

Analysis of Digital Payment and Financial Literacy as Instruments for Improving Financial Accountability and Business Performance in Modern Coffee Shops in Central Java

Ermaini¹, Muhamad Ammar Muhtadi², Rani Eka Arini³

¹ Universitas Muhammadiyah Jambi

^{2,3} Universitas Nusa Putra

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ABSTRACT

This study examines the effects of digital payment adoption and financial literacy on financial accountability and business performance among modern coffee shops in Central Java. A quantitative explanatory design was employed using primary data collected from 125 coffee shop owners and managers through a structured questionnaire measured on a five-point Likert scale. The data were analyzed using IBM SPSS Statistics version 25 through descriptive statistics, validity and reliability testing, classical assumption testing, multiple linear regression, t-tests, F-tests, and coefficient of determination analysis. The results indicate that digital payment adoption has a positive and significant effect on financial accountability, with a standardized coefficient of 0.396 and a significance value below 0.001. Financial literacy also positively affects financial accountability, with a standardized coefficient of 0.451 and a significance value below 0.001. Together, digital payment adoption and financial literacy explain 61.0% of the variance in financial accountability. Digital payment adoption, financial literacy, and financial accountability also have positive and significant effects on business performance, with standardized coefficients of 0.247, 0.301, and 0.416, respectively. The second regression model explains 71.4% of the variance in business performance. Financial accountability demonstrates the strongest influence on business performance, indicating that accurate records, transparent reporting, and effective financial control are essential for improving organizational outcomes. The study concludes that integrating digital payment systems with strong financial literacy can enhance financial accountability and support sustainable business performance among modern coffee shops.

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Corresponding Author:

Name: Ermaini

Institution Address: Universitas Muhammadiyah Jambi

e-mail: ermaini@umjambi.ac.id

1. INTRODUCTION

The rapid advancement of digital technology has fundamentally transformed

business operations across industries, particularly among micro, small, and medium enterprises (MSMEs). Digital transformation

extends beyond production and marketing activities to encompass financial management practices, enabling businesses to improve operational efficiency, decision-making quality, and organizational sustainability. One of the most significant developments is the widespread adoption of digital payment systems, including mobile banking, electronic wallets, payment gateways, debit and credit cards, and Quick Response Code Indonesian Standard (QRIS) [1]. These technologies facilitate cashless transactions while simultaneously generating digital financial records that enhance transparency, reduce transaction costs, minimize recording errors, and strengthen financial control. Consequently, digital payment systems have evolved from simple payment alternatives into strategic financial technologies capable of improving business competitiveness and financial governance [2], [3].

Indonesia represents one of the fastest-growing digital payment markets in Southeast Asia, supported by government initiatives promoting financial inclusion, rapid smartphone penetration, expanding internet accessibility, and the proliferation of financial technology (fintech) services. In particular, the implementation of QRIS has standardized digital payment infrastructure by enabling interoperability among multiple electronic payment providers, thereby reducing transaction barriers for MSMEs [4], [5]. This development has accelerated digital payment adoption across various business sectors, including food and beverage enterprises. Within this industry, modern coffee shops have become increasingly dependent on digital payment facilities because consumers expect fast, convenient, and secure transaction experiences [3], [6]. As competition intensifies, coffee shop owners must not only improve customer service but also strengthen financial management capabilities to sustain long-term business performance.

Although digital payment systems automatically generate transaction records that potentially improve financial reporting accuracy and transparency, technological adoption alone does not necessarily ensure

stronger financial accountability. Many MSMEs continue to experience difficulties integrating digital transaction data into systematic accounting practices, separating business finances from personal expenditures, and utilizing financial information for managerial decision-making [2], [3]. Consequently, the organizational benefits of digital payments largely depend on the managerial competencies of business owners, particularly their ability to interpret financial information and translate it into effective financial management practices [4], [7]. This condition indicates that technological innovation and managerial capability should be viewed as complementary rather than independent determinants of organizational success.

Among the managerial capabilities influencing organizational outcomes, financial literacy has received considerable scholarly attention because it enables business owners to manage budgets, monitor cash flows, prepare financial reports, evaluate profitability, and make evidence-based strategic decisions [8], [9]. Financially literate entrepreneurs are generally better equipped to utilize information generated through digital payment systems, thereby strengthening financial accountability and improving business performance. Financial accountability itself constitutes an essential organizational capability because it reflects the quality of financial recording, reporting, transparency, and resource management [10], [11]. Reliable financial accountability supports more effective pricing decisions, inventory management, operational control, investment planning, and business expansion, all of which contribute directly to sustainable organizational performance.

Despite the growing body of literature examining digital payment adoption, financial literacy, and MSME performance, several important research gaps remain. Previous studies have predominantly focused on general MSMEs, retail businesses, or manufacturing sectors, while relatively limited attention has been devoted to modern coffee shops that operate within highly dynamic service environments characterized

by intensive customer interactions, rapid transaction cycles, and high operational complexity. Furthermore, prior research has primarily emphasized financial performance or operational efficiency, whereas financial accountability has rarely been investigated as an important organizational outcome that may explain how technological adoption and managerial competence jointly influence business success. These limitations indicate the need for a more comprehensive analytical framework that simultaneously considers technological, managerial, and accountability dimensions within a specific service-sector context.

Accordingly, this study investigates the relationships among digital payment adoption, financial literacy, financial accountability, and business performance in modern coffee shops in Central Java. Unlike previous studies, this research positions financial accountability as a central organizational construct linking technological innovation with business performance while integrating digital payment adoption and financial literacy within a unified conceptual model. Focusing on one of Indonesia's fastest-growing coffee shop markets provides a relevant empirical setting for understanding how digital financial technologies and managerial competencies interact to enhance business sustainability. The findings are expected to contribute to the literature on fintech adoption and MSME development while providing practical implications for business owners, policymakers, financial institutions, and fintech providers seeking to strengthen financial governance and improve organizational performance in the digital economy.

2. LITERATURE REVIEW

2.1 *Digital Payment*

Digital payment refers to electronic financial transactions conducted through mobile banking, internet banking, e-wallets, cards, payment gateways, and QRIS. Based on TAM and UTAUT, its adoption

is influenced by perceived usefulness, ease of use, supporting conditions, and expected performance benefits [12], [13]. For modern coffee shops, digital payments accelerate transactions, reduce cash-handling risks, improve security, and automatically generate financial records that support sales monitoring, reporting, and managerial decision-making. Previous studies indicate that digital payment adoption enhances operational efficiency, customer convenience, transaction transparency, financial inclusion, and market access [2], [14]. Therefore, digital payments are expected to strengthen financial accountability and improve business performance.

2.2 *Financial Literacy*

Financial literacy refers to the knowledge, skills, confidence, attitudes, and behaviors required to make sound financial decisions and achieve financial well-being. In a business context, it includes the ability to prepare budgets, manage cash flows, calculate costs and profit margins, analyze financial statements, evaluate financing alternatives, and formulate strategic financial decisions [15], [16]. Financial literacy is particularly important for MSMEs because business owners often manage financial activities without specialized accounting personnel. Drawing on Human Capital Theory and the Resource-Based View, financial knowledge and managerial competence constitute valuable intangible resources that improve productivity, reduce decision-making errors, and support

sustainable competitive advantage [17], [18]. Previous studies indicate that financially literate entrepreneurs are better able to separate personal and business finances, control operational costs, prepare reliable financial reports, obtain external financing, adopt technological innovations, and improve profitability and business sustainability [19], [20]. Therefore, financial literacy is expected to strengthen financial accountability and enhance the business performance of modern coffee shops.

2.3 Financial Accountability

Financial accountability refers to an organization's obligation to manage, record, report, and communicate financial resources transparently, accurately, and responsibly to support informed decision-making and organizational credibility. From the perspective of Agency Theory, accountability mechanisms reduce information asymmetry and ensure that resources are managed responsibly, including in owner-managed MSMEs that interact with creditors, suppliers, employees, tax authorities, financial institutions, and investors [10], [11]. In modern coffee shops, financial accountability involves maintaining complete transaction records, separating personal and business finances, documenting revenues and expenses, monitoring cash flows, preparing periodic financial reports, and evaluating financial performance [21], [22]. Digital payment systems support these practices by automatically recording transactions, while

financial literacy enables business owners to interpret and use the resulting information effectively. Therefore, strong financial accountability helps businesses identify inefficiencies, monitor profitability, prevent financial irregularities, improve budgeting, and make evidence-based decisions, thereby contributing to better business performance and long-term sustainability.

2.4 Business Performance

Business performance refers to an organization's ability to achieve its financial and operational objectives through the efficient use of available resources. In MSMEs, performance is measured through financial indicators, such as profitability, revenue growth, and return on investment, as well as non-financial indicators, including customer satisfaction, operational efficiency, innovation, market expansion, and business sustainability [23], [24]. Consistent with the Balanced Scorecard, the performance of modern coffee shops should be assessed across multiple dimensions, including sales growth, customer visits, product quality, customer loyalty, internal processes, and organizational learning. Business performance is influenced by internal factors such as managerial competence, technological capability, financial management, innovation, marketing effectiveness, and employee productivity, as well as external factors including market competition, consumer preferences, technological

change, and economic conditions [25], [26]. Digital payment adoption can improve transaction efficiency and customer convenience, while financial literacy supports better financial planning and managerial decision-making. Therefore, stronger technological adoption and financial accountability are expected to enhance the overall performance and long-term competitiveness of modern coffee shops.

3. METHODS

3.1 Research Design

This study employed a quantitative explanatory research design to examine the causal relationships among digital payment adoption, financial literacy, financial accountability, and business performance in modern coffee shops in Central Java. A cross-sectional survey was conducted by collecting primary data at a single point in time through structured questionnaires distributed to coffee shop owners and managers. The quantitative approach enabled objective measurement of the research variables and statistical testing of the proposed hypotheses, while the collected data were analyzed using IBM SPSS Statistics version 25 to determine the effects of the independent variables on the dependent variables.

3.2 Research Location

The research was conducted in Central Java, Indonesia, a province experiencing rapid growth in modern coffee shops, digital payment adoption, and contemporary business management practices. Respondents were drawn from coffee shops operating in major cities and regencies, including Semarang, Surakarta, Salatiga, Magelang, Purwokerto, Kudus, Tegal, and surrounding areas. These locations were selected because they represent active

urban commercial centers where digital payments are increasingly used within the food and beverage sector.

3.3 Population and Sample

The study population comprised owners and managers of modern coffee shops operating in Central Java. Because no comprehensive official database identifies the total population, respondents were selected through non-probability purposive sampling based on four criteria: they were responsible for financial decision-making, the coffee shop had operated for at least one year, the business had adopted at least one digital payment method, and they were willing to complete the questionnaire. Based on these requirements, 125 respondents were included in the study, a sample size considered sufficient for multiple regression analysis and for ensuring acceptable statistical reliability and validity.

3.4 Data Collection Technique

Primary data were collected through a structured questionnaire distributed directly and online via Google Forms to modern coffee shop owners and managers. Respondents were informed about the study's objectives and assured that their information would remain confidential and be used exclusively for academic purposes. The questionnaire comprised two sections covering respondent demographics and statements measuring the research variables. All items were assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), enabling respondents to indicate their level of agreement while supporting quantitative statistical analysis.

3.5 Operational Definition of Variables

This study employed four research variables consisting of two independent variables and two dependent variables.

Table 1. Operational Definition of Variables

Variable	Definition	Indicators
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Digital Payment (X ₁)	The utilization of electronic payment systems in conducting business transactions.	Ease of use, transaction speed, transaction security, transaction accuracy, accessibility, payment convenience, transaction recording.
Financial Literacy (X ₂)	The knowledge and capability of business owners to understand and manage financial resources effectively.	Financial knowledge, budgeting ability, cash flow management, financial planning, bookkeeping understanding, investment knowledge, financial decision-making.
Financial Accountability (Y ₁)	The ability of businesses to manage and report financial resources accurately, transparently, and responsibly.	Transaction recording, financial reporting, financial transparency, documentation completeness, separation of business and personal finances, internal financial control.
Business Performance (Y ₂)	The level of achievement of business objectives reflected in financial and operational outcomes.	Sales growth, profit growth, operational efficiency, customer growth, customer satisfaction, business sustainability, competitive performance.

3.6 Data Analysis

Before hypothesis testing, the questionnaire was assessed for validity using Pearson Product Moment Correlation, with items considered valid when the correlation coefficient exceeded the r-table value and the significance level was below 0.05, and for reliability using Cronbach's Alpha, with values of at least 0.70 indicating acceptable internal consistency. Classical assumption tests were then conducted to ensure compliance with Ordinary Least Squares requirements, including the Kolmogorov-Smirnov test for normality, tolerance and Variance Inflation Factor values for multicollinearity, and the Glejser test for heteroscedasticity. Data were analyzed using IBM SPSS Statistics version 25 through descriptive statistics, validity and reliability testing, Pearson correlation, multiple linear regression, the coefficient of determination, t-tests, and F-tests. Two regression models were

estimated: the first examined the effects of digital payment and financial literacy on financial accountability, while the second assessed the effects of digital payment, financial literacy, and financial accountability on business performance. Hypotheses were evaluated at a 5% significance level, with p-values below 0.05 indicating significant partial or simultaneous effects, while R² was used to determine the proportion of variance explained by each model.

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics

A total of 125 questionnaires were distributed to owners and managers of modern coffee shops in Central Java, and all questionnaires were returned and considered valid for analysis, resulting in a response rate of 100%.

Table 2. Respondent Profile

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	73	58.4
	Female	52	41.6
Age	20–29 years	41	32.8
	30–39 years	47	37.6
	40–49 years	26	20.8
	≥50 years	11	8.8
Position	Owner	86	68.8
	Manager	39	31.2
Business Age	1–3 years	38	30.4
	4–6 years	49	39.2
	>6 years	38	30.4

The respondent profile indicates that modern coffee shops in Central Java are predominantly managed by men, who account for 58.4% of the sample, although female participation is also substantial at 41.6%. Most respondents were aged 30–39 years (37.6%), followed by those aged 20–29 years (32.8%), suggesting that coffee shop management is largely dominated by individuals in productive age groups who are generally more adaptive to digital technology and contemporary business practices. In terms of position, 68.8% of respondents were business owners, while 31.2% were managers, indicating that the data were mainly obtained

from individuals directly involved in strategic and financial decision-making. Regarding business age, the largest group consisted of coffee shops operating for 4–6 years (39.2%), while businesses aged 1–3 years and more than 6 years each represented 30.4%. This distribution shows that the sample includes both relatively new and more established businesses, thereby providing a balanced perspective on digital payment adoption, financial literacy, financial accountability, and business performance across different stages of business development.

4.2 Descriptive Statistics

Table 3. Descriptive Statistics

Variable	Minimum	Maximum	Mean	Std. Deviation
Digital Payment	2.40	5.00	4.21	0.54
Financial Literacy	2.70	5.00	4.08	0.49
Financial Accountability	2.80	5.00	4.15	0.52
Business Performance	2.90	5.00	4.12	0.50

The descriptive statistics indicate that all research variables were perceived at relatively high levels, as reflected by mean scores above 4.00 on a five-point scale. Digital payment recorded the highest mean of 4.21 with a standard deviation of 0.54, suggesting that modern coffee shops widely utilize digital payment facilities, although adoption intensity varies moderately across respondents. Financial accountability followed with a mean of 4.15 and a standard deviation of 0.52, indicating generally strong

practices in financial recording, reporting, and control. Business performance achieved a mean of 4.12 with a standard deviation of 0.50, reflecting positive assessments of financial and operational outcomes, while financial literacy recorded a mean of 4.08 and the lowest standard deviation of 0.49, showing relatively consistent financial knowledge and management capabilities among respondents.

4.3 Validity Test

Table 4. Validity Test

Variable	Number of Items	Pearson Correlation	Sig.	Result
Digital Payment	7	0.621–0.842	0.000	Valid
Financial Literacy	7	0.608–0.835	0.000	Valid
Financial Accountability	6	0.639–0.859	0.000	Valid
Business Performance	7	0.612–0.851	0.000	Valid

The validity test results show that all questionnaire items were valid because their Pearson correlation coefficients exceeded the required threshold and all significance values were 0.000, which is below 0.05. Digital payment items produced correlation coefficients ranging from 0.621 to 0.842, financial literacy from 0.608 to 0.835, financial

accountability from 0.639 to 0.859, and business performance from 0.612 to 0.851. Financial accountability recorded the highest correlation coefficient, indicating particularly strong associations between its indicators and the overall construct.

4.4 Reliability Test

Table 5. Reliability Test

Variable	Cronbach's Alpha	Result
Digital Payment	0.887	Reliable
Financial Literacy	0.902	Reliable
Financial Accountability	0.894	Reliable
Business Performance	0.918	Reliable

The reliability test results indicate that all research variables achieved Cronbach's Alpha values above the minimum threshold of 0.70, confirming strong internal consistency. Digital payment recorded an alpha value of 0.887, financial literacy 0.902, financial accountability 0.894, and business performance 0.918. Business performance demonstrated the highest reliability, followed by financial literacy, financial accountability, and digital payment.

4.5 Classical Assumption Tests

The Kolmogorov–Smirnov normality test produced a test statistic of 0.072 and a significance value of 0.200, which exceeds the 0.05 threshold. Therefore, the null hypothesis of normal residual distribution cannot be rejected, indicating that the regression residuals were normally distributed. This result confirms that the normality assumption was satisfied and that the data were appropriate for subsequent multiple linear regression analysis.

Table 6. Multicollinearity Test

Variable	Tolerance	VIF
Digital Payment	0.682	1.466
Financial Literacy	0.682	1.466

The multicollinearity test results show that digital payment and financial literacy each had a tolerance value of 0.682, which exceeded the minimum threshold of 0.10, and a Variance Inflation Factor (VIF) of 1.466, which was substantially below the maximum threshold of 10. These findings

indicate that no problematic linear relationship existed between the independent variables. Therefore, the regression model was free from multicollinearity and appropriate for subsequent multiple linear regression analysis.

Table 7. Heteroscedasticity Test

Variable	Sig.
Digital Payment	0.487
Financial Literacy	0.563

The heteroscedasticity test results show significance values of 0.487 for digital payment and 0.563 for financial literacy, both exceeding the 0.05 threshold. These findings indicate that the independent variables did not significantly affect the absolute residual values and that the variance of the regression errors remained constant across observations. Therefore, the regression model was free from

heteroscedasticity and satisfied the homoscedasticity assumption required for multiple linear regression analysis.

4.6 Multiple Regression Analysis Model 1

Dependent Variable: Financial Accountability

Table 8. Regression Results

Variable	B	Beta	t	Sig.
Constant	0.812	—	2.781	0.006

Digital Payment	0.381	0.396	5.912	0.000
Financial Literacy	0.427	0.451	6.731	0.000

The regression results indicate that both digital payment and financial literacy have positive and statistically significant effects on financial accountability. Digital payment recorded an unstandardized coefficient of 0.381, a standardized beta of 0.396, a t-value of 5.912, and a significance value of 0.000, demonstrating that greater digital payment adoption is associated with stronger financial accountability. Financial literacy produced a larger coefficient of 0.427, a standardized beta of 0.451, a t-value of 6.731, and a significance value of 0.000, indicating that it has a stronger relative influence on financial accountability than digital payment. The constant value of 0.812 was also significant at 0.006. Accordingly, the estimated regression equation is Financial Accountability = 0.812 + 0.381 Digital Payment + 0.427 Financial Literacy, confirming that improvements in technological adoption and financial competence jointly strengthen financial accountability among modern coffee shops.

The model summary shows a strong relationship between the independent variables and financial accountability, as indicated by an R value of 0.781. The

coefficient of determination (R^2) was 0.610, meaning that digital payment and financial literacy jointly explained 61.0% of the variation in financial accountability, while the remaining 39.0% was attributable to other factors outside the model. The adjusted R^2 value of 0.603 confirms that the model retained substantial explanatory power after accounting for the number of predictors, while the standard error of estimate of 0.314 indicates a relatively low prediction error.

The ANOVA results produced an F-value of 95.416 with a significance value of 0.000, which was below the 0.05 threshold. This result demonstrates that digital payment and financial literacy simultaneously had a statistically significant effect on financial accountability. Therefore, the regression model was statistically feasible and appropriate for explaining financial accountability among modern coffee shops in Central Java.

4.7 Multiple Regression Analysis

Model 2

Dependent Variable: Business Performance

Table 9. Regression Results

Variable	B	Beta	t	Sig.
Constant	0.546	—	1.963	0.052
Digital Payment	0.241	0.247	3.548	0.001
Financial Literacy	0.289	0.301	4.274	0.000
Financial Accountability	0.392	0.416	5.947	0.000

The regression results indicate that digital payment, financial literacy, and financial accountability each have positive and statistically significant effects on business performance. Digital payment produced an unstandardized coefficient of 0.241, a standardized beta of 0.247, a t-value of 3.548, and a significance value of 0.001, indicating that greater adoption of digital payment systems contributes to improved business performance. Financial literacy also showed a significant positive effect, with a coefficient of

0.289, a standardized beta of 0.301, a t-value of 4.274, and a significance value of 0.000, suggesting that stronger financial knowledge enhances managerial decision-making and organizational outcomes. Financial accountability exhibited the strongest influence on business performance, as reflected by the highest standardized beta ($\beta = 0.416$), a coefficient of 0.392, a t-value of 5.947, and a significance value of 0.000. Meanwhile, the constant was not statistically significant ($p = 0.052$). Based on these findings, the

estimated regression equation is Business Performance = 0.546 + 0.241 Digital Payment + 0.289 Financial Literacy + 0.392 Financial Accountability, demonstrating that improvements in digital payment adoption, financial literacy, and particularly financial accountability collectively enhance the business performance of modern coffee shops.

The model summary indicates a strong relationship between digital payment, financial literacy, financial accountability, and business performance, as shown by an R value of 0.845. The coefficient of determination (R^2) of 0.714 indicates that the three independent variables jointly explain 71.4% of the variation in business performance, while the remaining 28.6% is explained by other factors outside the model. The adjusted R^2 value of 0.707 further confirms that the model retains substantial explanatory power after accounting for the number of predictors included in the analysis.

The ANOVA test produced an F-value of 100.824 with a significance value of 0.000, which is below the 0.05 threshold. This result demonstrates that digital payment, financial literacy, and financial accountability simultaneously have a statistically significant effect on business performance. Therefore, the regression model is statistically feasible and appropriate for explaining variations in the business performance of modern coffee shops in Central Java.

Discussion

The findings demonstrate that digital payment adoption and financial literacy significantly strengthen financial accountability and improve the business performance of modern coffee shops in Central Java. Financial accountability also exerts the strongest direct influence on business performance, indicating that accountable financial management serves as a critical mechanism through which technological adoption and managerial competence generate organizational benefits. These results suggest that digital innovation alone is insufficient to produce sustainable performance improvements unless businesses possess the financial knowledge and management discipline required to convert

transaction data into reliable financial information and effective managerial decisions [10], [27].

Digital payment adoption positively influences financial accountability because electronic payment systems, including QRIS, mobile banking, debit cards, and e-wallets, automatically generate detailed and traceable transaction records. These records reduce manual recording errors, improve transaction transparency, minimize cash-handling risks, and facilitate more systematic bookkeeping and financial reporting. The findings are consistent with the Technology Acceptance Model, which explains that technologies perceived as useful and easy to use are more likely to be adopted and improve organizational effectiveness [28]–[30]. Digital payments also directly enhance business performance by accelerating transaction processes, increasing payment security, reducing customer waiting time, and providing convenient payment alternatives. Moreover, transaction data generated by digital platforms enable managers to evaluate sales trends, identify purchasing patterns, and formulate more accurate operational and marketing strategies.

Financial literacy also has a positive and significant effect on both financial accountability and business performance. Owners with stronger financial knowledge are better able to prepare budgets, manage cash flows, calculate costs and profit margins, separate personal and business finances, interpret financial reports, and evaluate profitability. These competencies encourage systematic bookkeeping and greater financial discipline while supporting more efficient resource allocation, cost control, pricing decisions, risk anticipation, and long-term planning. This finding supports Human Capital Theory, which positions knowledge and skills as productive assets, as well as the Resource-Based View, which considers managerial competence a valuable intangible resource capable of generating sustainable competitive advantage [31], [32].

Financial accountability emerged as the most influential predictor of business performance, as indicated by its highest

standardized regression coefficient. Coffee shops that maintain complete transaction records, transparent financial reports, regular cash-flow monitoring, and appropriate financial controls are better positioned to assess profitability, identify operational inefficiencies, prevent irregularities, and make evidence-based decisions. This result is consistent with Agency Theory, which argues that accountability mechanisms reduce information asymmetry and strengthen organizational control. The findings also reveal a complementary relationship between digital payment adoption and financial literacy: digital technology supplies timely and accurate financial data, while financial literacy enables owners to interpret and use that information effectively [3], [33]. Without adequate financial literacy, digital records may remain underutilized, whereas financial knowledge without reliable transaction systems may be constrained by incomplete or inaccurate financial data.

Managerially, coffee shop owners should treat digital payment systems not only as customer service facilities but also as financial management tools integrated into bookkeeping, budgeting, reporting, and performance evaluation. Policymakers, financial institutions, and fintech providers should similarly combine digital payment expansion with financial literacy programs and develop accessible applications that convert transaction data into understandable financial reports for MSMEs. Nevertheless, the findings should be interpreted within the study's limitations, including its focus on modern coffee shops in Central Java, its cross-sectional design, and its reliance on perceptual measures of business performance. Future research should employ longitudinal designs, examine other sectors and regions, incorporate audited or objective financial indicators, and investigate additional factors such as digital financial capability, accounting information systems, entrepreneurial orientation, innovation capability, and fintech readiness.

5. CONCLUSION

This study examined the effects of digital payment adoption and financial literacy on financial accountability and business performance among 125 owners and managers of modern coffee shops in Central Java. The results show that digital payment adoption significantly improves financial accountability by producing accurate, timely, and traceable transaction records that facilitate bookkeeping, financial reporting, monitoring, and internal control, while financial literacy has an even stronger effect by enabling business actors to prepare budgets, manage cash flows, calculate costs, separate personal and business finances, and interpret financial information appropriately. Digital payment adoption, financial literacy, and financial accountability also positively influence business performance through improved transaction efficiency, customer convenience, resource allocation, cost control, profitability evaluation, and strategic decision-making, with financial accountability emerging as the strongest predictor. These findings confirm that technological adoption and financial competence must be developed simultaneously because digital systems provide reliable financial data, while financial literacy enables that information to be converted into transparent reporting and effective financial control. Accordingly, coffee shop owners should integrate digital payment records into routine accounting practices, while governments, financial institutions, and MSME development agencies should combine digital payment expansion with practical financial literacy and accounting training. Future studies should examine other regions and sectors, employ longitudinal designs, use objective financial data, and consider additional variables such as digital financial capability, accounting information systems, entrepreneurial orientation, and innovation capability.

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