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Mobile Money and Financial Inclusion on Women-Owned MSME Performance: The Moderating Role of Dynamic Capability in Kendari City, Indonesia

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ABSTRACT

This study explores how digital currency adoption and financial inclusion influence the productivity of female-led micro, small, and medium-sized enterprises (MSMEs) in Kendari, Indonesia, wherein dynamic capability is positioned as a moderating variable. Given that women operate 71% of the city's 42,210 MSMEs, a considerable number nonetheless remain dependent upon family members to operate digital financial technology, a pattern suggesting that access in itself may be insufficient to translate into improved performance unless accompanied by adaptive capability. Employing a quantitative, causal-comparative design, primary data were gathered from 395 respondents determined through Slovin's formula and subsequently analyzed by means of Partial Least Squares Structural Equation Modeling (PLS-SEM). The results demonstrate that mobile money ($\beta = 0.432$, $p = 0.000$) and financial inclusion ($\beta = 0.391$, $p = 0.000$) each exert a significant and positive effect on MSME performance, jointly accounting for 73.5% of its variance ($R^2 = 0.735$), while dynamic capability significantly strengthens both relationships ($\beta = 0.118$ and $\beta = 0.132$, respectively; $p = 0.000$). These findings imply that digital financial inclusion programmes for women entrepreneurs should be paired with capability-building interventions, such as digital literacy training and adaptive business coaching, to optimise their effect on MSME performance and competitiveness.

Keywords: Dynamic Capability; Financial Inclusion; Mobile Money; MSME Performance; Women Entrepreneurs

INTRODUCTION

Time has borne witness to a sweeping transformation in financial practice and commercial exchange, one that has left few sectors untouched. Within the context of micro, small, and medium-sized enterprises (MSMEs), digital transformation has fundamentally reshaped how commercial exchanges are conceptualized and executed. Data published by Indonesia's Financial Services Authority (Otoritas Jasa Keuangan/OJK) indicated that the nationwide financial literacy rate climbed from 64.53% in 2024 to 66.46% in 2025, while the financial inclusion index rose in parallel from 75.02% to 80.51% over the same period (Otoritas Jasa Keuangan, 2025). This upward trajectory mirrors, in turn, the rapid global expansion of mobile money services, wherein GSMA (2025) recorded more than two billion registered mobile money accounts worldwide, over half a billion of which are active on a monthly basis, thereby positioning digital financial platforms as a core catalyst for expanding financial participation throughout emerging markets. Domestically in Indonesia, smaller commercial ventures play a pivotal role in the macroeconomic landscape, generating 61% of the gross domestic product as of 2023, while female entrepreneurs comprise a remarkable 64.5% of these enterprise proprietors, according to data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia (Kementerian Koperasi dan Usaha Kecil dan Menengah Republik Indonesia, 2024), a proportion that underscores the centrality of women's role within the micro and small enterprise ecosystem.

A comparable pattern manifests itself at the local level in Kendari City, Southeast Sulawesi Province, wherein mapping data reveal a total MSME population of 42,210, of whom 29,970 (71%) are women, a majority that persists consistently across all ten sub-districts. Notwithstanding this numerical dominance, preliminary observation indicates that a considerable number of women entrepreneurs in Kendari continue to rely upon family members to operate digital technology, mobile money included, in the conduct of their business transactions. Such dependency, in turn, slows the pace of transaction processing, diminishes operational productivity, alongside diminishing the ability of small businesses to react swiftly to shifting consumer needs vulnerabilities that frequently push clientele toward technologically advanced rivals, thus endangering long-term commercial survival. This reality indicates, therefore, that mere exposure to mobile transactions and banking accessibility remains inadequate for advancing enterprise success unless paired with the proficiency to identify, capture, and rearrange asset structures independently and sustainably.

From a theoretical standpoint, the Resource-Based View (RBV) framework, originally formulated by Barney (1991), asserts that organizational superiority stems from internal assets possessing characteristics of value, scarcity, uniqueness, and non-transferability, given which mobile money and financial inclusion access may reasonably be regarded as strategic resources of precisely this kind for MSMEs. RBV is, however, considered ill-equipped to explain how firms sustain advantage amid dynamic environments, a limitation that prompted Teece, Pisano, and Shuen (1997), and later Teece (2007), to establish Dynamic Capability Theory, asserting that an organization's proficiency in identifying, capturing, and restructuring assets dictates how effectively resources including digital innovations translate into exceptional operational outcomes. Consequently, dynamic capability functions theoretically as a moderating mechanism affecting the connection between both digital currency utilization and financial access on one hand, and enterprise productivity on the other. Furthermore, the World Bank's paradigm on financial participation highlights availability, utilization, and service standard benchmarks (World Bank, 2025), whereas the Unified Theory of Acceptance and Use of Technology (UTAUT) formulated by Venkatesh, Morris, Davis, and Davis (2003)

accounts for the factors shaping individuals' intention and behaviour in adopting financial technology such as mobile money.

At the empirical level, recent international studies furnish findings that have yet to converge fully. Ledi, Ameza-Xemalordzo, Amoako, and Asamoah (2023), in an examination of 206 SMEs across developing countries, revealed that digital currency transactions and QR code settlement tools each deliver a substantial positive impact on small enterprise outcomes, while organizational flexibility successfully moderates the connection between digital payments and business productivity though failing to influence the QR code sequence. This variation highlights that moderating dynamics vary across distinct digital transaction mechanisms. This outcome corresponds with insights from Hassan (2024), who utilized information from 914 unstructured enterprises in Zambia to establish that digital money integration markedly enhances informal business results via minimized exchange overhead and improved cash flow availability, alongside Mohamed (2023), who observed a constructive correlation linking mobile transactions with commercial expansion across 385 enterprises in Somalia; nevertheless, neither investigation integrated agility frameworks or banking participation as supplementary moderating or independent variables. Analyzed from a gender perspective, Islam and Muzi (2022) examined World Bank Enterprise Survey metrics across 16 Sub-Saharan nations, determining that digital financial usage heavily influences capital allocation choices within female-led small businesses rather than male-managed equivalents, which points toward a gender-differentiated phenomenon whose foundational adaptation process stays unclarified. Focusing directly on the domestic Indonesian setting, Pranitasari, Harini, Nugroho, Harahap, and Sudiarso (2026) demonstrated that technological integration and financial access possess no direct influence on the productivity of women-directed micro and small enterprises, functioning instead through secondary channels like self-advancement drive and online promotion, while additionally impeded by systemic limitations including restricted property rights and women's intersecting domestic and business roles a phenomenon the authors term a capacity-performance gap. Complementing this line of enquiry, Asrofi, Pratomo, and Pangestuty (2023), writing in the Asia Pacific Journal of Management and Education, found that internet use helped Indonesian women entrepreneurs sustain income in the aftermath of natural disasters and throughout the Covid-19 pandemic, thereby reinforcing digital connectivity as a resilience mechanism for women-led enterprises, though again without probing the underlying capability that might explain it.

Taken together, these findings disclose three research gaps that motivate the present study. First, the bulk of empirical work on mobile money and SME performance remains centred upon African contexts, whereas comparable studies concerning women-owned MSMEs in Indonesia and in Eastern Indonesia, Kendari City among them, in particular remain scarce. Second, the moderating role of dynamic capability has been tested only within limited settings (Ledi et al., 2023) and with results that are inconsistent across digital instruments, and no study to date has examined dynamic capability as a simultaneous moderator of both mobile money and financial inclusion within a single model. Third, studies concerned with women-owned MSMEs (Islam & Muzi, 2022; Pranitasari et al., 2026) confirm both gender sensitivity and a capacity-performance gap, yet stop short of clarifying the capability mechanism through which that gap might be bridged. Accordingly, this study examines the effect of mobile money and financial inclusion upon MSME performance, with dynamic capability positioned as a moderating variable, among women-owned MSMEs in Kendari City, thereby contributing theoretically to dynamic capability literature within this underexplored context, and practically to policymakers and practitioners engaged in designing strategies for digital literacy and technological independence among women entrepreneurs.

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LITERATURE REVIEW

MSME Performance. MSME performance refers, in essence, to the outcomes achieved by a business unit within a given period, reflecting the effectiveness and efficiency with which resources are deployed in the pursuit of business objectives (Ledi et al., 2023). Analyzed via the Resource-Based View framework, organizational success depends directly on an enterprise's capacity to oversee assets that are prized, scarce, unique, and non-transferable to establish enduring market superiority (Barney, 1991). The current research evaluates small business achievement using five metrics derived from Hooley, Greenley, Cadogan, and Fahy (2005), which were similarly utilized by Ledi et al. (2023): revenue expansion, profit margin increase, liquidity stability, prompt settlement of current liabilities, and simplified access to commercial funding.

Mobile Money. Mobile money is defined by GSMA (2025) as a digital financial tool enabling individuals to hold, transfer, and collect funds digitally through cellular devices while bypassing traditional banking institutions. User adoption patterns in this context are interpreted through the Unified Theory of Acceptance and Use of Technology (Venkatesh et al., 2003), which posits that technology usage intentions are driven by performance expectations, effort expectations, social pressures, and supportive infrastructure. The current research incorporates five mobile payment metrics established by Islam, Muzi, and Rodriguez Meza (2018), which were also applied by Ledi et al. (2023): utilization frequency, access convenience, transaction management simplicity, information security, and processing speed.

Financial Inclusion. Economic participation is characterized by the World Bank (2025) as a state where people and enterprises obtain functional, cost-effective formal banking offerings encompassing transfers, settlements, reserves, loans, and protection coverage provided in a responsible and enduring manner. This investigation utilizes seven banking access metrics established by Eton, Mwosi, Okello-Obura, Turyehebwa, and Uwonda (2021): automated teller machine availability, simplicity of transitioning between financial institutions, deposit convenience, electronic wallet cost-efficiency, banking account affordability, cellular transfer simplicity, and courteous customer service standards.

Dynamic Capability. Adaptive capacity is characterized by Teece, Pisano, and Shuen (1997) as an organization's proficiency in merging, developing, and restructuring internal and external proficiencies to effectively navigate swiftly shifting commercial landscapes, thereby extending RBV, which is considered too static a framework to explain how advantage comes to be sustained. Teece (2007) further decomposes dynamic capability into the constituent processes of sensing, seizing, and reconfiguring. This study adopts five indicators from Janssen, Castaldi, and Alexiev (2016), likewise used by Ledi et al. (2023): use of information sources, speed of acting on opportunities, resource reallocation, continuous capability improvement, and new product/service development.

Table 1, presented below, summarises those prior studies bearing most directly upon this research.

Table 1. Summary of Prior Studies

Authors (Year) – Source	Research Focus	Key Findings
Ledi, Ameza-Xemalordzo, Amoako, & Asamoah (2023) – Cogent Business & Management	Adaptive proficiency significantly governs how digital payment tools specifically mobile transactions and QR code systems influence the operational outcomes of 206 small and medium-sized enterprises operating within emerging markets.	Digital currency transactions and quick response settlement methods exert a notable positive impact on business outcomes; however, organizational adaptability substantially governs the relationship involving mobile financial tools while omitting the QR code trajectory.
Hassan (2024) – Journal of the Knowledge Economy	Mobile money adoption on informal business performance (914 units, Zambia)	Positive significant effect via reduced transaction costs and increased liquidity access.
Mohamed (2023) – Technological Forecasting and Social Change	Mobile money use on SME performance (385 SMEs, Somalia)	Positive relationship between mobile money use and SME performance growth.
Islam & Muzi (2022) – Small Business Economics	Mobile money on investment decisions of women- vs. men-owned SMEs (16 Sub-Saharan African countries)	Significant positive effect for women-owned SMEs only; effect is gender-sensitive.
Tandilino, Pontoh, Darmawati, & Indrijawati (2025) – International Journal of Financial Studies	Digital banking participation serves as an intervening mechanism connecting virtual financial awareness and public sector assistance to the productivity outcomes of small-scale commercial enterprises across Indonesia.	Virtual economic participation substantially acts as an intermediary mechanism linking monetary education and state backing to the operational achievements of small and medium-sized enterprises.
Widyastuti, Ferdinand, & Kunang (2025) – International Journal of Applied Business and International Management (IJABIM)	Monetary awareness and banking accessibility heavily influence the monetary success and long-term viability of small-scale commercial operations, based on an evaluation of 290 participants located in East Java, Indonesia.	Financial inclusion significantly improves financial performance, which in turn drives business sustainability.
Pranitasari, Harini, Nugroho, Harahap, & Sudiarso (2026) – Frontiers in Sociology	Technological integration and economic access in relation to the operational results of female-directed small enterprises within Indonesia.	Effect is indirect only, mediated by motivation and digital marketing; performance is weakened by structural constraints (capacity-performance gap).
Aryanti & Christianingrum (2026) – International Journal of Applied Business and International Management (IJABIM)	Technological preparedness, organizational flexibility, and innovative capability acting as foundational catalysts for achieving market superiority within creative sector small and medium-sized enterprises.	Digital readiness builds digital agility and creativity, which jointly explain 63% of variance in competitive performance.

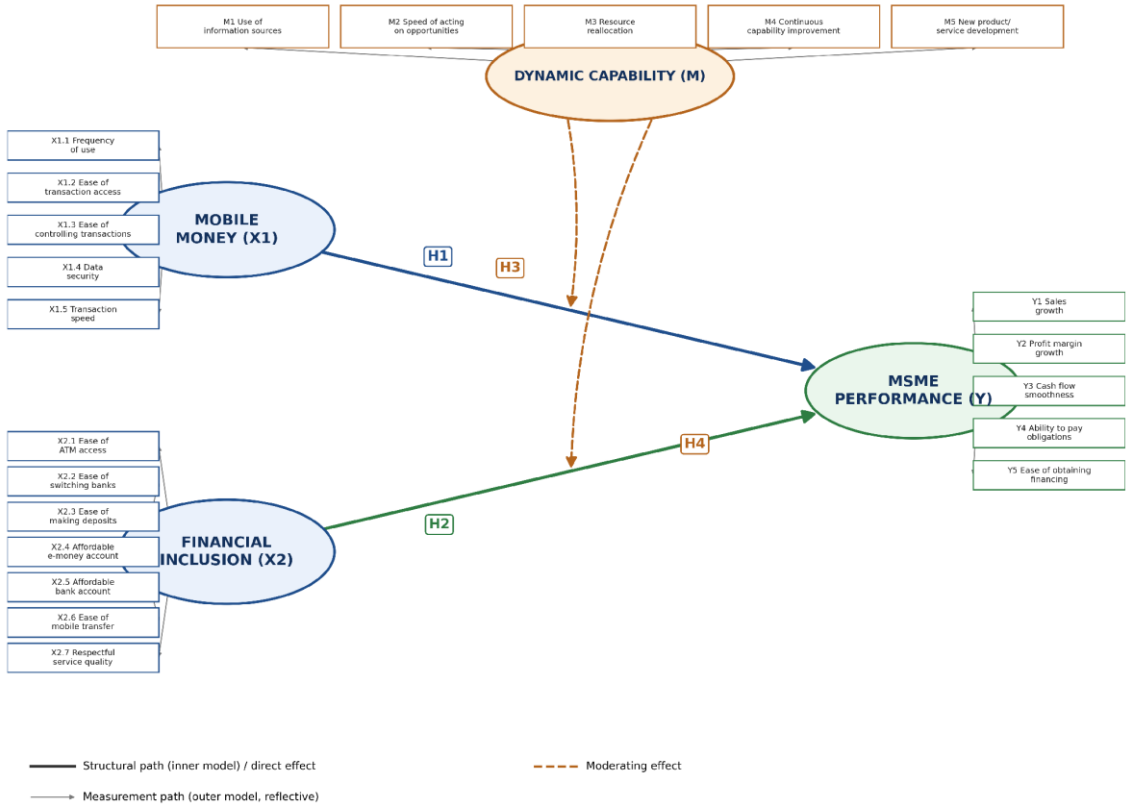
Source: Compiled by the authors (2026).

The synthesis presented in Table 1 shows that mobile money's effect upon SME performance is consistently positive across developing-country contexts (Ledi et al.,

2023; Hassan, 2024; Mohamed, 2023), though it is nonetheless gender-sensitive, proving stronger for women-owned businesses (Islam & Muzi, 2022). Financial inclusion, for its part, affects MSME performance both directly (Widyastuti, Ferdinand, & Kunang, 2025) and indirectly through mediating mechanisms (Tandilino et al., 2025; Pranitasari et al., 2026), its effectiveness constrained, in turn, by structural barriers confronting women entrepreneurs. Dynamic-capability-related constructs such as digital readiness and agility, meanwhile, significantly enhance MSMEs' competitive performance (Aryanti & Christianingrum, 2026), and dynamic capability itself significantly moderates the relationship between digital technology adoption and business performance, although results remain inconsistent across technology types (Ledi et al., 2023). In the Indonesian MSME context, dynamic capability has likewise been tested as a moderator of the effect of social media use on MSME performance (Nurlia et al., 2024).

Conceptual Framework and Hypotheses. The phenomenon, theoretical review, and empirical review set out above together indicate that mobile money and financial inclusion function as strategic resources (Barney, 1991) whose contribution to MSME performance depends, in turn, upon entrepreneurs' dynamic capability to sense, seize, and reconfigure resources (Teece, Pisano, & Shuen, 1997; Teece, 2007). This study accordingly positions mobile money (X1) and financial inclusion (X2) as exogenous variables affecting MSME performance (Y), with dynamic capability (M) moderating both paths. Given that the data are analysed by means of Structural Equation Modelling–Partial Least Squares (SEM-PLS), the conceptual framework presented in Figure 1 follows SEM-PLS path-diagram conventions, wherein latent constructs are depicted as ellipses and indicators as rectangles, the two connected through reflective measurement arrows.

Figure 1. Conceptual Framework



H1: Mobile money has a positive and significant effect on the performance of women-owned MSMEs in Kendari City.
H2: Financial inclusion has a positive and significant effect on the performance of women-owned MSMEs in Kendari City.
H3: Dynamic capability moderates (strengthens) the effect of mobile money on the performance of women-owned MSMEs in Kendari City.
H4: Dynamic capability moderates (strengthens) the effect of financial inclusion on the performance of women-owned MSMEs in Kendari City.

Mobile money enables MSMEs to transact swiftly, securely, and efficiently without dependence upon conventional banking infrastructure; consistent with UTAUT, higher adoption is thus expected to enhance operational efficiency and real-time market responsiveness, as evidenced by Ledi et al. (2023), Hassan (2024), and Mohamed (2023), the effect proving stronger still among women-owned businesses (Islam & Muzi, 2022) (H1). Financial inclusion, in turn, provides access to financing, savings, and other formal financial services that strengthen capital and business continuity; functioning as a strategic resource under RBV, broader access to formal financial services is expected, in consequence, to enhance business capacity to grow and to compete, as demonstrated by Tandilino et al. (2025) and Widyastuti et al. (2025) (H2). Dynamic Capability Theory holds that the benefit a resource confers upon firm performance depends strongly upon the firm's capability to sense, seize, and reconfigure resources; entrepreneurs possessed of high dynamic capability are, accordingly, expected to optimise mobile money use more independently than those who continue to rely upon family members to operate the technology, consistent with Ledi et al. (2023) (H3). Likewise, access to formal financial services alone does not of itself improve performance absent the capability to exploit it optimally; dynamic capability is theorised, in this regard, to bridge the capacity-performance gap identified by Pranitasari et al. (2026), converting financial access into improved business practice (H4).

RESEARCH METHOD

This empirical investigation utilizes a quantitative causal-comparative framework to analyze how digital payments (X_1) and economic access (X_2) influence the productivity of female-managed small-scale enterprises (Y) throughout Kendari, Indonesia, incorporating organizational adaptability (M) as a moderating factor. Raw statistics were compiled through a one-to-five Likert scale survey instrument alongside concise discussions with female enterprise owners utilizing cellular financial tools and QRIS infrastructure in the region.

The target universe encompasses all female-directed commercial ventures situated across the ten administrative districts of Kendari, representing an aggregate of 29,970 entities (Kendari City Cooperatives and MSME Office, 2025). The respondent count was calculated applying Slovin's equation with a five percent error allowance, resulting in a sample size of 395 participants distributed proportionally across districts. Participant selection merged purposive criteria—focusing on resident female proprietors actively employing virtual currency for commercial settlements and consenting to engage—with proportional stratified sampling reflecting local enterprise density.

All four variables were measured by means of instruments adapted from prior studies (Table 2), each rated on a 1–5 Likert scale (1 = strongly disagree, 5 = strongly agree).

Table 2. Variable Operationalization

Variable	Operational Definition	Items	Instrument Source
Mobile Money (X1)	Use of mobile-based digital payment applications for business financial transactions.	5	*Islam et al. (2018)*
Financial Inclusion (X2)	Easy and affordable access to formal digital and banking financial services.	7	*Eton et al. (2021)*
Dynamic Capability (M)	Ability to adapt and innovate (sensing, seizing, reconfiguring) in response to market change.	5	*Janssen et al. (2016)*
MSME Performance (Y)	Level of business success reflected in sales growth, profit, cash flow, and access to financing.	5	*Hooley et al. (2005)*

Source: Compiled by the authors (2026).

Item-total correlation validity testing (α = 0.05) confirmed the validity of all 22 instrument items, with correlation coefficients ranging from 0.603 to 0.964, thereby exceeding the 0.3 cut-off. Cronbach's Alpha reliability testing showed mobile money, financial inclusion, and dynamic capability each to be reliable (α > 0.6), whereas the MSME performance construct fell marginally below the cut-off, a result warranting review of low-loading items prior to final model estimation.

Statistical evaluation was executed utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM). Assessment of the outer measurement model involved verifying convergent validity—requiring loading metrics exceeding 0.70 (Hair, Hult, Ringle, & Sarstedt, 2017) alongside composite reliability values above 0.70. Meanwhile, examination of the inner structural framework incorporated determination coefficients (R^2) to gauge predictive power, coupled with path-coefficient evaluations calculated through bootstrapping to produce corresponding *t*-statistics and *p*-values. Research propositions (H1 through H4) achieved statistical validation at a threshold of p≤0.05.

RESULTS

The final sample comprised 395 women MSME respondents drawn from across Kendari City's ten sub-districts, the dominant respondent characteristics being presented in Table 3.

Table 3. Respondent Characteristics (n = 395)

Characteristic	Dominant Category	f	%
Age	31–40 years	151	38.13
Monthly revenue	IDR 16–25 million	148	37.37
Workforce	5–7 employees	166	42.17
Mobile money type	Bank transfer (m-banking)	144	36.60
Business type	Staple goods (trading)	75	18.94

Source: Primary data processed (2026).

Respondents are dominated by entrepreneurs of productive age (31–40 years) operating medium-scale businesses—monthly revenue of IDR 16–25 million and 5–7 employees—the majority of whom have adopted mobile banking and operate within staple-goods trading.

Table 4 presents respondents' perceptions of the four research variables, interpreted by means of a modified Sugiono (2005) scale: 1.00–1.80 very low; 1.81–2.61 low; 2.62–3.40 moderately good; 3.41–4.21 good; 4.22–5.00 very good.

Table 4. Descriptive Statistics of Research Variables

Variable	Mean	Category
Mobile Money (X1)	3.13	Moderately good
Financial Inclusion (X2)	3.11	Moderately good
Dynamic Capability (M)	3.36	Moderately good
MSME Performance (Y)	3.43	Good

Source: Primary data processed (2026).

All exogenous and moderating variables fall within the moderately good category, whereas MSME performance is already rated good, a pattern indicating that scope remains to strengthen the utilisation of mobile money, financial inclusion, and dynamic capability alike.

Evaluation of the measurement model assessed convergent validity (loading factor > 0.70) and internal reliability (composite reliability/CR > 0.70; Hair et al., 2017), the results of which are summarised in Table 5.

Table 5. Measurement Model Evaluation

Variable	Loading Factor Range	Composite Reliability	Remarks
Mobile Money (X1)	0.952–0.979	0.924	Valid & reliable
Financial Inclusion (X2)	0.935–0.980	0.970	Valid & reliable
Dynamic Capability (M)	0.947–0.995	0.982	Valid & reliable
MSME Performance (Y)	0.933–0.956	0.970	Valid & reliable

Source: Primary data processed (2026).

All indicators across the four constructs display loadings above 0.70, thereby satisfying convergent validity, while composite reliability for Financial Inclusion (0.970), Dynamic Capability (0.982), and MSME Performance (0.970) sits well above the threshold in each instance. The structural model, in turn, yields an R^2 of 0.735 for MSME Performance (Table 6), a value classified as strong or substantial under Chin's (1998) criterion (cut-off > 0.67).

Table 6. Coefficient of Determination (R-Square)

Endogenous Variable	R-Square
MSME Performance (Y)	0.735

Source: Primary data processed (2026).

Table 7. Hypothesis Testing Results (Bootstrapping, α = 0.05)

Path	β	t-statistics	p-value	Remarks
H1: Mobile Money → MSME Performance	0.432	13.629	0.000	Supported
H2: Financial Inclusion → MSME Performance	0.391	10.753	0.000	Supported
H3: DC × Mobile Money → MSME Performance	0.118	3.763	0.000	Supported
H4: DC × Financial Inclusion → MSME Performance	0.132	3.716	0.000	Supported

Source: Primary data processed (2026). DC = Dynamic Capability.

The bootstrapping results presented in Table 7 show that all four hypotheses are supported at the 5% significance level, p standing at 0.000 for every path. Mobile money and financial inclusion each exert a significant and positive effect upon MSME performance, and dynamic capability, for its part, significantly strengthens both relationships.

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DISCUSSION

Mobile money exerts a positive and significant effect upon MSME performance (β = 0.432; p = 0.000), a finding consistent with Islam et al. (2018) and Mohamed (2023), who found that electronic money use increases investment and growth among micro and small enterprises, and with Hassan (2024) among informal MSMEs in Zambia. Ease of transaction access via smartphone—the highest-loading indicator at 0.979—allows women MSME operators in Kendari City to accelerate the receipt of payment and to reduce cash-transaction costs, thereby smoothing cash flow and driving both sales and margin growth.

Financial inclusion likewise exerts a positive and significant effect upon MSME performance (β = 0.391; p = 0.000), a finding consistent with Eton et al. (2021) in Uganda, though in contrast to Pranitasari et al. (2026), who found only an indirect effect among Indonesian women-owned MSMEs, and corroborated directly by Widyastuti, Ferdinand, and Kunang's (2025) IJABIM study, which found that financial inclusion significantly improves MSME financial performance and business sustainability in East Java. As access to formal financial services expands—reflected in the highest-scoring indicator, namely respectful service quality—women entrepreneurs gain, in consequence, a greater capacity to manage financial risk and to capture growth opportunities.

Dynamic capability significantly moderates, strengthening, the effect of mobile money upon MSME performance (β = 0.118; p = 0.000). Consistent with Dynamic Capability Theory (Teece et al., 1997), the benefit conferred by mobile money grows larger still when entrepreneurs are able to reorganise payment processes and to respond promptly to shifting customer preferences toward cashless transactions. This result reinforces Ledi et al.'s (2023) finding that dynamic capability strengthens the benefit of digital money for SME performance in Ghana, and is echoed, moreover, by Aryanti and Christianingrum's (2026) IJABIM study, which found that digital readiness—a construct closely related to dynamic capability—builds the agility and creativity that together explain 63% of variance in MSME competitive performance.

Dynamic capability also significantly moderates the effect of financial inclusion upon MSME performance (β = 0.132; p = 0.000). Ledi et al. (2023) recommended that future research test financial inclusion alongside mobile money; this study answers that call, demonstrating that adaptive capability strengthens the benefit of financial inclusion in like manner, consistent with Teece (2007) and Janssen et al. (2016). Women MSME operators who act quickly and reallocate resources efficiently are better placed to convert access to financial services into productive business practice, thereby helping to bridge the capacity-performance gap identified by Pranitasari et al. (2026). This pattern accords broadly with Asrofi, Pratomo, and Pangestuty's (2023) APJME finding that internet use helped Indonesian women entrepreneurs sustain income throughout periods of crisis, reinforcing the view that digital connectivity benefits women-led enterprises most when paired with the capability to exploit it. It ought to be noted, however, that dynamic capability's moderating effect is not invariably consistent across settings; other studies report mixed results, likely reflecting differences in location, entrepreneur characteristics, and readiness for technology adoption, a state of affairs warranting replication across differing contexts.

Taken as a whole, the results confirm that financial digitalisation (mobile money) and expanded formal financial access (financial inclusion) drive the performance of women-owned MSMEs in Kendari City, and that both effects strengthen further among entrepreneurs possessed of high dynamic capability. These findings extend Ledi et al. (2023) by integrating financial inclusion into the model, while affirming dynamic capability

as the internal foundation that determines the extent to which digital transformation and financial access can be converted into improved business performance.

CONCLUSION

This study concludes, in sum, that mobile money and financial inclusion each exert a positive and significant effect upon the performance of women-owned MSMEs in Kendari City ($\beta = 0.432$ and $\beta = 0.391$; $p = 0.000$), and that dynamic capability significantly strengthens both relationships in turn ($\beta = 0.118$ and $\beta = 0.132$; $p = 0.000$). The research model explains 73.5% of the variance in MSME performance ($R^2 = 0.735$), a strong result by any measure. These findings indicate that the improvement of women-owned MSME performance depends not merely upon the adoption of digital payment technology and the expansion of financial access, but equally upon entrepreneurs' internal readiness to adapt, to decide quickly, and to reconfigure resources. Financial digitalisation and inclusion policies ought, therefore, to be paired with capability-building interventions if their effect upon business performance is to be sustainably optimised.

LIMITATION

This study is not without its limitations. Its cross-sectional design means that the relationships identified are associative rather than strictly causal in nature, and the sample is confined to women-owned MSMEs within Kendari City, a restriction that limits generalisability to other regions. Data were self-reported by means of Likert-scale questionnaires, which may be subject to perceptual or social-desirability bias, while the non-fully-probabilistic sampling technique employed—purposive sampling combined with proportional stratified sampling—constrains statistical representativeness. Finally, this study tested dynamic capability as the sole moderator, leaving other contextual factors, digital or financial literacy and government support among them, unaccounted for and worthy of exploration in future research alongside longitudinal and cross-regional designs.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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