


“Nexus between small and medium-sized enterprise budgeting skills and loan repayment in South Africa”

AUTHORS

Thabiso Sthembiso Msomi 

ARTICLE INFO

Thabiso Sthembiso Msomi (2024). Nexus between small and medium-sized enterprise budgeting skills and loan repayment in South Africa. *Investment Management and Financial Innovations*, 21(2), 205-212.
doi:[10.21511/imfi.21\(2\).2024.16](https://doi.org/10.21511/imfi.21(2).2024.16)

DOI

[http://dx.doi.org/10.21511/imfi.21\(2\).2024.16](http://dx.doi.org/10.21511/imfi.21(2).2024.16)

RELEASED ON

Tuesday, 07 May 2024

RECEIVED ON

Saturday, 17 February 2024

ACCEPTED ON

Sunday, 21 April 2024

LICENSE



This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/)

JOURNAL

"Investment Management and Financial Innovations"

ISSN PRINT

1810-4967

ISSN ONLINE

1812-9358

PUBLISHER

LLC “Consulting Publishing Company “Business Perspectives”

FOUNDER

LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

42



NUMBER OF FIGURES

0



NUMBER OF TABLES

2

© The author(s) 2024. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Received on: 17th of February, 2024

Accepted on: 21st of April, 2024

Published on: 7th of May, 2024

© Thabiso Sthembiso Msomi, 2024

Thabiso Sthembiso Msomi, Lecturer,
Department of Management
Accounting, Faculty of Accounting
and Informatics, Durban University of
Technology, South Africa.

Thabiso Sthembiso Msomi (South Africa)

NEXUS BETWEEN SMALL AND MEDIUM-SIZED ENTERPRISE BUDGETING SKILLS AND LOAN REPAYMENT IN SOUTH AFRICA

Abstract

This study's purpose is to assess the influence of small and medium-sized enterprises' (SMEs) budgeting skills on loan repayment in South Africa. The quantitative research approach was selected as the appropriate methodology for this study, while the purposive sampling approach was selected as the appropriate way to select participants for this study. The primary data for this study came from respondents who were business owners of SMEs in the retail, hardware, construction, and manufacturing industries. SPSS was used to analyze the acquired data. A total of 380 research questionnaires were distributed, and there were 375 that were returned for analysis (which gives a response rate of 99%). Both a regression analysis and a correlation analysis using Pearson's method were carried out. Pearson's correlation coefficient revealed a positive and significant relationship between SMEs' budgeting skills and loan repayment at the level of $r = .250$, $p < 0.0005$. These results were supported by the finding that there is a positive and significant association between these two factors. According to the findings of the study, it is recommended that financial providers educate their SMEs on how to prepare various types of budgets, how to follow up and compare their financial objectives to their performance, and that financial institutions and government organizations should assist SMEs with budgeting skills to decrease SME loan defaults.

Keywords

loan repayment, budgeting skills, SME performance, financial literacy, financial institutions

JEL Classification

D22, E51, F65

INTRODUCTION

Small and medium-sized enterprises (SMEs) play a pivotal role in driving economic growth, fostering job creation, and alleviating poverty within the South African context (Olarewaju & Msomi, 2021). However, the viability and expansion of SMEs hinge significantly on their adeptness in financial management. An integral facet of financial proficiency for SMEs lies in their budgeting skills, denoting the capability to judiciously plan and administer financial resources (Schubert & Kirsten, 2021; Shalhoob & Hussainey, 2023). Particularly crucial when repaying loans, these budgeting skills are instrumental in steering SMEs away from financial distress, insolvency, and closure (Warrick, 2017; Arnold & Artz, 2019). The consequences of deficient budgeting skills extend beyond mere mismanagement, encompassing damaged reputations and restricted access to future funding due to loan repayment failures (Le & Nguyen, 2020). Alarming, default rates among SMEs have surged to 35%, underscoring the urgency of addressing the root issue – budgeting skills (Msomi & Olarewaju, 2022).

The landscape of financial challenges faced by SMEs underwent unprecedented scrutiny during the COVID-19 pandemic. Entrepreneurs found themselves heavily reliant on their financial acumen to fulfill



This is an Open Access article, distributed under the terms of the [Creative Commons Attribution 4.0 International license](https://creativecommons.org/licenses/by/4.0/), which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

Conflict of interest statement:

Author(s) reported no conflict of interest

loan obligations and navigate the dynamic economic terrain. Recent research (Rehman et al., 2019; Le & Nguyen, 2020; Pepple & Enuoh, 2020; Mbogo et al., 2021; Nhleko, Msomi & Ogunsola, 2023) illustrates that SMEs equipped with robust budgeting skills adeptly manage their finances successfully repaying loans. This underscores the critical role of budgeting skills in enabling SMEs to fulfill financial commitments, circumvent fiscal hardships, and thrive in adversity. In the South African context, insufficient budgeting skills and flawed loan repayment practices contribute significantly to the elevated SME failure rates, bearing consequential economic and social repercussions (Chepngetich, 2016; Rajagopaul et al., 2020).

Despite the recognized significance of budgeting skills in SME success, a research void exists regarding the intricate relationship between budgeting skills and loan repayment in South Africa. While prior studies have explored the impact of budgeting skills on SME financial performance within the nation, a discernible gap remains in comprehending the correlation specifically between budgeting skills and loan repayment. Addressing this gap promises to unveil strategies for enhancing financial management practices among SMEs, ultimately fortifying their longevity and prosperity. Improved budgeting skills stand to bolster comprehensive financial oversight, loan repayment efficacy, and credit accessibility, thereby augmenting SME credit ratings and bolstering their capacity for loan reimbursement.

1. LITERATURE REVIEW AND HYPOTHESIS

This literature review seeks to evaluate the impact of budgeting skills on loan repayment behavior among SMEs. SMEs are integral to global economic growth, yet they encounter challenges in financial management, specifically in budgeting skills, potentially affecting their ability to secure and repay loans promptly. Zor et al. (2019) emphasize the critical role of budgeting in business success, underscoring the need for SMEs to cultivate effective budgeting skills. However, evidence suggests that SME owners often prioritize cash flow over budgeting (Sucuahi, 2013), highlighting a critical gap in their financial management practices.

Kiptum's (2019) exploration identifies budgeting as a paramount management tool for effective control within businesses, demonstrating its direct impact on administration, profit enhancement, and loss reduction. Consequently, improved budgeting skills are posited to positively influence SMEs' loan repayment behavior. Several studies affirm this association, with Kiptum (2019) noting that SMEs with robust budgeting skills exhibit a higher likelihood of timely loan repayments. Additionally, Mabula and Dongping's (2019) findings indicate that SMEs with formal budgeting processes are more likely to meet their loan obligations, emphasizing the role of structured financial planning.

Financial literacy training emerges as a key intervention to enhance SME budgeting skills and loan repayment behavior. Naidu and Sri (2020) argue that such training enables the development of effective budgeting strategies, leading to improved loan repayment. Alfa, Aliyu, Maiyaki and Barwa (2023) establish a positive relationship between financial literacy and timely loan repayments among Nigerian SMEs. Their study identifies critical financial literacy aspects, including budgeting, record-keeping, and financial planning, as pivotal for successful loan repayment.

However, Kitomo et al. (2021) highlight that the majority of SMEs lack structured financial planning, underscoring the necessity for targeted and effective financial literacy programs tailored to SME specific needs. In conclusion, SME budgeting skills are deemed crucial for effective financial management and loan repayment behavior. Tailored financial literacy training is imperative to ensure SMEs acquire the necessary skills for managing their finances effectively.

Several studies have delved into the skills acquired through SME programs, particularly in the realm of budgeting associated with corporate planning, profit, finance, and cash flow. However, the existing literature indicates a somewhat deficient level of budgeting proficiency among program recipients. Despite the emphasis on these skills during training, there appears to be a gap in adequately

addressing planning components within SMEs, with a potential overemphasis on personal budgeting rather than corporate financial planning. Proficiency in budgeting emerges as a pivotal factor influencing the performance of SMEs, particularly in their ability to repay loans from financial institutions. Entrepreneurs' mastery of budgeting skills not only contributes to revenue and profitability enhancement but also serves as a foundation for setting performance targets and maintaining an organized and efficient operation.

Wanjiku and Muturi (2015) conducted a case study on the Ecumenical Churches' loan fund, examining the correlation between budgetary literacy and loan repayment. Their findings revealed that respondents with lower scores in loan repayment knowledge were more prone to delays in repaying loans, while those with higher scores demonstrated greater punctuality. Tuyisenge, Mugambi, and Kemirembe (2015) conducted research in Rwanda, indicating that 81% of customers believed that budgeting skills significantly influenced loan repayment among SMEs. Similarly, Ipinge's (2010) research on company management and accounting disclosed that 87.3% of business owners proficient in accounting did not delay loan repayment, contrasting with a mere 14.2% delay rate among non-accounting literate business owners. Agarwal and Hauswald (2008) explored the impact of a mandated budgetary literacy program on the loan repayment performance of urban female clients of microfinance institutions in India, revealing improved payback performance for groups that received training.

The theoretical perspective applied to assess the influence of SMEs' budgeting skills and loan repayment is the agency theory. According to agency theory, the relationship between the lender (principal) and the borrower (agent) is characterized by information asymmetry and conflicting interests (Shapiro, 2005). The lender seeks to maximize returns on their investment while minimizing risks, while the borrower aims to maximize their own interests, which may not align with those of the lender. In SMEs, agency theory suggests that SME owners may not always act in the best interest of the lender and may instead prioritize their own interests. However, by developing effective budgeting skills, SME owners can improve their fi-

ancial management practices and increase their ability to repay loans, ultimately reducing the risks and costs for the lender. Therefore, the application of agency theory to assess the influence of SMEs' budgeting skills and loan repayment helps identify effective strategies to reduce information asymmetry and align the interests of lenders and borrowers, ultimately leading to increased success and sustainability of SMEs.

The reviewed literature underscores the importance of budgeting skills in SMEs and their direct influence on loan repayment behaviors. The purpose of this study is to investigate the relationship between budgeting skills and loan repayment among SMEs in South Africa.

The study formulates the following hypothesis:

H0: There is no significant relationship between budgeting skills and loan repayment among SMEs.

H1: There is a significant positive relationship between budgeting skills and loan repayment among SMEs.

2. METHODOLOGY

In this research endeavor, a quantitative research methodology was embraced, aligning with the positivist paradigm. The data collection process involved the utilization of a closed-ended questionnaire designed with a Likert scale comprising five points. The research targeted SMEs operating in the retail, hardware, construction, and manufacturing sectors within KwaZulu-Natal, South Africa, aiming to assess the influence of SMEs' budgeting skills on loan repayment. The envisaged study encompassed a total of 850 small businesses in KZN, constituting the targeted demographic.

In instances where the target population is either unknown or extensive, the Cochran formula is commonly employed (Msomi & Zungu, 2023; Rahimiaghdam & Rayati, 2023). For this investigation, the modified Cochran method, tailored for determining sample size with a relatively small population, was applied. The research

sample comprised a total of 381 SMEs. Selection criteria for SME owners or their appropriate representatives were based on the employment of 10 to 200 individuals within the company. The researcher undertook the recruitment process, digitally reaching out to company owners via email to apprise them of the study’s research objectives. Email addresses were sourced by scraping from respective websites or through the Small Business Administrators’ (SEDA) online database. Employing purposive sampling was deemed suitable, affording the researcher discretion in selecting representatives of company owners.

Of the 380 respondents who completed and returned the questionnaire, five surveys were deemed invalid due to inaccuracies. The remaining 375 valid responses, constituting a 99% response rate, were meticulously entered into a database, coded, and subjected to analysis. The data analysis employed the Statistical Package for the Social Sciences (SPSS) program. In the conclusive phase, linear regression and the Pearson correlation coefficient were instrumental in discerning the impact of independent variables on the studied variable. This meticulous methodological approach ensures the robustness and reliability of the research findings, contributing to the advancement of knowledge in the realm of SMEs’ budgeting skills and their consequential effects on loan repayment.

3. RESULTS AND DISCUSSION

The investigation into the relationship between SMEs budgeting skills and loan repayment employed Pearson’s correlation coefficient, and the results are presented in Table 1.

The Pearson’s correlation coefficient results, as depicted in Table 1, establish a statistically significant association between SMEs’ budgeting skills and loan repayment ($r = 0.250, p < 0.0005$). The positive correlation indicates a causal link between the two constructs (A and B), suggesting that as SMEs enhance their budgeting capabilities, the process of loan repayment becomes more manageable.

These findings align with the work of Ongesa et al. (2014), who observed a favorable and substantial correlation between budgeting skills and loan repayment among small and medium enterprises in Nairobi County. Similarly, Nyathi and Benedict (2017), in their study on the impact of money management on loan repayment, reported consistent findings on the influence of budgeting proficiency, emphasizing the significant impact of planning skills on loan repayment within the context of monetary literacy. Conversely, the results of this study contradict those of Kariuki et al. (2020), who identified a negative and significant association between the budgeting skills of small and medium-sized enterprises and their ability to repay loans.

Subsequently, a regression analysis was conducted to quantify the strength of the relationship between the two variables, and the outcomes are presented in Table 2.

The results of the regression analysis, as presented in Table 2, disclose an R^2 value of 0.063, indicating that SME budgeting skills account for 6.3% of the variance in loan repayment. The statistical significance of the linear relationship is evident in $F(1, 122) = 8.149, p < .05$. The variable representing SMEs’ budgeting skills emerges as a robust predic-

Table 1. Correlation between SME budgeting skills and loan repayment

Construct B	Construct B	Pearson’s correlation (r)	p-value
SMEs budgeting skills	Loan repayment	.250**	<.0005

Note: Correlation is significant at the 0.01 level (2-tailed).

Table 2. Linear regression SME budgeting skills and loan repayment

Variables in the equation	B	Beta	t	p-value	R ²	F	df	p-value
Constant	6.403		4.204	<.0005	.064	8.159	1; 122	<.05
SMEs budgeting skills	.443	.250	2.865	<.05				

Note: DV (Dependent Variable) – Loan Repayment. Predictor (Constant) – SMEs Budgeting Skills.

tor of their loan repayment capability ($B = 0.443$, $p < 0.05$). This underscores that as SMEs enhance their budgeting capacity, their proficiency in loan repayment likewise improves. Consequently, these results reject the null hypothesis, suggesting no significant relationship between budgeting skills and SME loan repayment, and support the alternative hypothesis, indicating a significant positive relationship between the two variables among SMEs.

The significance of budgetary literacy is underscored in the ability of SMEs to repay loans promptly and avert defaults. Budgeting literacy facilitates forecasting and compliance, allowing SMEs to identify and rectify errors in their financial records promptly. This, in turn, enables timely adjustments, reducing the likelihood of default. The current findings align with existing research emphasizing the positive relationship between budgetary literacy and on-time loan repayments, reinforcing the notion that well-informed borrowers experience fewer challenges in meeting their financial obligations.

The study's broader implications highlight the significance of continuous monitoring, evaluation, and adaptation of budgeting strategies by SMEs to foster improved loan repayment behavior. This study aligns with the agency theory, suggesting that information asymmetry and moral hazard may influence SME owners' decisions regarding loan repayment.

Based on these findings, the study concluded with the following recommendations:

- Given the positive correlation between budgeting skills and loan repayment, it is recommended that financial institutions and government bodies develop targeted financial literacy programs for SME owners. These programs should focus on budgeting, forecasting,

and financial planning to help enhance their ability to manage finances and improve loan repayment rates.

- Banks and microfinance institutions could integrate budgeting skills training as a part of the loan application process. By ensuring that SME owners have a solid understanding of budgeting before receiving a loan, lenders can help improve the likelihood of loan repayment.
- Financial institutions could provide SMEs with budgeting tools and resources, such as software or workshops, which can aid in the budgeting process. Making such tools available and accessible could empower SMEs to better manage their finances and, in turn, repay loans more effectively.
- To support SMEs in improving their budgeting practices, it is important to provide them with access to affordable financing options. This could include developing programs that offer low-interest loans or providing grants to support the implementation of budgeting systems and practices.
- SMEs should be encouraged to conduct regular budget reviews to adjust and improve their budgeting strategies continuously. This could involve quarterly meetings with financial advisors or utilizing digital platforms that track and analyze budget performance over time.
- The government should create a conducive business environment that fosters the growth of SMEs, promotes innovation, and enhances their access to finance.
- SMEs should regularly monitor and evaluate their financial performance and adjust their budgeting strategies accordingly to improve their loan repayment behavior.

CONCLUSION

This study delved into the critical relationship between SMEs budgeting skills and loan repayment behavior in South Africa. The research unveiled a positive and statistically significant association ($r = 0.250$, $p < 0.0005$) between the budgeting skills of SMEs and their ability to meet loan repayment obligations promptly. These findings highlight the substantial impact that adept budgeting skills can have on

the financial viability and sustainability of SMEs. The study underscored the prevalent lack of effective budgeting skills among SMEs, a factor that can hinder their capacity to secure loans and make timely repayments. However, it identified financial literacy training as a potent tool for improving SMEs' budgeting skills and subsequently enhancing their loan repayment behavior.

Future research should investigate the impact of technology and digital platforms on SMEs' budgeting skills and loan repayment behavior, as well as the effectiveness of various financial literacy training programs in enhancing SMEs' financial management. Further study might be carried out to determine the other elements that can have an impact on the repayment of the loan. In addition, the focus of this study was mostly on small businesses in Durban, which is in South Africa. Additional study on SMEs in South Africa's other provinces is something that can be done so that a result that is equivalent to previous findings may be obtained.

AUTHOR CONTRIBUTIONS

Conceptualization: Thabiso Sthembiso Msomi.

Data curation: Thabiso Sthembiso Msomi.

Formal analysis: Thabiso Sthembiso Msomi.

Investigation: Thabiso Sthembiso Msomi.

Methodology: Thabiso Sthembiso Msomi.

Project administration: Thabiso Sthembiso Msomi.

Supervision: Thabiso Sthembiso Msomi.

Validation: Thabiso Sthembiso Msomi.

Visualization: Thabiso Sthembiso Msomi.

Writing – original draft: Thabiso Sthembiso Msomi.

Writing – review & editing: Thabiso Sthembiso Msomi.

REFERENCES

1. Abdurahman, A. (2020). *Determinants of Loan Repayment Performance of Micro and Small Enterprises (MSEs): The Case of Dire Dawa City Administration* (Doctoral dissertation). Retrieved from https://www.academia.edu/44942054/DEPARTMENT_OF_ACCOUNTING_AND_FINANCE_PDF_DETERMINANTS_OF_LOAN_REPAYMENT_PERFORMANCE_OF_MICRO_AND_SMALL_ENTERPRISES_MSEs_THE_CASE_OF_DIRE_DAWA_CITY_ADMINISTRATION?uc-sb-sw=39115394
2. Agarwal, S., & Hauswald, R. B. (2008). *The choice between arm's-length and relationship debt: Evidence from loans*. <http://dx.doi.org/10.2139/ssrn.1306455>
3. Alfa, H., Aliyu, M. S., Maiyaki, A. A., & Barwa, T. M. (2023). Moderating effects of gender on financial literacy and loan repayment behaviour of Small and Medium Enterprises (SMEs) in Kano State, Nigeria. *Journal of Global Economics and Business*, 4(13), 37-60. <https://doi.org/10.58934/jgeb.v4i13.140>
4. Baidoo, S. T., Yusuf, H., & Ayesu, E. K. (2020). Improving loan repayment in Ghana: Does financial literacy matter? *Cogent Economics & Finance*, 8(1), 1787693. <https://doi.org/10.1080/23322039.2020.1787693>
5. Chepngetich, P. (2016). Effect of financial literacy and performance SMEs. Evidence from Kenya. SSRN. Retrieved from <https://ssrn.com/abstract=2882997>
6. Chong, F. (2021). Loan delinquency: Some determining factors. *Journal of Risk and Financial Management*, 14(7), 320. <https://doi.org/10.3390/jrfm14070320>
7. Danstun, N., & Harun, M. (2019). The Effect of Credit Collection Policy on Portfolio At Risk Of Microfinance Institutions In Tanzania. *Studies in Business & Economics*, 14(3). Retrieved from <https://intapi.sciendo.com/pdf/10.2478/sbe-2019-0049>
8. Hamza, A. G., & Abubakar, U. (2022). Nigeria: A Conceptual Framework for Financing SME Development in Developing Countries. *Fuoye Journal of Management, Innovation and Entrepreneurship*, 1(2). Retrieved from <https://fuoye-jmie.com/index.php/jmie/article/view/66>
9. Ipinge, A. (2010). *An analysis of the development of small and medium enterprises in Namibia (Khomas region)* (Doctoral dissertation).

- tation). Stellenbosch: University of Stellenbosch.
10. Kariuki, K. T., Kimanga, E., & Wanjiku, J. (2020). Performance of Events Management Service Providers within the Weddings Subsector, in Nairobi County, Kenya. *International Journal of Innovative Research and Development*, 9(12). <https://doi.org/10.24940/ijird/2020/v9/i12/DEC20033>
 11. Khan, M. M., & Riath, M. N. U. (2021). *Assessment on small and medium enterprises (SMEs) loan repayment behavior for women in Bangladesh*. Retrieved from <https://www.theseus.fi/handle/10024/510107?show=full>
 12. Kiptum, A. K. (2019). *Effect of financial skills on loan repayment: a case of micro and small enterprises in Elgeyo Marakwet County, Kenya* (Doctoral dissertation). Egerton University.
 13. Kitomo, D., Likwachala, R., & Swai, C. (2021). Financial Management Practices Among Micro Enterprises and their Implications for Loan Repayment: A Case of Solidarity Group Lending of DCB Commercial Bank in Dar es Salaam. *International Journal of Economics and Finance*, 12(12), 122-122. <https://doi.org/10.5539/ijef.v12n12p122>
 14. Le, T. N., & Nguyen, D. D. (2020). An impact of budgetary goal characteristics on performance: The case of Vietnamese SMEs. *The Journal of Asian Finance, Economics and Business*, 7(9), 363-370. <http://dx.doi.org/10.13106/jafeb.2020.vol7.no9.363>
 15. Maduekwe, C. C., & Kamala, P. (2016). The use of budgets by small and medium enterprises in Cape Metropolis, South Africa. *Problems and Perspectives in Management*, 14(1), 183-191. [http://dx.doi.org/10.21511/ppm.14\(1-1\).2016.06](http://dx.doi.org/10.21511/ppm.14(1-1).2016.06)
 16. Mbogo, M., Jimmy, M., & Olando, C. (2021). Effect of Budgeting Practices on Financial Performance of Manufacturing Small and Medium Enterprises in Nairobi County, Kenya. *Journal of Language, Technology & Entrepreneurship in Africa*, 12(1), 84-110. Retrieved from <https://typeset.io/pdf/effect-of-budgeting-practices-on-financial-performance-of-4wt-kv329a9.pdf>
 17. Msomi, T. S., Olarewaju, O. M., & Ngcobo, X. (2021). Sustaining South African small and medium-sized enterprises through monetary access and Literacy in the COVID-19 ERA. *Folia Oeconomica Stetinensia*, 21(2). Retrieved from https://econpapers.repec.org/article/vrsfoeste/v_3a21_3ay_3a2021_3ai_3a2_3ap_3a57-75_3an_3a5.htm
 18. Msomi, T., & Olarewaju, O. M. (2022). Nexus of Loan Repayment Plans, Interest on Loans and the Sustainability of Small and Medium Enterprises in South Africa. *African Journal of Inter/Multidisciplinary Studies*, 4(1), 205-216. <https://doi.org/10.51415/ajims.v4i1.976>
 19. Msomi, T. S. & Zungu, S. C., (2023). Factors Affecting Small and Medium-Sized Enterprises Financial Resilience Post Covid-19 Pandemic in South Africa. *International Journal of Environmental, Sustainability, and Social Science*, 4(6), 1822-1834. <https://doi.org/10.38142/ijess.v4i6.882>
 20. Muda, S., Hamzah, N., Saleh, N. M., & Ridhuan, M. (2020). *Intellectual Capital and SMEs' Business Performance from an Organisational Lifecycle Perspective*. Retrieved from https://www.researchgate.net/publication/341438826_Intellectual_Capital_and_SMEs'_Business_Performance_from_an_Organisational_Lifecycle_Perspective
 21. Muneer, S., Ahmad, R. A., & Ali, A. (2017). Impact of financial management practices on SMEs profitability with moderating role of agency cost. *Information Management and Business Review*, 9(1), 23-30. <http://dx.doi.org/10.22610/imbr.v9i1.1593>
 22. Naidu, G. T., & Sri, S. S. S. (2020). Effect of cash management practices on financial performance of small and medium enterprises in Visakhapatnam and Vizianagaram districts of Andhra Pradesh, India. *European Journal of Social Sciences Studies*, 5(6). Retrieved from <https://oapub.org/soc/index.php/EJSSS/article/view/951>
 23. Nhleko, M. A. N., Msomi, T. S., & Ogunsola, S.A., (2023). Challenges of Women Entrepreneurship and Empowerment in South Africa: Evidence from Rural Areas. *International Journal of Environmental, Sustainability, and Social Science*, 4(5), 1398-1407. <https://doi.org/10.38142/ijess.v4i5.796>
 24. Nyathi, M., & Benedict, O. H. (2017). An assessment on book-keeping training and understanding of small-business owners in the retail clothing industry in Cape Town, South Africa. *Journal of Economics*, 8(2), 109-120. Retrieved from [http://krepublishers.com/02-Journals/JE/JE-08-0-000-17-Web/JE-08-2-000-17-Abst-PDF/JE-08-02-109-17-228-Nyathi-M/JE-08-02-109-17-228-Nyathi-M-Tx\[3\].pmd.pdf](http://krepublishers.com/02-Journals/JE/JE-08-0-000-17-Web/JE-08-2-000-17-Abst-PDF/JE-08-02-109-17-228-Nyathi-M/JE-08-02-109-17-228-Nyathi-M-Tx[3].pmd.pdf)
 25. Ogoe, F. (2019). *Exploration of Risk Perception among Financial Service Providers in Financing Small and Medium Scale Enterprises in the Sunyani Municipality, Ghana* (Doctoral dissertation). University of Cape Coast.
 26. Olarewaju, O., & Msomi, T. (2021). Effect of Budgeting and Financial Awareness on Sustainability of Small and Medium Enterprises in South Africa during the COVID-19 Era. *The Journal of Accounting and Management*, 11(3). Retrieved from <https://dj.univ-danubius.ro/index.php/JAM/article/view/1202/1810>
 27. Ongesa Nyamboga, T., Omwarrio Nyamweya, B., & Moulid Abdi, A. (2014). An Assessment of Financial Literacy on Loan Repayment by Small and Medium Entrepreneurs in Ngara, Nairobi County. *Research Journal of Finance and Accounting*, 5, 12. Retrieved from <https://www.iiste.org/Journals/index.php/RJFA/article/view/13594>
 28. Ouma, O. S. O. (2020). *Financial Leverage and Loan Repayment Among Small and Medium Sized Enterprises in Kakamega County, Kenya* (Doctoral dissertation). School of Business, Kenyatta University.

29. Pepple, G. J., & Enuoh, R. O. (2020). Entrepreneurial competencies: A required skill for business performance. *European Journal of Business and Innovation Research*, 8(3), 50-61. Retrieved from <https://ejournals.org/ejbir/vol-8-issue-3-may-2020/entrepreneurial-competencies-a-required-skill-for-business-performance/>
30. Rahimiaghdam, S., & Rayati, S. (2023). Examining the effect of using Instagram on entrepreneurial intention of women with the mediating role of psychological empowerment and self-efficacy. *Journal of Modern Psychological Researches*, 17(68). <https://doi.org/10.22034/JMPR.2023.15352>
31. Rajagopaul, A., Magwentshu, N., & Kalidas, S. (2020). *How South African SMEs can survive and thrive post COVID-19. Providing the Right Support to Enable SME Growth Now and Beyond the Crisis*. Retrieved from <https://www.mckinsey.com/featured-insights/middle-east-and-africa/how-south-african-smes-can-survive-and-thrive-post-covid-19>
32. Rehman, S. U., Bhatti, A., Mohamed, R., & Ayoup, H. (2019). The moderating role of trust and commitment between consumer purchase intention and online shopping behavior in the context of Pakistan. *Journal of Global Entrepreneurship Research*, 9(1), 1-25. Retrieved from <https://link.springer.com/article/10.1186/s40497-019-0166-2>
33. Sarwar, U., & Khan, M. M. (2022). Owner-managers' characteristics, financial resilience and multidimensional performance during covid-19 pandemic: a resource-based perspective. *Journal of ISOSS*, 8(2), 287-306. Retrieved from <https://www.joi.isoss.net/wp-content/uploads/2022/09/20-J-ISOSS-8-2-Galley-Proof.pdf>
34. Schubert, H., & Kirsten, S. M. (2021). Effect of budgeting control on the financial performance of SMEs in Germany. *Journal of Finance and Accounting*, 5(2). Retrieved from <https://stratford-journals.org/journals/index.php/journal-of-accounting/article/view/812>
35. Shalhoob, H., & Hussainey, K. (2023). Environmental, Social and Governance (ESG) Disclosure and the Small and Medium Enterprises (SMEs) Sustainability Performance. *Sustainability*, 15(1), 200. <https://doi.org/10.3390/su15010200>
36. Shang, Q., Ma, Z., & Wang, X. (2020). In search of the best interest rate for group lending: Toward a win-win solution for SMEs and commercial banks in China. *The Chinese Economy*, 53(3), 285-299. <http://dx.doi.org/10.1080/10971475.2020.1722359>
37. Song, Q., Du, J., & Wu, Y. (2021). Bank loans for small businesses in times of COVID-19: Evidence from China. *Emerging Markets Finance and Trade*, 57(6), 1652-1661. <http://dx.doi.org/10.1080/1540496X.2021.1900820>
38. Sucuahi, W. T. (2013). Determinants of financial literacy of micro entrepreneurs in Davao City. *International Journal of Accounting Research*, 42(826), 1-8. Retrieved from <https://www.walshmedicalmedia.com/open-access/determinants-of-financial-literacy-of-micro-entrepreneurs-in-davao-city-IJAR-1-104.pdf>
39. Tuyisenge, H. J., Mugambi, F. & Kemirembe, O. M. (2015). The Role of Financial Literacy on Loan Repayment among Small and Medium Entrepreneurs in Rwanda Case Study: Urwego Opportunity Bank. *International Journal of Small Business and Entrepreneurship Research*, 3(5), 33-66. <https://ejournals.org/ijsber/vol-3issue-5september-2015/the-role-of-financial-literacy-on-loan-repayment-among-small-and-medium-entrepreneurs-in-rwanda-case-study-urwego-opportunity-bank/>
40. Wanjiku, K. J., & Muturi, W. (2015). Effect of financial literacy on loan repayment a case of ecumenical churches loan fund, Kenya. *International Journal of Social Science and Information*, 3(2), 1657-1675. Retrieved from <https://www.ijssit.com/main/wp-content/uploads/2017/05/Effect-Of-Financial-Literacy-On-Loan-Repayment.pdf>
41. Worokinasih, S., & Potipiroon, W. (2019). Microfinance repayment performance of SMEs in Indonesia: Examining the roles of social capital and loan credit terms. *The Journal of Behavioral Science*, 14(1), 28-45. Retrieved from https://www.researchgate.net/publication/330988110_Microfinance_Repayment_Performance_of_SMEs_in_Indonesia_Examining_the_Roles_of_Social_Capital_and_Loan_Credit_Terms
42. Zor, U., Linder, S., & Enderich, C. (2019). CEO characteristics and budgeting practices in emerging market SMEs. *Journal of Small Business Management*, 57(2), 658-678. <https://doi.org/10.1111/jsbm.12438>