



The Effect of Green Intellectual Capital and Financial Literacy on Sustainable Financial Performance of Tofu Factory SMEs in Karawang Regency

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ABSTRACT: Sustainable financial performance is one of the main objectives of SMEs, but achieving optimal sustainable financial performance needs to be supported by the ability of resources owned by SMEs, both from the level of green intellectual capital and financial literacy. Hence, this research aims to determine the effect of green intellectual capital and financial literacy on sustainable financial performance. This research uses a quantitative descriptive method. Data is collected in the form of primary data through the distribution of questionnaires. The study population consisted of all Tofu Factory SMEs in Karawang Regency, as many as 105 SMEs, using a Purposive Sampling Strategy Criteria; thus, the final sample used was 90 respondents. Data processing techniques were carried out using PLS with SmartPLS 3.0 software through three data testing stages: the outer model, the inner model, and the hypothesis. The results found a positive and significant influence of green intellectual capital on the sustainable financial performance of Tofu Factory SMEs. Sustainable financial performance is also positively and significantly influenced by the financial literacy of Tofu Factory SMEs. Suggestions for further researchers are expected to add variables of green product innovation, creativity capital, and green financing, because those who examine these variables are still very limited; thus, they can create a more accurate model based on the actual conditions in SMEs.

KEYWORDS: Green Intellectual Capital, Financial Literacy, Sustainable Financial Performance

INTRODUCTION

SMEs in Karawang Regency are growing quite rapidly. The number of SMEs in Karawang Regency from 2020 to 2022 has increased to 95.102 with 105 Tofu Factory SMEs (Dinas Koperasi dan UKM Karawang, 2022). The increasing number of SMEs is a challenge for Tofu Factory SMEs to maintain sustainable financial performance (Nurhalimah et al., 2023). Sustainable financial performance is one of the main objectives of Tofu Factory SMEs. However, to achieve optimal sustainable financial performance, it needs to be supported by the ability of resources and potential these SMEs possess from green intellectual capital and financial literacy (Rahayu et al., 2023). Currently, Tofu Factory SMEs are not only faced with global competition and challenges from the environmental aspect, which is a shared responsibility. Therefore, Tofu Factory SMEs are required to respond more actively to environmental problems and try to prevent them by implementing green concepts through human resources, including green intellectual capital aimed at Tofu Factory SMEs (Sahid & Henny, 2023). The amount of environmental pollution is due to the lack of knowledge of sustainable financial performance, including green intellectual capital and financial literacy, among SMEs in the Tofu Factory. Some Tofu Factory SMEs do not turn waste into something of value to increase business income and reduce the negative impact of the waste produced (Yulianti et al., 2023). Green intellectual capital and financial literacy have a vital role in sustainable financial performance because they can be used as a strategy in developing Tofu Factory SMEs by utilizing their various potentials to improve their sustainable financial performance (Rahayu et al., 2023).

Tofu Factory SMEs are one of the SME fields that significantly contribute waste that causes pollution to river flow and irrigation. Some Tofu Factory SMEs deliberately dispose of toxic, smelly, and colored waste into the river due to limited resources in treating tofu waste even though the tofu waste contains high enough BOD (Biological Oxygen Demand), which will ultimately reduce the quality of BO (Biological Oxygen), damaging the river ecosystem (Febriyana et al., 2023).

Production activities that tend to damage the environment will affect the sustainable financial performance of the business. This happens because Tofu Factory SMEs are only concerned with high profits without considering the social and environmental conditions around the place of business, creating a negative image from the affected community that will affect SMEs' sustainable



financial performance (Damayanti et al., 2023). Sustainable financial performance is one of the measuring tools for business success and is usually related to the size of the business scale (Aulia et al., 2023). To encourage sustainable business growth, sustainable financial performance involves a leadership approach that produces some information about performance from the financial side, including economic, social, and environmental aspects (Yanti et al., 2022). The application of sustainable financial performance can be seen from how the business actor can create a level of quality, innovations, and business solutions that are more environmentally friendly by tending to use natural resources as well as possible (Nursyabani et al., 2023).

A business that wants to advance and develop does not only need tangible assets but must be supported by intangible assets (Ang & Mon, 2022). Green intellectual capital is not material because it is an intangible asset that includes knowledge, human resource capabilities, and increased innovation that can improve sustainable financial performance while still paying attention to environmental aspects (Solihin et al., 2023). Green intellectual capital is one aspect that can encourage Tofu Factory SMEs to better comply with environmental regulations and respond to consumer demand for environmentally friendly products to improve sustainable financial performance (Sukirman & Dianawati, 2023). Intellectual capital for the environment has a major role in focusing the performance of Tofu Factory SMEs into sustainable goals through knowledge (Riyanti & Murwaningsari, 2023). Green intellectual capital is vital in combining environmental concepts and the intellectual capital of Tofu Factory SMEs to overcome the weaknesses of various environmental issues and focus more on improving sustainable financial performance through knowledge (Rundengan & Tjahjadi, 2023).

Tofu Factory SMEs must also have sufficient knowledge of effective financial management when running their business. Therefore, financial literacy is important for every SME actor (Leatemala, 2023). Many SME actors have limited knowledge of accounting because not all SME actors have an accounting education background (Puspitasari, 2023). The low level of financial literacy in Tofu Factory SMEs is one of the reasons that can hinder business development and sustainability (Hartina et al., 2023). Financial literacy is one aspect that can affect sustainable financial performance because it contains a process of increasing knowledge, abilities, and beliefs in managing business finances (Saputro et al., 2022). Tofu Factory SMEs with a high level of financially literate can manage business finances, reduce various financial problems, and benefit from making the right financial decisions for the future (Akhmad et al., 2021).

The results of previous research on the effect of green intellectual capital on sustainable financial performance was carried out by (Rahayu et al., 2023) and concluded that intellectual capital for the environment produces a positive and significant impact on sustainable financial performance, which means that the high and low levels of intellectual capital for the environment become directly proportional to sustainable financial performance. According to (Damayanti et al., 2023) green intellectual capital significantly affects sustainable financial performance. Furthermore, research conducted by (Sukirman & Dianawati, 2023) found that green intellectual capital significantly impacts sustainable finance performance supported through family ownership. Meanwhile, research according to (Ang & Mon, 2022) discovered that intellectual capital for the environment has no impact on sustainable financial performance, and (Zalfa & Novita, 2021) also found that of the three indicators of green intellectual capital, only green relational capital has a strong and unidirectional effect on sustainable finance performance. Furthermore, research on the impact of financially literate on sustainable financial performance in testing (Leatemala, 2023) found that financial literacy strongly influences sustainable and finance performance. According to (Hartina et al., 2023), (Saputro et al., 2022), and (Hilmawati & Kusumaningtiyas, 2021) literate in finance has a relevant and substantial impact on sustainable financial performance. Meanwhile, research according to (Hasta et al., 2024) found that financially literate has no substantial impact on sustainable finance performance.

There are already quite a lot of research themes that test the impact of green intellectual capital on sustainable financial performance. However, the research results analyzing this theme are still very limited, and there are differences in results. Hence, it needs to be studied more deeply by adding one variable, financial literacy, which is a novelty in this study. By considering several facts and literature gaps from several previous researchers in researching the influence of green intellectual capital and financial literacy, the following research questions were formulated:

RQ1: How does green intellectual capital affect the sustainable financial performance of Tofu Factory SMEs in Karawang Regency?

RQ2: How does financial literacy affect the sustainable financial performance of Tofu Factory SMEs in Karawang Regency?



LITERATURE REVIEW

Resource-Based View Theory

Resource-Based View Theory (RBV) was used to support this research. RBV theory reveals that every business can achieve competitive and sustainable performance advantages if it produces valuable resource capabilities (Barney, 1991). This RBV theory views a business as a collection of resources, both tangible and intangible assets, that can increase its competitive advantage (Ozdemir et al., 2023). RBV theory is the foundation of competitive advantage and the potential for a business to improve financial performance above average (Nursyabani et al., 2023). To achieve sustainable financial performance, a business has control over all resources, including assets, skills, and knowledge (Rahayu et al., 2023). RBV theory has a positive impact on increasing sustainability of financial performance (Nursyabani et al., 2023).

Based on the above statement, RBV theory can be the basis that explains sustainable financial performance is influenced by a business's internal resources and capabilities (Pahlevi & Anwar, 2022). The correlation between RBV theory and green intellectual capital is that the application of RBV theory in the application of intellectual capital for the environment can produce new competitive advantages that rely on intangible assets owned by a business that is being run by managing human resources, business structures and business relationships with the creation of environmentally friendly products so that it can produce added value for businesses that will increase sustainable financial performance in the business (Rahayu et al., 2023). Meanwhile, the relationship between RBV theory and financial literacy is that the application of RBV theory can explain that financial literacy can be an internal resource of a business that has value and potential to improve the sustainable financial performance of the business (Hilmawati & Kusumaningtias, 2021). The correlation between RBV theory and sustainable financial performance is that the application of RBV theory can explain that good financial performance is supported by the quality of the resources of these SMEs, the ability and competitive advantage to maintain financial performance over time because in a sustainable business can be assessed from its performance (Nursyabani et al., 2023).

Sustainable Financial Performance

Sustainable financial performance is a description that contains information about financial performance that can encourage the creation of sustainable business development (Nursyabani et al., 2023). Sustainable financial performance provides an overview of how well the business utilizes assets and resources as well as possible to generate income (Chatterjee et al., 2023). Sustainable financial performance is one of the subjective measurement tools regarding business success and is usually related to the size of the business scale (Zalfa & Novita, 2021). Sustainable financial performance contains some literature on green capital, but most sustainable financial performance only focuses on a business's economic, social, and environmental performance (Rahayu et al., 2023). Economic performance is everything related to the financial performance of a business, such as saving energy consumption and waste management; social performance is everything related to social improvements, such as employee welfare, customer and supplier satisfaction, and the safety and health of the surrounding community and environmental performance is everything related to reducing negative impacts on the environment (Ang & Mon, 2022).

Green Intellectual Capital

Green intellectual capital is an intangible asset that includes knowledge, resource capabilities, and innovations concerning environmental aspects. It is used to increase competitiveness and sustainability of financial performance (Damayanti et al., 2023). Intellectual capital for the environment is recognized as a new instrument to generate ecologically sustainable business ideas that enable businesses to meet environmental regulations, meet customer environmental awareness, and provide value to the business (Sukirman & Dianawati, 2023). Green intellectual capital is proxied into 3 indicators: green human capital, green structural capital, and green relational capital (Rahayu et al., 2023). Green human capital is a part that discusses human resources, such as the expertise, knowledge, abilities, and experience of employees who can ensure business sustainability while still protecting the environment (Zalfa & Novita, 2021). Green structural capital is an asset that can support environmental protection, such as business culture, business commitment, and reward systems (Ang & Mon, 2022). Green relational capital is an intellectual in the form of interactive relationships with consumers, suppliers, and other relationships that can improve sustainable financial performance (Rahayu et al., 2023).

Financial Literacy

Financial literacy is integrity regarding knowledge, ability, and confidence in managing finances in business actors regarding basic financial management, credit management, savings management, and investment (Hartina et al., 2023). Internal factors strongly influence financial literacy through habits and attitudes, while external factors can come from the business environment (Hamzah et al., 2023). Financially literate has an important role in improving the sustainability of financial performance because SME financial literacy can increase the strength of the financial side of the business by carrying out financial management that can sustainably improve business performance (Hamzah et al., 2023). SME actors with adequate financial literacy tend to prioritize business sustainability in the long term. Thus, they can make financial decisions for a better future, manage finances, and minimize various financial problems (Leatemia, 2023).

RESEARCH MODEL AND HYPOTHESIS

Research Model

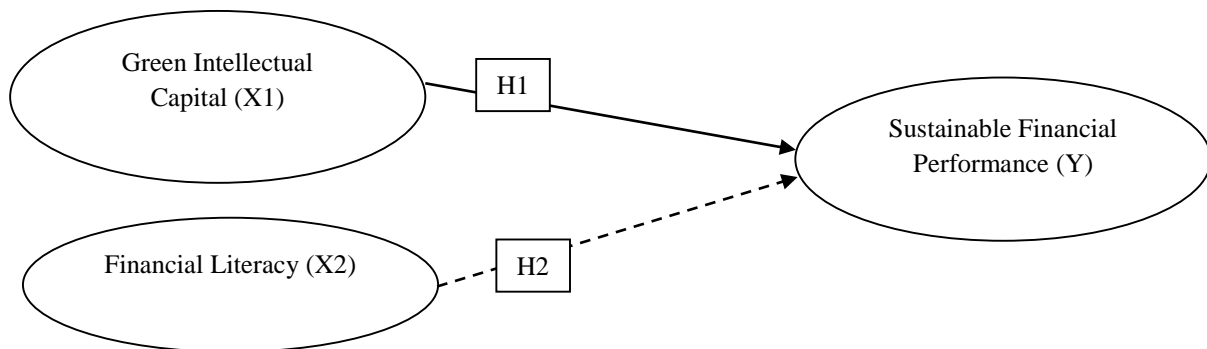


Figure 1. Research Model

Research Hypothesis

The Effect of Green Intellectual Capital on Sustainable Financial Performance

Green intellectual capital is an intangible asset that includes knowledge, resource capabilities, and innovations, which are used to create an idea to achieve the sustainability of a business while still paying attention to environmental aspects (Sukirman & Dianawati, 2023). Intellectual capital for the environment has a major role in focusing the performance of SMEs on sustainable goals through knowledge (Riyanti & Murwaningsari, 2023). Intellectual capital for the environment directly and significantly influences the company's sustainable financially performance (Damayanti et al., 2023). Furthermore, (Sukirman & Dianawati, 2023) found that intellectual capital for the environment significantly impacts sustainable finance performance. Similar research was carried out by (Rahayu et al., 2023), (Widyastuti et al., 2021), and (Zalfa & Novita, 2021) regarding green intellectual capital, as proxied by green human capital, green structural capital, and green relational capital, the research found that intellectual capital for the environment has a significant impact on the sustainability financial performance of SMEs. Based on the description above, the following hypotheses are formed in this research:

H1: Green Intellectual Capital Affects Sustainable Financial Performance

The Effect of Financial Literacy on Sustainable Financial Performance

Financial literacy is one of the factors that can influence sustainable financial performance because it contains a process that optimizes knowledge, abilities, and beliefs in managing finances in business actors (Saputro et al., 2022). Financial literacy can optimize sustainable financial performance because the financial literacy of SMEs can increase the strength of the financial side of the business by utilizing good financial management to improve sustainable financial performance (Hamzah et al., 2023). Internal and external factors of the business are considered to affect the financially literate level of SMEs through the attitudes and habits of individuals and their business environment (Hamzah et al., 2023). Financial literacy significantly impacts SMEs' sustainable financial performance (Hartina et al., 2023). Furthermore, testing conducted by (Leatemia, 2023) found that financially literate has a significant parallel impact on sustainable financial performance. Similar research conducted by (Saputro et al., 2022), (Hilmawati



& Kusumaningtias, 2021), and (Akhmad et al., 2021) regarding financial literacy founded that financially literate has a significant impact on sustainable financial performance. Based on the description above, the following hypothesis is formed in this research: H2: Financial Literacy Affects Sustainable Financial Performance

RESEARCH METHODS

This research uses a quantitative descriptive method. Data is collected in the form of primary data. The population of this study consisted of all Tofu Factory SMEs in Karawang Regency, as many as 105 SMEs, with a Purposive Sampling Technique Criteria so that the final sample used was 90 respondents. The data collection technique was through the distribution of questionnaires directly to the respondents, which were measured on a 1-5 Likert scale. The data analysis technique uses the PLS (Partial Least Square) method with SmartPLS version 3.0 software with three stages of data testing: outer model testing, inner model testing, and hypothesis testing.

RESULTS AND DISCUSSION

Results

Green Intellectual Capital (X1)

Table 1. Variable Description Statistics of Green Intellectual Capital

	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
X1_1	4.111	4.000	2.000	5.000	0.767	-0.284	-0.495	90.000
X1_10	2.933	3.000	1.000	5.000	0.929	-0.510	0.219	90.000
X1_2	3.556	4.000	2.000	5.000	0.944	-0.867	-0.123	90.000
X1_3	3.833	4.000	2.000	5.000	0.847	-0.084	-0.565	90.000
X1_4	3.600	4.000	2.000	5.000	0.786	-0.274	-0.268	90.000
X1_5	2.933	3.000	1.000	4.000	0.800	-0.844	-0.142	90.000
X1_6	3.956	4.000	2.000	5.000	0.773	-0.972	-0.069	90.000
X1_7	3.267	3.000	2.000	5.000	0.892	-0.810	0.112	90.000
X1_8	3.167	3.000	1.000	5.000	0.957	-0.628	0.043	90.000
X1_9	3.056	3.000	1.000	5.000	0.886	-0.632	-0.013	90.000

Source: SmartPLS 3.0 Output by Researchers (2024)

The output findings in Table 1 concluded that the mean value for the green intellectual capital variable is 3.441; thus, the average respondent's response when assessing the green intellectual capital variable is quite high, as evidenced by the highest mean value on questionnaire item X1_1 of 4.111. This is because respondents have sufficient ability to care about the environment.



Financial Literacy (X2)

Table 2. Variable Description Statistics of Financial Literacy

	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
X2_1	4.111	4.000	2.000	5.000	0.781	-0.881	-0.342	90.000
X2_2	3.589	4.000	1.000	5.000	0.942	-0.071	-0.302	90.000
X2_3	3.944	4.000	1.000	5.000	0.848	0.133	-0.448	90.000
X2_4	3.589	4.000	2.000	5.000	0.905	-0.721	-0.179	90.000
X2_5	3.167	3.000	1.000	5.000	0.885	-0.749	-0.043	90.000
X2_6	3.689	4.000	2.000	5.000	0.890	-0.756	-0.108	90.000
X2_7	3.267	3.000	1.000	5.000	0.975	-0.543	0.022	90.000
X2_8	3.511	4.000	1.000	5.000	1.003	-0.776	-0.166	90.000

Source: SmartPLS 3.0 Output by Researchers (2024)

The output findings in Table 2 concluded that the mean value for the financial literacy variable is 3.608; thus, the average respondent's response when assessing the financial literacy variable is relatively high, as evidenced by the highest mean value on questionnaire item X2_1 of 4.111. This is because respondents have sufficient knowledge about the benefits of managing their business finances.

Sustainable Financial Performance (Y)

Table 3. Variable Description Statistics of Sustainable Financial Performance

	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
Y_1	4.078	4.000	2.000	5.000	0.910	-0.378	-0.697	90.000
Y_2	3.767	4.000	2.000	5.000	0.844	-0.862	0.019	90.000
Y_3	3.644	4.000	2.000	5.000	0.923	-0.840	-0.090	90.000
Y_4	3.544	4.000	2.000	5.000	0.871	-0.642	-0.087	90.000
Y_5	3.478	4.000	1.000	5.000	0.922	-0.450	-0.237	90.000
Y_6	3.589	4.000	2.000	5.000	0.930	-0.799	-0.180	90.000
Y_7	3.456	4.000	1.000	5.000	1.024	-0.896	-0.131	90.000
Y_8	3.244	3.000	1.000	5.000	1.014	-0.470	-0.187	90.000

Source: SmartPLS 3.0 Output by Researchers (2024)

The output findings in Table 3 concluded that the mean value for the sustainable financial performance variable is 3.600; thus, the average respondent's response when assessing the sustainable financial performance variable is quite high, as evidenced by the highest mean value on the questionnaire item Y_1 of 4.078. This is because respondents experience an increase in income if they utilize residual products or liquid and solid waste from the tofu-making process, such as being sold to cattle farms to be used as animal feed and made into oncom.

Outer Model Testing (Reflective Measurement Model Evaluation)

Convergent Validity Testing

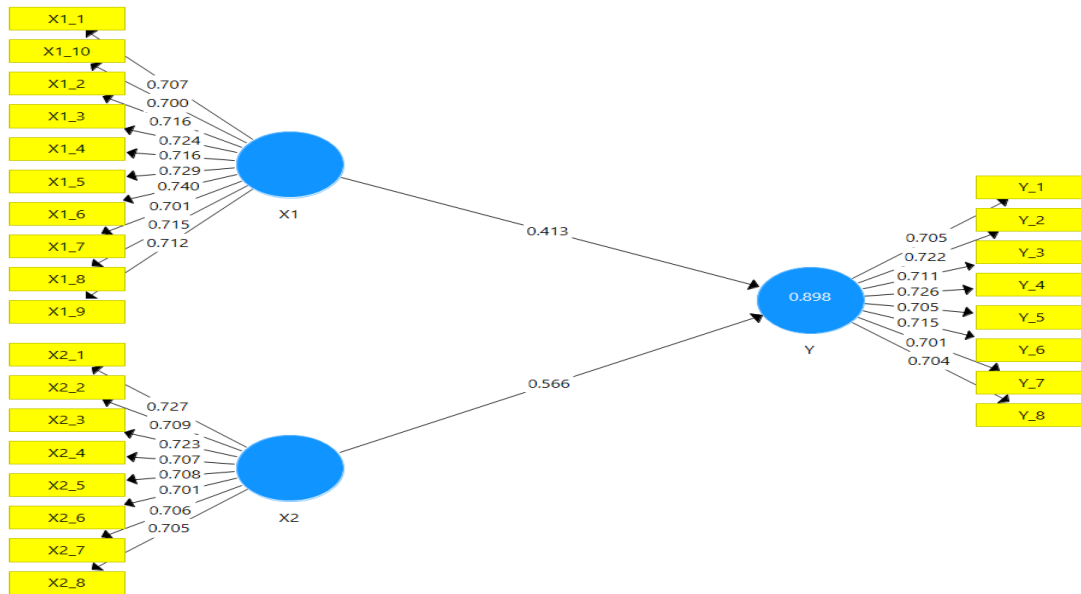


Figure 2. SmartPLS 3.0 Research Model Output

Tutput's findings in Figure 2 concluded that all indicators of each variable at the green intellectual capital, financial literacy, and sustainable financial performance produce a loading factor value > 0.70, meaning that all indicators of each variable studied have complied with the criteria of the convergent validity test; thus, this test is worth continuing for the next stage.

Discriminant Validity Testing through Cross Loadings

Table 4. Cross Loadings

	Green Intellectual Capital	Financial Literacy	Sustainable Financial Performance
X1_1	0.707	0.668	0.643
X1_10	0.700	0.608	0.618
X1_2	0.716	0.689	0.704
X1_3	0.724	0.631	0.695
X1_4	0.716	0.612	0.654
X1_5	0.729	0.607	0.633
X1_6	0.740	0.679	0.696
X1_7	0.701	0.572	0.611
X1_8	0.715	0.589	0.619
X1_9	0.712	0.567	0.599
X2_1	0.645	0.727	0.694
X2_2	0.634	0.709	0.658
X2_3	0.623	0.723	0.692
X2_4	0.634	0.707	0.629
X2_5	0.597	0.708	0.665
X2_6	0.600	0.701	0.610
X2_7	0.630	0.706	0.619
X2_8	0.593	0.705	0.687
Y_1	0.648	0.657	0.705



Y_2	0.614	0.637	0.722
Y_3	0.684	0.664	0.711
Y_4	0.702	0.696	0.726
Y_5	0.633	0.629	0.705
Y_6	0.632	0.682	0.715
Y_7	0.610	0.618	0.701
Y_8	0.625	0.679	0.704

Source: SmartPLS 3.0 Output by Researchers (2024)

The output findings in Table 4 can produce a value of Cross Loadings, with the correlation of all constructs is higher than other constructs, meaning that all variables studied in this test produce a high enough discriminant validity value; thus, this test is worth continuing for the next stage.

Testing through Average Variance Extracted (AVE)

Table 5. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Green Intellectual Capital	0.513
Financial Literacy	0.505
Sustainable Financial Performance	0.506

Source: SmartPLS 3.0 Output by Researchers (2024)

The output findings in Table 5 concluded that all variables produce an AVE value > 0.50, meaning that all latent variables used in this research can be reliable indicators.

Testing through Composite Reliability and Cronbach’s Alpha

Table 6. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability
Green Intellectual Capital	0.895	0.895	0.913
Financial Literacy	0.860	0.861	0.891
Sustainable Financial Performance	0.860	0.861	0.891

Source: SmartPLS 3.0 Output by Researchers (2024)

Output findings in Table 6 concluded that all variables produce composite and Cronbach's alpha values > 0.70, meaning that all variable components used in this research are reliable and trustworthy.

Inner Model Testing (Structural Model Evaluation)

R Square Testing

Table 7. R Square

	R Square	R Square Adjusted
Sustainable Financial Performance	0.898	0.896

Source: SmartPLS 3.0 Output by Researchers (2024)

The output findings in Table 7 can produce a contribution value R Square sustainable financial performance variable of 0.898, meaning that the sustainable financial performance variable can be explained by the green intellectual capital and financial literacy variables with a total contribution of 89.8%. The remaining 10.2% can be explained by other variables not included in this research.



Hypothesis Testing (Bootstrapping)

Table 8. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Y	0.413	0.408	0.077	5.369	0.000
X2 -> Y	0.566	0.573	0.076	7.458	0.000

Source: SmartPLS 3.0 Output by Researchers (2024)

The output findings in Table 8 concluded that the green intellectual capital variable shows P Values < 0.05, namely 0.000, and T Statistic > 1.96, namely 5.369; thus, green intellectual capital significantly affects sustainable financial performance. Then, the financial literacy variable shows P Values < 0.05, namely 0.000, and T Statistic > 1.96, namely 7.458; thus, financial literacy significantly affects sustainable financial performance.

DISCUSSION

The Effect of Green Intellectual Capital on Sustainable Financial Performance

The results of hypothesis testing concludes that green intellectual capital produces a positive and significant effect on sustainable financial performance at the significance value of 0.000 with the average questionnaire answer in line with green intellectual capital variable and sustainable financial performance; thus, H1 is accepted, meaning that the level of intellectual capital for the environment of Tofu Factory SMEs influences the rise and fall of sustainable financial performance. Intellectual capital for the environment is an intangible asset, including knowledge, resource capabilities, and innovations that can increase competitiveness while optimizing sustainable financial performance while still paying attention to environmental aspects; thus, if the Tofu Factory SMEs utilize tofu production waste, it will increase sustainable financial performance (Sukirman & Dianawati, 2023). With green intellectual capital, Tofu Factory SMEs can manage solid and liquid waste from tofu production to make oncom, tempeh gembus, tofu chips, and tofu pulp flour, which can be sold for cattle feed. As for liquid waste, besides being used for making nata de soya, it can be used as an alternative fuel, such as biogas, for cooking and lighting (Lasmini & Kurniawan, 2022). The better the Tofu Factory SMEs manage green intellectual capital regarding waste management, the income generated will also increase while reducing the negative impact on the environment so that it will create a positive image in the community, which will affect sustainable financial performance (Damayanti et al., 2023). Therefore, this research supports the RBV theory because the resource capability of Tofu Factory SMEs from the level of green intellectual capital is considered capable of influencing sustainable financial performance (Rahayu et al., 2023). The results of this research are supported by tests was carried out by (Zalfa & Novita, 2021), (Damayanti et al., 2023), (Sukirman & Dianawati, 2023), (Rahayu et al., 2023), and (Widyastuti et al., 2021) research shows that intellectual capital for the environment produces a significant impact on sustainable financial performance and proves that green intellectual capital contributes significantly to support the improvement of sustainable financial performance of Tofu Factory SMEs.

The Effect of Financial Literacy on Sustainable Financial Performance

The results of hypothesis testing concludes that financial literacy produces a positive and significant effect on sustainable financial performance at the significance value of 0.000, with the average questionnaire answer in line with financial literacy variable and sustainable financial performance. Therefore, H2 is accepted, meaning that the Tofu Factory SMEs' financial literacy level influences the rise and fall of sustainable financial performance. Financially literate is an understanding of the knowledge, skills, and confidence to manage the finances of Tofu Factory SMEs and the basics of finance, credit management, savings, and investment. Therefore, Tofu Factory SMEs with high financial literacy tend to optimize the results of achieving better sustainable financial performance because Tofu Factory SMEs can manage finances regularly and adequately, including the ability to solve financial problems. After all, they already know the benefits of savings and investment for sustainable financial performance (Leatemia, 2023). Increased financial literacy encourages Tofu Factory SMEs to have a much better attitude and ability in the decision-making process for business sustainability because, with sufficient financial literacy, Tofu Factory SMEs have mature financial considerations for the future (Hartina et al., 2023). Therefore, this research supports the RBV theory because the resource capability of Tofu Factory SMEs from the level of financial literacy is considered capable of influencing sustainable financial performance



(Hilmawati & Kusumaningtias, 2021). The results of this research are supported by tests was carried out by (Hartina et al., 2023), (Leatemala, 2023), (Saputro et al., 2022), (Akhmad et al., 2021), and (Hilmawati & Kusumaningtias, 2021) found that financially literate produces an important effect on sustainable financial performance and proves that financial literacy makes a considerable contribution to support the improvement of sustainable financial performance of Tofu Factory SMEs.

CONCLUSIONS AND SUGGESTIONS

CONCLUSION

This study concludes that green intellectual capital has a positive and significant effect on sustainable financial performance, meaning that the level of green intellectual capital of Tofu Factory SMEs influences the rise and fall of sustainable financial performance. An increase in good intellectual capital for the environment in the form of knowledge, abilities, and skills of Tofu Factory SMEs and employees regarding environmentally friendly products will encourage an increase in sustainable financial performance in the Tofu Factory SME because, in its business activities, it tends to manage its waste back into something of value and useful for business continuity. Furthermore, financial literacy has a positive and significant effect on sustainable financial performance, meaning that the level of financial literacy of Tofu Factory SMEs influences the rise and fall of sustainable financial performance. An increase in good financially literate in the form of basic knowledge about finance, financial management, credit, savings, and business investment will encourage Tofu Factory SMEs to have wise attitudes and abilities in making the right decisions for business sustainability because, with sufficient financial literacy, Tofu Factory SMEs can have good financial considerations for the long term.

SUGGESTION

This research is still very limited; thus, further research is expected to add green product innovation variables, creativity capital, and green financing because there is still very limited research related to these variables in testing the influence between green intellectual capital and financial literacy on sustainable financial performance; thus, it will allow the creation of a model that is more accurate and relevant to the actual conditions that exist in SMEs.

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