913		
HR8		0.924		
EAF1			0.909	
EAF2			0.938	
EAF3			0.917	
EAF4			0.900	
EAF5			0.904	
EAF6			0.921	
FC1				0.907
FC2				0.915
FC3				0.901
FC4				0.914
FC5				0.917
FC6				0.892

Based on Table 1, all indicators show outer loading values above 0.70, indicating that each indicator has strong validity in measuring its respective construct. The indicators of Business Networking, Human Resource Capacity, Ease of Access to Financing, and MSME Financial Competence are considered capable of explaining their latent variables effectively. These results confirm that the measurement model has met the convergent validity requirement and is appropriate for further structural model analysis using SEM-PLS.

TABLE 2. Average Variance Extracted (AVE) Values

Variables	Average Variance Extracted (AVE)	Remarks
Business Networking	0.825	Valid
Human Resource Capacity	0.837	Valid
Ease of Access to Financing	0.820	Valid
MSME Financial Competence	0.824	Valid

Based on Table 2, all variables have Average Variance Extracted (AVE) values above 0.50, indicating that each construct has achieved good convergent validity. The results show that the indicators used are able to explain their respective latent variables effectively. Therefore, the constructs of Business Networking, Human Resource Capacity, Ease of Access to Financing, and MSME Financial Competence are considered valid and suitable for further analysis in the SEM-PLS model.

TABLE 3. Composite Reliability and Cronbach's Alpha Values

Variables	Composite Reliability	Remarks	Cronbach's Alpha
Business Networking	0.971	Reliable	0.965
Human Resource Capacity	0.969	Reliable	0.961

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Ease of Access to Financing	0.973	Reliable	0.969
MSME Financial Competence	0.966	Reliable	0.957

Based on Table 3, all variables have Composite Reliability and Cronbach's Alpha values above 0.70, indicating that the measurement instruments used in this study are reliable and consistent in measuring each construct. The high reliability values demonstrate that the indicators of Business Networking, Human Resource Capacity, Ease of Access to Financing, and MSME Financial Competence possess strong internal consistency and are capable of producing stable measurement results. Therefore, all constructs in this study meet the reliability requirements and are suitable for further structural model analysis using SEM-PLS.

Structural Model (Inner Model)

TABLE 4. R-Square Values

Variables	R Square	R Square Adjusted
Ease of Access to Financing	0.971	0.971
MSME Financial Competence	0.937	0.936

Based on Table 4, the R-Square values for Ease of Access to Financing and MSME Financial Competence are 0.971 and 0.937, respectively, indicating that the independent variables in the model are able to explain 97.1% and 93.7% of the variance in the dependent variables, which can be categorized as very strong. These results suggest that the proposed model has a high explanatory and predictive capability. However, the extremely high R-Square values should be interpreted carefully because values approaching 1 are relatively uncommon in social research and may indicate strong similarities or overlaps among the constructs used in the model. This condition may also reflect potential multicollinearity or indicator overlap, causing the independent variables to appear highly dominant in explaining the dependent variables. Therefore, although the model demonstrates strong predictive power, caution is still needed in interpreting the relationships among variables and considering other external factors that may also influence MSMEs' ease of access to financing.

The next evaluation conducted in the structural model analysis is the Q-Square test. The Q^2 value, also known as predictive relevance, is used to assess how well the observed values and model parameters are predicted by the structural model. A Q^2 value greater than 0 indicates that the model has predictive relevance, while a value below 0 suggests that the model lacks predictive capability. The Q-Square value in this study was calculated using the following formula:

$$Q^2 = 1 - (1 - R1^2)(1 - R2^2)$$
$$= 1 - (1 - 0.97)(1 - 0.93)$$
$$= 1 - (0.03)(0.07)$$
$$= 1 - 0.0021$$
$$= 0.9979$$

Based on the calculation results, the Q^2 value is positive and greater than 0 ($0.9979 > 0$), indicating that the proposed model has strong predictive relevance and is capable of explaining the dependent variables effectively.

TABLE 5. Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Business Networking → Ease of Access to Financing	0.338	0.339	0.075	4.503	0
Business Networking → MSME Financial Competence	0.423	0.423	0.09	4.698	0
Human Resource Capacity → Ease of Access to Financing	0.253	0.254	0.077	3.276	0.001
Human Resource Capacity → MSME Financial Competenc	0.552	0.551	0.091	6.078	0

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MSME Financial Competence → Ease of Access to Financing	0.407	0.405	0.081	5.033	0

Based on the data analysis results, all direct relationships in the model were found to be positive and statistically significant. Business Networking significantly influences both Ease of Access to Financing and MSME Financial Competence, indicating that stronger relationships with business partners, suppliers, and financial institutions help MSMEs gain financial knowledge and improve financing opportunities. Human Resource Capacity also has a significant positive effect on Ease of Access to Financing and MSME Financial Competence, suggesting that business owners with better knowledge, skills, and managerial abilities are more capable of fulfilling financing requirements and managing business finances effectively. In addition, MSME Financial Competence significantly affects Ease of Access to Financing, which means that MSMEs with stronger financial management capabilities, such as budgeting, financial reporting, and cash flow management, are more likely to gain trust from financial institutions and obtain financing more easily.

TABLE 6. Indirect Effect Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Business Networking → MSME Financial Competence → Ease of Access to Financing	0.172	0.171	0.05	3.462	0.001
Human Resource Capacity → MSME Financial Competence → Ease of Access to Financing	0.225	0.223	0.059	3.817	0

Based on Table 6, the indirect effect results show that MSME Financial Competence significantly mediates the relationship between Business Networking and Ease of Access to Financing, as well as the relationship between Human Resource Capacity and Ease of Access to Financing. The results are supported by t-statistics values greater than 1.96 and p-values below 0.05, indicating significant mediation effects. This means that stronger business networking and better human resource capacity can enhance MSMEs' financial competence, which subsequently improves their ease of access to financing from financial institutions.

Discussion

1. The Effect of Business Networking on Ease of Access to Financing

The results of this study indicate that business networking has a positive and significant effect on ease of access to financing. This finding implies that MSME owners who possess broader and stronger business relationships tend to have greater opportunities to obtain financing from financial institutions. Strong networking relationships with suppliers, business partners, financial institutions, and MSME communities provide business owners with easier access to information regarding financing opportunities, lending procedures, and financial products that are relevant to their business needs. In addition, business networking also contributes to increasing the credibility and trustworthiness of MSMEs in the eyes of creditors, which ultimately reduces the perceived risk of financing. As a result, MSMEs with stronger networks are more likely to experience faster financing approval processes, more flexible financing requirements, and greater opportunities to obtain external funding for business development. These findings indicate that business networking is not only a relational asset but also a strategic resource that supports MSMEs in overcoming financial constraints and improving business sustainability.

From the perspective of Resource-Based View (RBV) theory, business networking can be categorized as a form of social capital that strengthens the internal and external capabilities of MSMEs in accessing strategic resources, including financing. Through networking activities, business owners gain access to information exchange, business recommendations, and partnership opportunities that may not be easily obtained individually. This condition allows MSMEs to build stronger bargaining power and maintain long-term relationships with financial institutions. The findings of this study are consistent with previous research showing that business networking plays an important role in improving access to financing and strengthening business sustainability among small enterprises (Tambunan et al., 2022). Therefore, MSME owners are encouraged to actively participate in business communities, associations, and collaborative activities in order to strengthen their networks and improve their access to financial resources needed for business expansion and long-term competitiveness.

2. The Effect of Business Networking on MSME Financial Competence

The findings reveal that business networking has a positive and significant influence on MSME financial competence. This result demonstrates that networking relationships serve not only as social connections but also as important channels for knowledge transfer and learning related to financial management practices. MSME owners who actively engage with business communities, mentors, suppliers, and financial institutions tend to gain broader exposure to financial information, practical experiences, and managerial insights that improve their financial management capabilities. Through these interactions, business owners become more capable of preparing financial reports, managing cash flow, conducting budgeting activities, and controlling financial risks effectively. Consequently, business networking contributes to strengthening financial competence by providing continuous opportunities for learning and professional development within the business environment.

In the RBV perspective, business networking represents an intangible resource that enhances organizational capability through the accumulation of external knowledge and experience. The interaction between business actors enables MSMEs to internalize valuable information and transform it into financial competence that supports business sustainability and performance improvement. Financial competence developed through networking activities becomes a strategic capability that helps MSMEs make better financial decisions and manage their resources more efficiently. These findings are supported by previous studies indicating that networking relationships significantly contribute to improving managerial capability and financial literacy among MSMEs through social learning and information exchange processes (Nguyen et al., 2021). Therefore, MSMEs should not only focus on expanding their market reach through networking but also maximize networking opportunities as a learning mechanism to strengthen financial competence and improve long-term business resilience.

3. The Effect of Human Resource Capacity on Ease of Access to Financing

The analysis results indicate that human resource capacity has a positive and significant effect on ease of access to financing. This finding suggests that MSME owners with better knowledge, managerial skills, and business understanding are more capable of obtaining financing from financial institutions. Business owners with strong human resource capacity are generally more competent in preparing financing proposals, understanding financing procedures, organizing business documentation, and demonstrating business feasibility to creditors. These abilities increase the credibility of MSMEs and reduce the level of uncertainty perceived by financial institutions when evaluating financing applications. As a result, MSMEs with higher human resource capacity tend to experience fewer obstacles in obtaining external financing and are more likely to secure funding for business development purposes.

However, access to financing is not solely influenced by internal human resource quality, but also by external conditions such as financial institution policies, market conditions, and the level of financial inclusion within a region. Although human resource capacity plays an important role, financing accessibility may still be constrained by structural issues including collateral requirements, administrative complexity, and institutional limitations. From the Resource-Based View (RBV) perspective, human resource capacity represents a form of human capital that functions as a strategic organizational resource capable of creating competitive advantage. High-quality human resources strengthen business credibility and improve MSMEs' ability to access external resources, including financing opportunities. These findings are consistent with previous studies showing that managerial capability and financial understanding significantly contribute to improving financial inclusion and financing accessibility among small businesses (Bongomin et al., 2017). Therefore, strengthening human resource capacity through training, mentoring, and financial education programs remains essential for enhancing MSMEs' financing opportunities and long-term competitiveness.

4. The Effect of Human Resource Capacity on MSME Financial Competence

The results of this study indicate that human resource capacity has a positive and significant effect on MSME financial competence. This finding suggests that MSME owners with better knowledge, managerial abilities, education, and business skills tend to possess stronger financial management capabilities. Business owners with higher human resource capacity are generally more capable of preparing financial records systematically, managing business cash flow effectively, conducting budgeting activities, and making rational financial decisions that support business sustainability. In addition, they are also more adaptive in understanding financial information and utilizing digital financial technology to improve business performance. These conditions demonstrate that the quality of human resources plays a fundamental role in shaping financial competence because financial management ability is strongly influenced by the cognitive and managerial capabilities of business owners themselves. Therefore, stronger human resource capacity enables MSMEs to operate more professionally and improve the efficiency of financial management practices within the business environment.

From the Resource-Based View (RBV) perspective, human resource capacity represents a strategic form of human capital that contributes to the creation of organizational capability, particularly financial competence. High-quality human resources become valuable internal assets because they enable MSMEs to transform knowledge and skills into effective financial management practices that are difficult for competitors to imitate. Financial competence developed through strong human resource capacity can improve decision-making quality, business sustainability, and long-term competitiveness. These findings are supported by previous studies showing that individuals with better knowledge and managerial abilities tend to demonstrate stronger financial management competence and financial literacy (Lusardi & Mitchell, 2017). Therefore, improving human resource capacity through continuous education, financial training, and mentoring programs is essential for strengthening MSMEs' financial competence and supporting sustainable business growth.

5. The Effect of MSME Financial Competence on Ease of Access to Financing

The findings of this study reveal that MSME financial competence has a positive and significant effect on ease of access to financing. This result indicates that MSMEs with stronger financial management capabilities are more likely to obtain financing from formal financial institutions. Financial competence enables business owners to prepare transparent financial reports, manage cash flow properly, understand financing products, and evaluate financial risks more effectively. These capabilities improve business credibility and provide financial institutions with greater confidence regarding the feasibility and sustainability of the business. As a result, MSMEs with adequate financial competence tend to face fewer difficulties during financing application processes because they are able to fulfill administrative and financial requirements more effectively. In this context, financial competence becomes an important factor that bridges the relationship between MSMEs and financial institutions in obtaining external funding support.

Nevertheless, access to financing is not determined solely by financial competence because external factors such as lending policies, collateral requirements, and institutional regulations also influence financing accessibility. Even though some MSMEs possess strong financial competence, financing opportunities may still be limited due to structural barriers within financial institutions. From the RBV perspective, financial competence can be viewed as an organizational capability developed through the effective management of internal resources, particularly human capital. This competence functions not only as a technical skill but also as a strategic capability that enhances MSMEs' credibility and competitive advantage in accessing external resources. These findings are in line with previous studies indicating that financial literacy and financial competence significantly contribute to improving financial inclusion and access to formal financial services (Grohmann et al., 2018). Therefore, strengthening MSME financial competence through education and mentoring programs remains important to improve financing accessibility and support business sustainability.

6. The Effect of Business Networking on Ease of Access to Financing through MSME Financial Competence

The analysis results demonstrate that business networking has a significant indirect effect on ease of access to financing through MSME financial competence as a mediating variable. This finding indicates that business networking does not only influence financing access directly, but also indirectly through the improvement of financial competence among MSME owners. Strong business networks allow entrepreneurs to exchange information, gain financial knowledge, learn from other business actors, and understand best practices in financial management. Through continuous interaction with business

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communities, mentors, and financial institutions, MSME owners are able to improve their financial management abilities, including bookkeeping, budgeting, and cash flow management. Improved financial competence subsequently enhances business credibility and strengthens the confidence of financial institutions in providing financing support. Therefore, business networking functions as an important relational resource that facilitates the development of internal capabilities required to improve financing accessibility.

From the RBV perspective, business networking represents an external relational resource that contributes to capability building within MSMEs, particularly financial competence. This process reflects the transformation of external resources into internal strategic capabilities that support organizational sustainability and competitiveness. However, the effectiveness of business networking in improving financial competence depends on the quality of interactions and the ability of business owners to absorb and apply the knowledge obtained through networking activities. These findings support previous studies explaining that networking relationships contribute to managerial capability and financial literacy development through social learning and information exchange processes (Nguyen et al., 2021). Therefore, MSME owners should not only focus on expanding their networks, but also maximize those relationships as opportunities for learning and capability development in order to strengthen financial competence and improve access to financing.

7. The Effect of Human Resource Capacity on Ease of Access to Financing through MSME Financial Competence

The findings indicate that human resource capacity has a significant indirect effect on ease of access to financing through MSME financial competence as a mediating variable. This result suggests that the influence of human resource capacity on financing access occurs not only directly but also through the formation of stronger financial competence. Business owners with better knowledge, skills, and managerial abilities tend to understand financial concepts more effectively, prepare accurate financial reports, manage cash flow properly, and make rational financial decisions that support business sustainability. These capabilities strengthen financial competence, which subsequently increases the trust and confidence of financial institutions in evaluating financing applications submitted by MSMEs. As a result, MSMEs with strong human resource capacity and financial competence are more capable of meeting financing requirements and obtaining external funding opportunities more easily.

In the RBV framework, human resource capacity is considered a strategic form of human capital that serves as the foundation for developing organizational capability, particularly financial competence. The transformation of human resource quality into financial capability demonstrates how internal resources can be converted into strategic advantages that improve access to external resources such as financing. However, this mediation effect is not automatic because the effectiveness of human resource capacity depends on practical experience, access to information, and supportive learning environments that enable business owners to apply financial knowledge effectively. These findings are consistent with previous studies showing that human resource quality and financial literacy significantly contribute to financial inclusion and financing accessibility among MSMEs (Bongomin et al., 2017). Therefore, integrated training, financial education, and mentoring programs are essential to strengthen both human resource capacity and financial competence in order to improve MSMEs' access to financing and long-term business competitiveness.

CONCLUSIONS

Based on the findings of this study, it can be concluded that business networking and human resource capacity significantly influence MSMEs' ease of access to financing, both directly and indirectly through MSME financial competence as a mediating variable. Business networking functions as a relational resource that supports information exchange, strengthens business credibility, and improves opportunities to obtain financing from financial institutions. Meanwhile, human resource capacity reflects the quality of human capital that shapes managerial ability, financial understanding, and business decision-making capability. The study also confirms that MSME financial competence plays a strategic role in transforming internal and external resources into organizational capabilities that improve financing accessibility and business sustainability.

Based on these findings, MSME owners are encouraged to strengthen their business networking through active participation in business communities, associations, and digital platforms while continuously improving human resource capacity and financial competence through training and mentoring programs. Financial institutions and government agencies are also expected to support MSMEs by providing integrated financial literacy programs, business assistance, and more inclusive financing systems. In addition, future researchers are recommended to develop broader research models by including additional variables and wider business contexts in order to provide a more comprehensive understanding of factors influencing MSME financing accessibility and sustainability.

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