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**The Influence of Human Resource Competency and Financial
Literacy on Business Performance Among Private University
Students in the Special Region of Yogyakarta**

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Abstract: In the era of globalization and increasingly intense business competition, the role of entrepreneurs in enhancing productivity and performance is crucial. Human resources are the most valuable asset of a company, as competent employees are essential for business success and the achievement of organizational goals. Similarly, low financial literacy among business owners can lead to various problems, such as difficulties in managing debt, handling loans, and planning for the future of the business. Financial literacy plays a vital role in business development, as a well-run business requires sound financial management. This study aims to examine the influence of human resource competence and entrepreneurial financial literacy on the business performance of students at private universities in Yogyakarta. The research employs a quantitative approach, using multiple linear regression analysis to identify the factors affecting human resource competence and financial literacy in student-run businesses. The sampling technique used in this study is purposive sampling. Primary data was collected through questionnaires using a Likert scale, with responses from 86 participants. The population of this study consists of university students in the Special Region of Yogyakarta who own or operate businesses. This research provides evidence regarding the impact of human resource competence and financial literacy on the performance of student-run businesses.

Keywords: Human Resources; Financial Literacy; Business Performance

A. Introduction

In the contemporary epoch characterized by the phenomena of globalization and the intensification of competition within the business landscape, the significance of entrepreneurs in the enhancement of productivity and overall

performance is undeniably paramount (Sutrisno et al., 2024). Within any organizational framework, human resources (HR) are regarded as one of the most critical components due to their indispensable role in the attainment of organizational objectives and aspirations. These

ambitious goals and targets cannot be fully realized or optimized if the human resources present within the organization are deficient in their ability to collaborate efficiently or lack the requisite skills and competencies necessary to fulfill their professional duties and responsibilities effectively (Yatra and Meilina, 2023).

Employee performance serves as a measure of the quality and quantity of work outcomes that are achieved by employees as they execute their assigned responsibilities and fulfill their job duties in a proficient manner (Wati and Dewi 2025). Human resources are often considered the most treasured asset within a company, as it is the presence of competent and skilled employees that is critical for driving business success and realizing the overarching organizational objectives (Widiyasari and Padmanto 2023).

Similarly, financial literacy continues to pose a significant challenge for a substantial number of entrepreneurs operating in various sectors (Miyuki and Jonah, 2021). The absence of adequate financial management knowledge frequently serves as a barrier for small and medium-sized enterprise (SME) owners, thereby complicating their efforts to achieve sustainable long-term growth and effectively compete against more established and resource-rich rivals in the market. Insufficient financial literacy among entrepreneurs can precipitate a multitude of complications, including challenges in managing debts, navigating loan agreements, and formulating strategic plans for the future trajectory of the business. Financial literacy is of paramount importance for the advancement of business development, given that a well-managed enterprise necessitates the implementation of sound financial practices and principles. In order to stimulate robust business growth, a comprehensive understanding of financial management is crucial, as this understanding has a direct correlation with overall business performance and ultimately dictates the pathways to success.

For entrepreneurs operating within this dynamic environment, the measurement of performance is an essential undertaking that enables them to evaluate their business standing, pinpoint areas that require enhancement, and juxtapose their performance metrics against those of their competitors in order to ascertain whether they are progressing or experiencing a decline (Mau et al., 2021). The performance of SMEs, which stands for Small and Medium Enterprises, is defined as the cumulative work results that are achieved and subsequently evaluated against predetermined benchmarks, goals, or criteria that have been mutually agreed upon within the context of the business entity, utilizing asset and revenue thresholds that are delineated by legal standards (Maski et al., 2024).

The performance of SMEs encapsulates the outcomes or assessments of work that have been executed by individuals or teams, which involves the delegation of tasks and the fulfillment of various roles over a specified timeframe, all in accordance with the established standards set forth by the organization (Suyono 2022). This particular study aims to meticulously explore the influence exerted by human resource competency and financial literacy on the business performance of students enrolled in private universities located in Yogyakarta. Through the execution of this research endeavor, it is anticipated that students will be able to more effectively identify and comprehend the critical skills that are essential for proficiently managing a business, which include, but are not limited to, leadership, marketing strategies, and operational management practices. Additionally, students are expected to acquire a more profound understanding of the significance of implementing sound financial management techniques, which encompass activities such as cash flow tracking, fundamental bookkeeping

practices, and comprehensive business financial

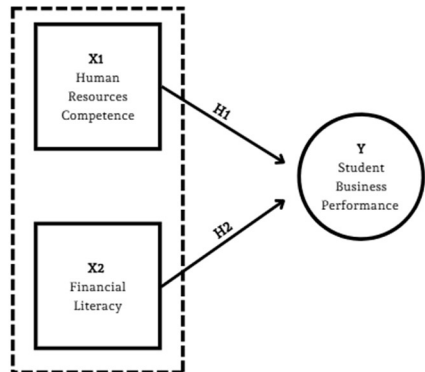


Figure 1. Framework Research

B. Materials and Methods

This study utilizes a quantitative approach with a multiple linear regression model to examine the factors Influencing human resource competency and financial literacy in student-run businesses. The research employs purposive sampling as its sampling technique. Primary data was collected through questionnaires using a Likert scale, with responses obtained from 86 respondents. The study population consists of university students in the Special Region of Yogyakarta who own or operate businesses.

Key methodological features:

1. Research design: Quantitative analysis using multiple linear regression
2. Sampling method: Purposive sampling of student entrepreneurs
3. Data collection: Primary data through Likert-scale questionnaires
4. Sample characteristics: 86 student business owners in Yogyakarta

This methodological approach allows for systematic examination of how human resource competencies and financial literacy interact to affect business performance among student entrepreneurs.

C. Result and Discussion

This study examines the effect of independent variables (X1 and X2) on the dependent variable (Y). The multiple linear regression analysis yields several key findings:

1. Model Summary

- The R value of 0.559 indicates a moderate correlation between the independent variables (X1 and X2) and the dependent variable (Y).
- The R² value of 0.313 suggests that 31.3% of the variation in Y is explained by X1 and X2 collectively, while the remaining 68.7% is influenced by other factors outside this model.

2. F-Test (ANOVA)

- The F-statistic (18.882) has a significance value (p-value) of 0.000.
- Since $p < 0.05$, the regression model is statistically significant, meaning X1 and X2 jointly have a significant effect on Y.

3. t-Test (Partial Regression Coefficients)

- X1 (Coefficient = 0.501, $p = 0.002$)
 - X1 has a positive and statistically significant effect on Y.
 - A 1-unit increase in X1 leads to a 0.501-unit increase in Y, holding X2 constant.
 - The effect is significant ($p < 0.05$).
- X2 (Coefficient = 0.258, $p = 0.063$)
 - X2 has a positive but statistically insignificant effect on Y at the 5% significance level ($p > 0.05$).
 - While an increase in X2 tends to improve Y, the effect is not

strong enough to be statistically conclusive. This is due to the limited sample size and potential confounding variables that were not accounted for in the analysis.

4. Statistical Assumptions

- Durbin-Watson (1.957) → No autocorrelation (acceptable range: 1.5–2.5).
- VIF (1.767) → No multicollinearity (VIF < 10 indicates low correlation between X1 and X2).

D. Conclusion

Based on the multiple linear regression analysis results, the following conclusions can be drawn:

- The regression model explains 31.3% of the variation in business performance (Y).
- Collectively, both human resource competency (X1) and financial literacy (X2) significantly affect business performance.
- Individually, only human resource competency (X1) shows a significant impact on business performance, while financial literacy (X2) does not demonstrate significant influence.
- The model satisfies all classical assumptions, including tests for multicollinearity and autocorrelation.

These findings indicate that human resource competency is the most dominant factor driving business performance in this study. Therefore, future strategies and policy recommendations should prioritize enhancing human resource capabilities to improve business outcomes

(Agustian And Fianty, 2023). Enhancing the competencies of student entrepreneurs is essential for fostering sustainable business practices and improving overall performance in a competitive environment (Lv et. al., 2021).

Moreover, the findings emphasize the importance of integrating financial literacy training into educational programs to equip future entrepreneurs with essential skills for effective business management (Adewumi and Cele, 2023). For universities, a discussion group forum with SMEs is needed, especially to improve learning through the implemented curriculum. This collaborative initiative can bridge the gap between academic knowledge and practical application, ultimately fostering a more robust entrepreneurial ecosystem in Yogyakarta.

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