

Determining MSME Financing Access: The Role of Human Resources Capacity, Business Networks, and Financial Competence

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ABSTRACT

This study aims to examine the determinants of access to financing among Micro, Small, and Medium Enterprises (MSMEs) in West Sumatra, with a particular focus on the roles of human resource capacity, business networking, and financial competence of MSMEs. Drawing on the Resource-Based View (RBV), this study positions human resource capacity and business networking as strategic resources, while financial competence is conceptualized as a strategic capability that enhances access to financial resources. This study employs a quantitative approach using a causal research design, with data collected from 120 culinary MSME actors in West Sumatra and analyzed using Partial Least Square Structural Equation Modeling (PLS-SEM). The results indicate that human resource capacity and business networking significantly influence financial competence and ease of access to financing. Furthermore, financial competence partially mediates the relationships between human resource capacity, business networking, and financing access. These findings highlight that improving human resource quality, strengthening business networking, and enhancing financial competence are important factors in increasing MSMEs' access to financing.

ABSTRAK

Penelitian ini bertujuan untuk mengkaji faktor-faktor penentu akses pembiayaan di kalangan Usaha Mikro, Kecil, dan Menengah (UMKM) di Sumatera Barat, dengan fokus khusus pada peran kapasitas sumber daya manusia, jaringan bisnis, dan kompetensi keuangan UMKM. Dengan mengacu pada Resource-Based View (RBV), penelitian ini menempatkan kapasitas sumber daya manusia dan jaringan bisnis sebagai sumber daya strategis, sedangkan kompetensi keuangan

dikonseptualisasikan sebagai kemampuan strategis yang meningkatkan akses terhadap sumber daya keuangan. Penelitian ini menggunakan pendekatan kuantitatif dengan desain penelitian kausal, dengan data yang dikumpulkan dari 120 pelaku UMKM kuliner di Sumatera Barat dan dianalisis menggunakan Partial Least Square Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa kapasitas sumber daya manusia dan jaringan bisnis secara signifikan memengaruhi kompetensi keuangan dan kemudahan akses pembiayaan. Lebih lanjut, kompetensi keuangan secara parsial memediasi hubungan antara kapasitas sumber daya manusia, jaringan bisnis, dan akses pembiayaan. Temuan ini menyoroti bahwa peningkatan kualitas sumber daya manusia, penguatan jaringan bisnis, dan peningkatan kompetensi keuangan merupakan faktor penting dalam meningkatkan akses UMKM terhadap pembiayaan.



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INTRODUCTION

Economic development in West Sumatra has continued to show positive progress, supported largely by the contribution of the Micro, Small, and Medium Enterprises (MSMEs) sector as one of the main drivers of regional economic activity. MSMEs contribute significantly to regional economic growth and dominate several sectors such as food, apparel, and textiles. Until the end of 2023, MSMEs in West Sumatra reached 87,884 units spread across 19 districts and cities, reflecting their strategic role in maintaining regional economic stability and community income distribution (Satriadi, 2023). However, despite the substantial number and contribution of MSMEs, many business actors still experience difficulties in accessing formal financing. This issue indicates that the challenge faced by MSMEs is not only related to business growth, but also to the limited ability of business actors to obtain sustainable financial support, making access to financing a crucial issue that requires further investigation.

The distribution of MSMEs in West Sumatra is uneven and tends to be concentrated in areas with better infrastructure and market accessibility. Agam Regency, Limapuluh Kota Regency, and Padang City represent regions with the highest concentration of MSMEs, accounting for more than one-third of the total MSMEs in the province (Sherlock et al., 2022). This unequal distribution reflects regional disparities in economic development, where MSMEs located in areas with stronger business ecosystems and better accessibility tend to experience greater business growth opportunities (Afrida & Sari, 2025; Mubarak, Sari, Wibowo, 2025; Padang et al., 2025). In contrast, MSMEs operating in less developed areas often face more limited access to information, financial institutions, and business support services. These regional differences ultimately influence the ability of MSME actors to obtain financing, as accessibility to formal financial services is closely

related to the availability of infrastructure, business networks, and local economic support systems. Therefore, the issue of access to financing among MSMEs cannot be separated from the geographical and regional characteristics that shape the business environment in West Sumatra. Although the number of MSMEs in West Sumatra continues to increase, this growth is not always accompanied by stronger business sustainability and financial capacity. Liza et al., (2023) identified limited capital as one of the main challenges faced by MSME actors, which restricts their ability to innovate, expand businesses, and improve competitiveness. This condition is particularly important because the local government has introduced various financing programs and support schemes aimed at assisting MSMEs. However, the utilization of formal financing facilities remains relatively low, indicating a clear gap between the availability of financing and its actual use by business actors. This gap suggests that the financing problem faced by MSMEs is not merely related to the existence of funding sources, but also to the limited readiness of business actors in fulfilling administrative, managerial, and financial requirements established by financial institutions.

Empirical findings from the West Sumatra Cooperatives and MSMEs Office in 2025 further reinforce the issue of limited financing access among MSMEs. A survey involving 300 MSMEs revealed that the major obstacles in accessing banking financing include the absence of proper financial statements, administrative unpreparedness, and the reluctance of business actors to engage in debt-based financing. In addition, a pre-survey of 30 MSME actors showed that many respondents still perceive access to financial services as difficult due to complicated requirements and high administrative costs. These conditions indicate that the barriers to financing are not only structural, but are also closely related to limited financial competence, inadequate human resource capacity, and weak business networks with financial institutions. Although previous studies have examined financial literacy, social capital, and human resource capacity separately, limited studies have integrated these variables within the socio-cultural context of Minangkabau society, which is characterized by strong kinship relations and community-based business interactions.

Various previous studies have emphasized that internal factors such as financial literacy, human resource capacity, and social networks have an important role in determining the ease of access to MSME financing. Talip & Wasiuzzaman (2023; Dudley (2021); Anita et al., (2022)) shows that good financial literacy allows business actors to prepare credible financial reports, thereby increasing the trust of financial institutions. These findings are also reinforced by (Meliza & Prijadi, 2024) which states that the higher the financial literacy, the greater the chance for MSMEs to obtain formal financing. In addition, the capacity of human resources which includes innovation capabilities and business strategies also has a positive effect on access to financing (Talip & Wasiuzzaman (2023) Shao & Sun (2021); Tambunan et al., (2022)). Meanwhile, social networks are a supporting factor that allows business actors to build relationships with various parties, including financial institutions (Sherlock et al., 2022). Taking into account the distinctive socio-cultural context of Minangkabau, this study seeks to develop a Talip and Wasiuzzaman (2023) in a regional context to provide a more comprehensive understanding of the mechanism of access to MSME financing.

Despite the growing discussion on MSME financing access, limited studies have comprehensively examined the integrated role of human resource capacity, business networks, and financial competence within the socio-cultural context of West Sumatra. Therefore, this study aims to analyze the determinants of MSME financing access by focusing on the roles of human resource capacity, business networks, and financial competence. This study also examines the mediating role of financial competence in the relationship between human resource capacity, business networks, and access to financing in order to provide a more comprehensive understanding of the factors influencing MSME financing access.

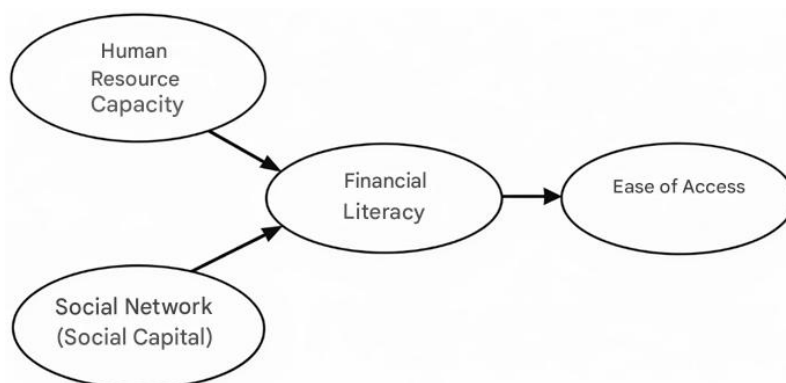


Figure 1. Conceptual Framework

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.

RESEARCH METHODS

Research Design

This study employs a quantitative approach using a causal research design to examine the causal relationships among human resource capacity, social networking, financial literacy, and ease of access to financing for culinary MSMEs in West Sumatra. A quantitative approach was selected because this study aims to test hypotheses empirically and measure the strength of relationships between variables through statistical analysis. According to (J. F. Hair et al., 2021), quantitative research enables researchers to analyze relationships among constructs systematically using structured analytical models. In this study, human resource capacity and social networking are positioned as exogenous variables, ease of access to financing as the endogenous variable, and financial literacy as the mediating variable. The mediating role of financial literacy is examined to understand whether the influence of human resource capacity and social networking on financing access occurs directly or indirectly through the improvement of financial knowledge

and financial management capabilities among MSME actors. Therefore, this research design is intended to provide a more comprehensive explanation of the structural relationships among variables affecting MSME financing access in West Sumatra.

Data Source

The data used in this study is primary data obtained directly from respondents through the distribution of questionnaires. Primary data was chosen because it was able to provide information that was in accordance with research needs and reflected actual conditions in the field. According to (Sarstedt et al., 2020), primary data is data that is collected and processed directly by researchers for specific research purposes.

Population and Sample

The population in this study consists of culinary MSME actors spread across 19 districts and cities in West Sumatra. Based on data from the West Sumatra Cooperatives and MSMEs Office, the number of MSMEs in the province reached 87,884 units by the end of 2023. However, this study specifically focuses on culinary MSMEs that meet certain research criteria. The sample size was determined based on the complexity of the structural model used in Partial Least Square Structural Equation Modeling (PLS-SEM). Referring to (Hair et al., 2014), the recommended sample size in PLS-SEM ranges from 5 to 10 times the number of indicators or structural paths in the model. Considering the number of indicators and the mediation model employed in this study, a sample of 120 respondents was considered adequate to ensure statistical reliability and model estimation accuracy. The sampling technique used was purposive sampling, with criteria including culinary MSME actors who had operated for at least one year, were located in West Sumatra, and were registered as ULaMM customers at PNM Padang Branch. The use of purposive sampling was intended to ensure that respondents had relevant experience related to MSME financing access (J. F. Hair et al., 2017). However, focusing only on ULaMM customers may limit the generalizability of the findings, as respondents may already have better exposure to financing services compared to other MSME actors outside the ULaMM program.

Data Analysis Techniques

The data analysis in this study was conducted using Partial Least Square Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS version 4.0 software. The use of PLS-SEM was considered appropriate because this study aims to examine complex structural relationships involving multiple latent variables and mediating effects simultaneously. In addition, PLS-SEM is suitable for predictive and exploratory research models, particularly when the study focuses on explaining variance and identifying the relationships among constructs rather than confirming an established theory (Hair et al., 2022). This method is also relevant to the characteristics of the research data because it can accommodate relatively small sample sizes, does not require strict multivariate normality assumptions, and is capable of handling complex models with reflective indicators.

The analysis process began with descriptive analysis to explain the characteristics of respondents and research variables. Furthermore, the PLS-SEM analysis was conducted through two main stages, namely evaluation of the measurement model (outer model) and evaluation of the structural model (inner model). The outer model evaluation aimed to assess construct validity

and reliability through outer loading, Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha values. Meanwhile, the inner model evaluation was performed to examine the strength and significance of relationships among variables through R-square, Q-square, and path coefficient values. Hypothesis testing was conducted using the bootstrapping procedure by examining t-statistics and p-values. In addition, mediation analysis was carried out to evaluate the role of financial literacy as an intervening variable in the relationship between human resource capacity, social networking, and ease of access to financing. Through this approach, the study is expected to provide a comprehensive and statistically reliable explanation of the factors influencing MSME financing access in West Sumatra.

Research Hypotheses

The hypotheses in this study were developed based on the Resource-Based View (RBV) theory, which emphasizes that internal resources and organizational capabilities influence business performance and strategic outcomes, including access to financing. Previous studies have shown that human resource capacity, social networking, and financial literacy are important factors that support MSMEs in obtaining formal financing access. Therefore, this study proposes the following hypotheses:

H1: Human resource capacity has a positive effect on ease of access to financing for culinary MSMEs in West Sumatra. This hypothesis is supported by previous studies showing that business actors with better managerial skills and knowledge tend to have greater ability to fulfill financing requirements and gain trust from financial institutions (Anita et al., 2022; Perdana et al., 2023).

H2: Social networking has a positive effect on ease of access to financing for culinary MSMEs in West Sumatra. Strong business networks enable MSME actors to obtain information, recommendations, and broader connections with financial institutions, thereby increasing financing opportunities (Dudley, 2021; Sherlock et al., 2022).

H3: Financial literacy has a positive effect on ease of access to financing for culinary MSMEs in West Sumatra. MSME actors with higher financial literacy are more capable of preparing financial reports and understanding financing procedures, which improves their access to formal financing (Talip & Wasiuzzaman, 2023; Meliza & Prijadi, 2024).

H4: Human resource capacity has a positive effect on financial literacy among culinary MSMEs in West Sumatra. Business actors with stronger human resource capacity tend to possess better knowledge and skills in financial management and decision-making (Khairunnisa & Nofrianto, 2023).

H5: Social networking has a positive effect on financial literacy among culinary MSMEs in West Sumatra. Interaction within social and business networks facilitates the exchange of financial knowledge and experience, which contributes to improving financial literacy (Suri & Berliana, 2023; Pandak & Nugroho, 2023).

H6: Financial literacy mediates the relationship between human resource capacity and ease of access to financing for culinary MSMEs in West Sumatra. Human resource capacity is expected to improve financing access indirectly through increased financial literacy, which strengthens the ability of MSME actors to meet financing requirements (Talip & Wasiuzzaman, 2023).

H7: Financial literacy mediates the relationship between social networking and ease of access to financing for culinary MSMEs in West Sumatra. Social networking is expected to enhance financing access indirectly by improving financial literacy through information sharing and business interaction processes (Nasution, 2021; Talip & Wasiuzzaman, 2023).

RESULTS AND DISCUSSION

Outer Model Analysis

This section presents the results of an empirical analysis of the determinants of MSME financing access, emphasizing the role of human resource capacity, business networks, and financial competence as the main factors influencing access to financing sources. Testing the outer model, it is important to understand that the evaluation of the measurement model (outer model) in the Partial Least Square (PLS) approach aims to assess the validity and reliability of the indicator in representing the latent construct being studied. The outer model serves to ensure that each indicator used is able to accurately measure variables through testing the outer loading value.

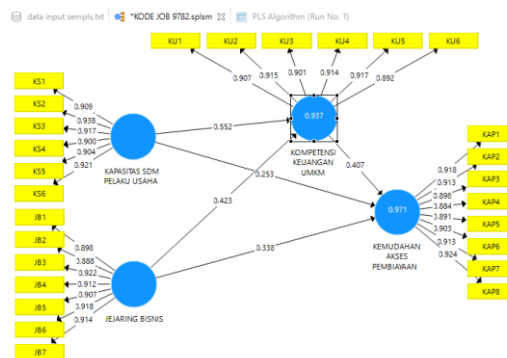


Figure 1. Outer Model

Source : Processed Primary Data (2026)

Based on the results of data processing in Figure 1, all indicators on the variables of business network, human resource capacity of business actors, ease of access to financing, and financial competence of MSMEs show an outer loading value above 0.70. This indicates that all indicators used in this study have met the criteria of convergent validity and are able to represent the measured construct well. The highest outer loading value was seen in the JB3 indicator of 0.922, KAP8 of 0.924, KS2 of 0.938, and KU5 of 0.917, which shows the strong contribution of each indicator in forming latent variables.

Table 2. AVE Value

Variable	Average Variance Extracted (AVE)	Ket.
Business Networking	0.825	Valid
Human Resource Capacity	0.837	Valid
Ease of Access to Financing	0.820	Valid
Financial Competence of MSMEs	0.824	Valid

Source : Processed Primary Data (2026)

The validity of the discriminator in this study was evaluated through the Average Variance Extracted (AVE) value and the comparison of cross loading between indicators. A construct is declared to meet the validity criteria if the AVE value exceeds 0.5 and each indicator has a higher correlation to the constructed being measured compared to other constructs. The results of the analysis show that all variables have AVE values above the minimum limit, which means that the construct is able to explain most of the variance of the indicator. In addition, the cross loading value also shows that each indicator is more representative of its own construct than the other, so it can be concluded that the model has met the criteria of discriminant validity.

Table 3. Composite Reliability Value

Variable	Composite Reliability	Remarks
Business Networking	0.887	Reliable
Human Resource Capacity	0.873	Reliable
Ease of Access to Financing	0.891	Reliable
Financial Competence of MSMEs	0.868	Reliable

Source : Processed Primary Data (2026)

Table 4. Cronbachs Alpha Values

Variable	Cronbach's Alpha	Remarks
Business Networking	0.842	Reliable
Human Resource Capacity	0.831	Reliable
Ease of Access to Financing	0.856	Reliable
Financial Competence of MSMEs	0.824	Reliable

Source : Processed Primary Data (2026)

Cronbach's Alpha value which is above 0.95 indicates that the research instrument has a very high level of reliability. However, this overly high value also needs to be critically considered because it can indicate redundancy between indicators, where some items measure very similar aspects. This condition has the potential to reduce information variation and produce too high statistical power, so even if the instrument is declared reliable, the interpretation of the results still needs to be done carefully so as not to overestimate the relationship between variables.

Table 5. Cronbachs Alpha Values

Variable	Business Networking	Human Resource Capacity	Ease of Access to Financing	Financial Literacy
Business Networking	—	0.742	0.768	0.781
Human Resource Capacity	0.742	—	0.756	0.824
Ease of Access to Financing	0.768	0.756	—	0.793
Financial Competence of MSMEs	0.781	0.824	0.793	—

Source : Processed Primary Data (2026)

Based on Table 5, all HTMT values are below the recommended threshold of 0.90, indicating that all constructs have achieved adequate discriminant validity according to Hair et al. (2022). The results demonstrate that each construct in the model, namely business networking, human resource capacity, ease of access to financing, and financial competence of MSMEs, is empirically distinct and measures different conceptual dimensions. Therefore, the discriminant validity requirements in this study have been fulfilled satisfactorily.

Inner Model Analysis

Inner models are used to analyze the relationships between latent variables in research. The evaluation was carried out through Goodness of Fit (GoF) testing which included R-square (R²) and Q-square (Q²) values, as well as path coefficient analysis to see the strength of influence between variables.

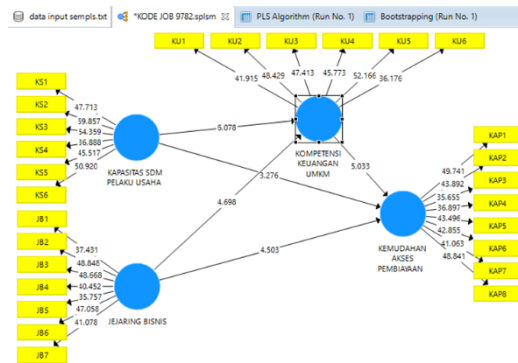


Figure 2. Inner Model

Source : Processed Primary Data (2026)

Table 5. R-Square Value

Variable	R Square	R Square Adjusted
Ease of Access to Financing	0.791	0.786
Financial Competence of MSMEs	0.734	0.729

Source : Processed Primary Data (2026)

Based on Table 5, the R-Square value for the ease of access to financing variable is 0.791, indicating that 79.1% of the variance in ease of access to financing can be explained by human resource capacity, business networking, and financial competence of MSMEs included in the model, while the remaining 20.9% is influenced by other variables outside the scope of this study. Meanwhile, the R-Square value for financial competence of MSMEs is 0.734, which means that 73.4% of the variance in financial competence of MSMEs can be explained by human resource capacity and business networking. These values indicate that the structural model has substantial explanatory power and is considered adequate in explaining the relationships among variables without indicating excessive model complexity or overfitting.

Q-Square testing was conducted to evaluate the predictive relevance of the structural model through the Q² value. A Q² value greater than 0 indicates that the model has predictive relevance and is capable of predicting the observed data adequately. Based on the calculation results, the model obtained a Q² value of 0.842, indicating that the model possesses strong predictive

capability in explaining the endogenous variables. The relatively high predictive relevance suggests that the variables of human resource capacity, social networking, and financial literacy contribute substantially to explaining ease of access to financing among culinary MSMEs in West Sumatra. However, these results should be interpreted carefully because high explanatory and predictive values may also be influenced by the characteristics of the sample and the purposive sampling approach used in this study, particularly because respondents were limited to ULaMM customers of PNM Padang Branch. Therefore, although the model demonstrates good predictive power, the findings may not fully represent all MSME actors in West Sumatra, and future studies are recommended to use broader and more diverse samples to minimize the potential risk of model overfitting and improve generalizability.

Table 6. Value of Path Coefficient (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 - > Financial Competence of MSMEs	0.423	0.423	0.09	4.698	0
Human Resources Capacity of Business Actors - > Ease of Access to Financing	0.253	0.254	0.077	3.276	0.001
Human Resource Capacity- > Financial Competence of MSMEs	0.552	0.551	0.091	6.078	0
Financial Competence of MSMEs - > Ease of Access to Financing	0.407	0.405	0.081	5.033	0

Source : Processed Primary Data (2026)

Based on the results of the analysis presented in Table 6, all direct relationships between variables show positive and significant effects. Business networking has a significant effect on ease of access to financing, as indicated by a t-statistic value of 4.503 and a p-value of 0.000 (<0.05). Business networking also significantly influences financial competence of MSMEs, with a t-statistic value of 4.698 and a p-value of 0.000, indicating that stronger business networks contribute to improving the financial competence of MSME actors. Furthermore, human resource capacity has a significant effect on ease of access to financing with a t-statistic value of 3.276 and a p-value of 0.001. Human resource capacity also demonstrates the strongest influence on financial competence of MSMEs, with a t-statistic value of 6.078 and a p-value of 0.000, suggesting that better managerial and individual capabilities substantially improve financial competence. Meanwhile, financial competence of MSMEs significantly affects ease of access to financing, as reflected by a t-statistic value of 5.033 and a p-value of 0.000. These findings indicate that all proposed direct-effect relationships in the structural model are statistically supported.

Table 7. Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Business Networking -> Financial Competence of MSMEs -> Ease of Access to Financing	0.172	0.171	0.05	3.462	0.001
The Capacity of Human Resources of Business Actors -> Financial Competence of MSMEs -> Ease of Access to Financing	0.225	0.223	0.059	3.817	0

Source : Processed Primary Data (2026)

The results of the study indicate that business networking and human resource capacity not only have direct effects on ease of access to financing, but also indirectly influence financing access through the mediating role of financial competence of MSMEs. The indirect effect of business networking demonstrates that stronger relationships with business partners, communities, and financial institutions enable MSME actors to gain broader financial information, business experience, and knowledge related to financial management. This process improves the financial competence of MSME actors, which subsequently increases their ability to fulfill financing requirements and build credibility in the eyes of financial institutions. Likewise, human resource capacity shows a significant indirect effect on ease of access to financing through financial competence, with a t-statistic value of 3.817 and a p-value of 0.000 (<0.05). This finding suggests that MSME actors with better managerial abilities, business knowledge, and problem-solving skills tend to possess stronger financial competence, enabling them to manage financial administration more effectively and improve their opportunities to obtain financing.

Furthermore, the mediation analysis indicates that financial competence of MSMEs acts as a partial mediating variable because business networking and human resource capacity remain significant in influencing ease of access to financing even after the mediating variable is included in the model. This means that financial competence strengthens, but does not fully replace, the direct influence of business networking and human resource capacity on financing access. The findings imply that improving access to financing among MSMEs requires not only strengthening external relationships and internal managerial capabilities, but also enhancing the financial competence of business actors as a strategic mechanism that connects these resources to financing opportunities.

The Influence of Business Networks 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 for culinary MSMEs in West Sumatra. This finding suggests that stronger relationships with business partners, suppliers, financial institutions, and business communities enable MSME actors to obtain broader access to financial information, recommendations, and financing opportunities. Business networking functions as social capital that enhances the credibility and trustworthiness of MSME actors in the eyes of financial institutions. Through broader networks, business actors are more likely to receive information regarding financing procedures, administrative requirements, and available financial programs,

which ultimately reduces information asymmetry and facilitates financing access. In the context of West Sumatra, where community-based relationships and kinship systems are relatively strong, networking also plays an important role in strengthening trust-based economic interactions among business actors and financial institutions.

These findings are consistent with previous studies by (Gunawan et al., 2021) and (A. H. Nasution & Fakhri, 2024), which emphasize that social capital and business networking significantly improve financial inclusion and access to financing among MSMEs. However, several previous studies found different results, indicating that business networking does not always significantly influence financing access when financial institutions rely more heavily on formal financial records rather than relational ties. The present study may produce different findings because culinary MSMEs in West Sumatra operate within a socio-cultural environment characterized by strong social interaction and community-based relationships, making business networking more relevant in facilitating financing access. Therefore, business networking not only contributes to operational collaboration, but also serves as a strategic mechanism for reducing financing barriers among MSMEs.

The Influence of Business Networks on the Financial Competence of MSMEs

The findings demonstrate that business networking has a positive effect on the financial competence of MSMEs. This relationship occurs because interaction within business networks facilitates the exchange of knowledge, business experience, and financial management practices among MSME actors. Through communication with suppliers, financial institutions, and business communities, MSME actors are able to learn practical financial skills such as budgeting, cash flow management, bookkeeping, and financing management. As a result, stronger business networks contribute to improving the financial competence of business actors, enabling them to manage their businesses more systematically and professionally.

These findings support the studies of (Suri & Berliana, 2023) and (Pandak & Nugroho, 2023), which found that business interaction and social learning processes significantly improve managerial and financial capabilities among MSMEs. Nevertheless, some previous studies reported that networking activities did not significantly improve financial competence because information obtained through networks was often informal and not directly applicable to business financial management. In the present study, the significant influence may be explained by the active interaction among culinary MSMEs in West Sumatra, where knowledge sharing and collective learning are relatively common within business communities. Therefore, business networking acts not only as a relational resource but also as a learning mechanism that strengthens the internal financial capabilities of MSMEs.

The Influence of Human Resources Capacity on Ease of Access to Financing

The results of the study show that human resource capacity has a positive and significant effect on ease of access to financing. MSME actors with better managerial abilities, business knowledge, and problem-solving skills tend to be more capable of meeting financing requirements established by financial institutions. They are more able to prepare financial documents, understand financing procedures, and communicate business feasibility effectively, which increases the confidence of financial institutions in providing financing. This finding indicates

that access to financing is not determined solely by external financial availability, but also by the internal readiness and competence of business actors themselves.

These results are in line with previous studies by (Perdana et al., 2023) and (Anita et al., 2022), which highlighted the importance of managerial skills and human resource quality in improving financial inclusion. However, several studies found that human resource capacity did not significantly influence financing access, particularly among MSMEs operating in informal sectors where financing decisions were more dependent on collateral and external guarantees. In this study, the significant relationship may occur because culinary MSMEs increasingly require financial and administrative capabilities to compete and access formal financing services. Therefore, strengthening human resource capacity becomes an essential strategy for improving financing accessibility among MSMEs.

The Influence of Human Resources Capacity on the Financial Competence of MSMEs

The findings reveal that human resource capacity positively influences the financial competence of MSMEs. Business actors with higher educational backgrounds, managerial skills, and business experience tend to possess better abilities in recording transactions, preparing budgets, managing cash flow, and making financial decisions. Human resource capacity also enables MSME actors to adapt more effectively to technological changes and utilize digital financial tools to support business management. This relationship indicates that financial competence is closely related to the cognitive and managerial capabilities of business actors.

These findings are supported by (Khairunnisa & Nofrianto, 2023) and (Gunawan et al., 2021), who emphasized that knowledge and managerial competence strongly influence the quality of financial management among MSMEs. Nevertheless, some prior studies reported insignificant effects because financial competence was sometimes shaped more by external training programs than by individual capacity itself. In the context of this study, the significant relationship may be influenced by the increasing demand for financial management skills among culinary MSMEs in West Sumatra, especially in dealing with financing procedures and business competition. Therefore, human resource capacity serves as an important foundation for strengthening the financial competence of MSMEs.

The Influence of Financial Competence on Ease of Access to Financing

The results indicate that financial competence of MSMEs has a positive and significant effect on ease of access to financing. MSME actors with strong financial competence are more capable of preparing transparent financial reports, understanding financing schemes, and managing financial administration properly. This condition increases the trust of financial institutions because financially competent business actors are perceived as more professional and capable of managing financing responsibly. Consequently, better financial competence reduces financing barriers and increases the likelihood of obtaining external funding.

These findings are consistent with the studies of (L. Z. Nasution, 2021) and (Perdana et al., 2023), which found that financial competence and financial literacy significantly improve access to formal financial services. However, several previous studies reported non-significant relationships, suggesting that financing access was still dominated by collateral ownership and institutional policies rather than financial capability alone. In this study, the significant effect may

reflect the growing importance of financial competence in formal financing assessments, particularly among MSMEs that are increasingly connected to banking and microfinance institutions. Therefore, financial competence becomes a strategic capability that strengthens the credibility and financing opportunities of MSMEs.

The Influence of Business Networks on Access to Financing through Financial Competence

The results show that business networking indirectly affects ease of access to financing through financial competence of MSMEs. The mediation analysis indicates that financial competence acts as a partial mediating variable because business networking remains significant in influencing financing access even after the mediator is included in the model. This finding means that business networking improves financing access both directly and indirectly through the enhancement of financial competence. Strong business networks provide MSME actors with opportunities to acquire financial knowledge, managerial insights, and practical experience that improve their financial competence. Improved financial competence subsequently strengthens business credibility and facilitates financing access.

These findings support (A. H. Nasution & Fakhri, 2024) as well as (L. Z. Nasution, 2021), who found that financial competence mediates the relationship between social capital and financial inclusion. However, some studies reported weak mediation effects because networking activities did not always translate into improved financial capability. In this study, the mediation effect becomes more relevant due to the collaborative business culture and strong social interactions among MSMEs in West Sumatra, which encourage the transfer of financial knowledge through networks. Therefore, financial competence acts as a strategic bridge connecting external relational resources to financing accessibility.

The Influence of Human Resources Capacity on Access to Financing through Financial Competence

The study also found that human resource capacity indirectly influences ease of access to financing through financial competence of MSMEs. The mediation analysis confirms that financial competence functions as a partial mediating variable because human resource capacity continues to have a significant direct effect on financing access after the mediator is included. This finding indicates that business actors with better managerial and cognitive abilities tend to develop stronger financial competence, which subsequently increases their ability to access financing. Human resource capacity improves financial understanding, administrative readiness, and decision-making quality, all of which strengthen the confidence of financial institutions toward MSME actors.

These findings are consistent with Ridwansyah and (Ridwansyah & Anggraeni, 2023) and (Khairunnisa & Nofrianto, 2023), which highlighted the importance of individual financial capability in improving financial inclusion. However, several previous studies found that human resource capacity did not significantly improve financing access because external financing decisions were often influenced by institutional factors beyond the control of MSME actors. The present study may produce different findings because culinary MSMEs in West Sumatra increasingly depend on managerial and financial readiness to compete and survive in dynamic

business environments. Therefore, financial competence serves as an important mechanism that transforms human resource capacity into greater financing accessibility among MSMEs.

CONCLUSION

Based on the results of the study, it can be concluded that business networking and human resource capacity play significant roles in improving ease of access to financing for culinary MSMEs in West Sumatra, both directly and indirectly through the mediating role of financial competence of MSMEs. Business networking functions as relational capital that facilitates information exchange, strengthens business credibility, and expands access to financing opportunities, while human resource capacity reflects the managerial and cognitive abilities required to manage businesses and fulfill financing requirements effectively. Financial competence has been proven to act as a strategic capability that partially mediates the relationships between business networking, human resource capacity, and ease of access to financing. This indicates that access to financing is influenced not only by the availability of financial resources, but also by the ability of MSME actors to manage finances, utilize networks, and build credibility with financial institutions. Therefore, strengthening both internal capabilities and external business relationships is essential for improving sustainable financing access among MSMEs.

This study also provides practical implications for several stakeholders. MSME actors are encouraged to improve their financial competence and expand their business networks to enhance financing opportunities. Financial institutions are expected to consider non-financial aspects, such as managerial capability and business networking, in financing assessments. In addition, the government should strengthen training programs and support collaborative business ecosystems to improve MSME competitiveness and financing readiness. However, this study has limitations because the respondents were limited to PNM ULaMM customers in West Sumatra, which may not fully represent the broader MSME population. Therefore, future studies are recommended to expand the research scope by involving MSMEs from different sectors, regions, and financing institutions in order to improve the generalizability and comprehensiveness of the findings.

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