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# Financial Literacy and Business Performance: Evidence from Small Medical Enterprises in Katavi Region

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## **ABSTRACT**

The study examines financial literacy levels among small medical entrepreneurs and its impacts on business performance. Specifically, it aims at assessing attitude and behavior of the small medical entrepreneurs on the subsequent performance of small medical firms using Katavi region as the evidence. The study employed a cross-section study design whereby the primary data was collected through a survey qualitative interview to collect comprehensive information regarding level of financial literacy among small medical entrepreneurs. A sample of 200 entrepreneurs was selected, ensuring diversity in terms of gender, age and educational background to represent the broader population accurately. Multiple regression model was engaged in the analysis to assess influence of financial skills on performance small medical enterprises. Result from multiple regression analysis indicate that financial literacy has a positive and significant influence on business performance. Managers with financial literacy understand business-related financial concepts including debts, savings, insurance and investment which ensure the good performance of their business. Findings of this study revealed that financial literacy among entrepreneurs can improve business performance. These findings contribute significantly to findings of previous similar studies on how financial literacy influence firms' performance. Government agencies and corporations recognize the role of financial skills among medical entrepreneurs on progress small medical firms. Therefore, proactive initiatives of disseminating enough skills on financial matters both formally and informally give the room for provision of enough applied financial skills among entrepreneurs.

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## **1. Introduction**

Entrepreneurs hold a pivotal role in pushing economic progress and innovation. Their ability to navigate the intricate financial aspects of business is the corner stone to success and sustainability of their ventures. Literacy on financial may be explained as comprehension and application of financial knowledge organized as a key determinant of entrepreneurial success (Mitchell and Lusardi, 2023). As the landscape of entrepreneurship evolves, understanding the financial literacy levels among entrepreneurs becomes essential for fostering a

resilient and thriving entrepreneurial ecosystem. Financial literacy comprises more than just financial knowledge as it demands also ability to understand and analyze financial information as well as deriving meaningful implications from the financial statement or report. It also involves financial behavior, derived from habits of examining financial data and making informed financial decisions based on financial preferences. These preferences and behaviors should align positively with financial literacy and support effective daily financial management decisions. The meaning financial literacy is more than knowledge, rather it includes attitudes, behaviors and skills. Financial literacy focuses on the decision derived from financial data that have been well comprehended. Brown et al., (2019) argued that having financial literacy implies that owners of the medical firm have the ability to understand the implications of the financial data and derive the conclusion. The study is built on the *Motivation theory* which provides that financial literacy is associated behavioral finance which reflect person's best interest in terms of decision (Hilgert et al.,2003). The theory pertains to individuals' ability to comprehend financial products and services and how well each financial product or service contributes positively to business performance and success.

Financial literacy requires more than just being considerate to basic financial concepts, it includes the skills necessary to make informed major decisions relating to finance in the dynamic and often unpredictable world of entrepreneurship. The link between financial literacy and business success has been established in various studies (Kaplan and Stromberg, 2009). Entrepreneurs with a solid grasp of financial principles are better equipped to manage cash-flow, allocate resources efficiently and navigate the complexities of financial markets. Therefore, different studies have emphasized the importance of financial literacy among entrepreneurs. Ngek (2016) highlighted the impact of financial literacy on entrepreneurial success, emphasizing the need for business owners to possess a well knowledge of financial issues, Debt literacy, financial experiences and over-indebtedness. Additionally, the study by Cole and Shastry (2009) which examined relationship existing between literacy on financial management and actual entrepreneurial practices. Their finding suggested that entrepreneurs having higher level of literacy are well equipped in such a way that they can make informed financial decisions. Generally, there is connection between influence of education, literacy of financial management and abilities to take active participation in financial markets. (Harvard Business School Finance Working Paper No. 09-71). Madrid-Guijarro et al., (2007) contended that business performance and sustainability are critical objective of any business entity. It was further stressed that financial literacy is one of the gauging tools for measuring firm's growth when the economic environment is conducive and when entrepreneurs miss financial literacy it may lead to lagging in business growth (Sucuahi, 2013). Therefore, in the same regards financial literacy is one of key instruments when it comes to flourishing of small businesses (Fernandes, 2015; Kimunduu et al., 2016).

In a study by Dahmen and Rodriguez (2014) connection between literacy on key financial issues and performance of SME in USA was revealed. They added that owners of SMEs with good background on financial issues can handle dynamics in the business and adopt changes resulting from business cycles. Salome (2014) conducted a study in Kenya regarding relevancy of training on financial literacy to employees of soapstone firm in Kenya and the result revealed that training on financial skills influence business performance. Other studies conducted in Kenya regarding the financial literacy were done by Kimunduu et al., (2016); Muraga and John, (2015) overall results of these studies indicated that financial literacy influence SME performance. In Indonesia Aribawa (2016) carried out the study on importance of financial literacy in Java-central Indonesia and revealed that there is significant association between financial literacy and performance. Some authors have gone a bit far and consider other factors that may also influence performance of small medical firms. For example,

Mallinguh et al (2020) examined how the sector in which the firm operate influence the business performance in Kenya. Their findings reveled the industry in which the enterprise operates has significant influence on financial performance between 146 firms under scrutiny. Essel et al., (2019) studied how performance of small enterprises in Ghana is associated with business sector, their findings were consistent with the argument that business sector has influence on the performance of small enterprises. In the same view, Mothibi,( 2015) examined the same in Pretoria South Africa. Consistently, it was revealed the business sector has powerful predictive impact on the performance of small medical enterprise.

The relationship between the ownership and business performance have also been examined in different occasions by different researchers. For example, Obasan et al. (2016) investigated the impact of ownership and business performance in Nigeria. Their findings report a strong positive connection between ownership and performance enterprises in Nigeria. Chu (2009) also explored the connection between ownership structure and business performance in Taiwan. He revealed that that business ownership is positively associated with performance. Entrepreneurs encounter a myriad of financial challenges including securing, funding, managing debts and optimizing investment decisions. These challenges are compounded by uncertainties inherent in entrepreneurial ventures making financial literacy a crucial tool for mitigating risks and maximizing opportunities (Shane and Venkataraman, 2000). Zakaria et al.,(2016) contended that that proportion of small medical enterprises is larger compared to their large counterparts, but still small medical enterprises show no internal or external strengths to grow or expand. Therefore, gauging performance of business over time is very important, especially in unstable economic environment which in most cases found in developing countries like Tanzania. Small medical firms are viewed from the context of support these firms provide to the economy of the country. For example, tax collected by revenue authority through health services provision to workforce actively contributing in economic development. Medical firms are also well known for reducing unemployment by absorbing young graduates from medical universities, as well as exporting value. Furthermore, the sector provides platforms which enhances development of entrepreneurial skills relevant for economic development especially in a competitive economy (Yakob et al., 2021).

Findings regarding relevancy of financial literacy are not the same since in other studies result indicate no or insignificant relationship between financial skills and performance of business (Bruhn and Zia, 2011). This makes re-assessment of the influence of financial literacy to SMEs particularly small medical firms in Tanzania quite inevitable. Therefore, sector of small medical firms continue to growth and contribution are also becoming significant making the assessment of the factors determining performance to attract interest of researchers, example of such factor include financial literacy to the owners. General objective of this study is to examine the extent to which determine how financial literacy determines business performance. Specifically, the study focusses on examining:

- i.* The extent to which financial knowledge to medical entrepreneurs' influence performance of medical SMEs in Tanzania,
- ii.* How attitudes of medical entrepreneurs' influence business performance of small medical firms in Tanzania
- iii.* How behaviors of medical entrepreneurs' impact business performance of small medical firms in Tanzania

The study is based on the view that medical entrepreneurs exhibiting high level of understanding on financial skills how conveniently experience better business performance. The study significantly relevant as it contributes to existing body of financial knowledge, particularly in the sector of medical entrepreneurs. Other sections of the paper cover methodology in section two which covers techniques used in establishing the sample size, tools used in collecting and analyzing data collection. *Section three* covers, presentation of findings and discussion, while recommendations and implication of the results are presented in *section four*.

## 2.0. Methodology

A cross-sectional research designs was used in this research. It involved collecting data from participants at a single point in time. In this case the study aimed to assess level of financial skills of medical entrepreneurs at a specific moment. The cross-sectional design allowed for the examination of relationship patterns or trends within a diverse sample of entrepreneurs. Surveys and interviews conducted during this period provided a snapshot of the financial literacy landscape among the target population. Additionally, a cross-sectional design is often more practical and feasible for studies aiming to understand the current state of a phenomenon such as financial literacy among a specific group. In Tanzania, Katavi region lies between latitudes 5° 15" to 7° 03" South of the equator and longitude 30° to 33° of East of Greenwich. It has a total area of 45,843 km<sup>2</sup> (<https://en.m.wikipedia.org>). Based on population census reports of 2022, Katavi region has a population size of 1,152,957 people, with population density of 25.15/km<sup>2</sup> and an average annual population change of 7.4% in a period of 10 years from (2012 -2022) (NBS census report 2022).

### 2.1. Data Source and Sample Size

The research sample was obtained from the populations of medical entrepreneurs in Katavi Region. According to Statistical Business Report of 2014/2015, the population of entrepreneurs in Katavi is 1918. Description randomly selected entrepreneurs from the entire population were selected. Rationale provides an unbiased representation of the population assuming truly random selection process. Tare Yamane formula was used to calculate the sample size.

The sample size,

$$n = N / 1 + N (e^2)$$

Where,

*n* - Is the required sample size

*N* - Is the population of entrepreneurs in Katavi region which is 1918. **Error! Reference source not found.**

*e* -is margin error which is 0.05

So, the sample size that was used in this research is 200 medical entrepreneurs.

Structured questionnaires covering key financial concepts and practices were used to assess the financial literacy levels for three financial variables which are knowledge, attitudes and behaviors.

### 2.2. Data Collection and Analysis

Data collection tool was designed comprising four sections, named A, B, C, and D. were designed to extract information about profile of respondents, firms, financial literacy and business performance (Shown in Table 1).

**Table 1: Parts of the Questionnaire**

Sections	Details
<b>A</b>	Respondents Characteristics
<b>B</b>	Firm Characteristics
<b>C</b>	Financial literacy
<b>D</b>	Business performance

Sections A and B collect information about characteristics of respondents and firms, respectively. These are structured questions as closed-ended with predefined options on responses. Conversely, Sections C and D collect information regarding financial literacy and business performance. The measured variables are hypothesized by linking them to a single construct. Adopting the approach from Khazaei & Azizi (2020). Hypothesis on the measured variables is designed by aligning them into one construct for section C, the method adopts and adjusted model developed by Sabana (2014). Justification of the adoption is that items and scopes of the tool used by Sabana (2014) were more comprehensive compared to other measurements engaged in other similar studies. For section D, Business performance measure is based on insights the respondents have on the financial issues regarding small medical enterprises. Adoption of subjective measure was built on the ground that financial data are sensitive information for small enterprises and if not properly handled it could result on the false information or data as contended by (Khan et al., 2014). Therefore, Tippins and Sohi, (2003) argued that financial information availed by small medical firms are more likely to incorrect, while Kraus et al., (2006) contended that such information could also be unreliable. The study has also been built on the model used by Khazaei & Azizi (2020), as depicted in Table 3. The same approach has also been engaged in the study by Wing (2001) and Nakhata (2007) in examining financial performance from in their respective studies.

Franzese and Luliano, (2018) unveiled that correlation test measures the strength of affiliation between two variables. Coefficient which ranges from -1 to +1, is used to quantity the strength and direction of a connection between variables. However, conducting correlation test alone cannot tell whether one variable impact or explains another. To analyze the impact of explanatory variables on the dependent variable, linear regression is the relevant model. The relationship between variables can be represented through a fundamental econometric equation. The primary objective of linear regression is to estimate the model parameters ( $\alpha$  and  $\beta$ ) in a way that best aligns with the joint distribution of X and Y. (Franzese and Luliano, 2018). To inspect the causal relationship between explained and explanatory variables the model below was adopted.

$$SMEPe = \beta_0 + \beta_1 FINLIT + \beta_t CONTROL + \mu$$

Where by,

**SMEPe** : represents small medical enterprise performance

**FINLIT**: represents financial literacy (financial knowledge, attitude and behavior)

**CONTROL**: represents control variables **GEN**-Gender, **AGE**-age of the owner, **EXP**- experience, **EDU**-educational level, **SEC**-firm's specific characteristics, **OWN**- types of ownership, **BIZAGE**-age of business, **SIZE**- firms' size.

**$\mu$** : Represents error term

In this study SMEs performance was considered as the dependent variable while measures of financial literacy were regarded as dependent variables, manager's profile and specific characteristics of small medical enterprises were treated as control variables. Such control variables comprise profiles of managers or owners example

Gender (GEN), age (AGE), experience (EXP), and education level (EDU), along with SME-specific characteristics such as sector of operation (SEC), ownership type (OWN), business age (BIZAGE), and firm size (SIZE), are considered key variables. Meanwhile,  $\mu$  represents the intercept,  $\beta$  denotes the regression coefficients, and  $\epsilon$  accounts for the error term in the model. The list of measurement for each variable is presented in *Appendix 1&2*.

### 3.0 RESULTS AND DISCUSSION

The last two sections (C & D) adopted the response format developed based on an itemized rating scale. The scale involves interval measurement that gives respondents freedom to use a wider range of numbers (Cavana et al., 2001).

**Table 2: Number of Items and Details for Each Section**

<b>Part</b>	<b>Details</b>
<b>Number of items</b>	
A	Respondents' characteristics
8	
B	Firm's characteristics
5	
C	Financial literacy
31	
D	Business performance
9	
<b>Total</b>	
<b>53</b>	

This study adopted a 6-point Likert scale technique, ruling out the likelihood of a neutral midpoint. The choice of a 6-point scale is in line with Tang et al. (1999), who advocated that a scale with 6 to 7 points enhance respondents openly express their confidence more effectively in exciting responses. For financial literacy, it ranges from "strongly disagree" to "strongly agree," while for performance, it spans from "very low" to "very high." The questionnaire involved 53 questions, as indicated in Table 2. To assess reliability, we carried out the test, considering an instrument to be 100% reliable if it consistently produces the same results each time the test is performed. Sekaran (2000) argued that the alpha coefficient used as a key measure of reliability, with a Cronbach's Alpha value of 0.6 or higher commonly deemed acceptable (Sekaran, 2003). It was further contended that any case within a variable yield a value below 0.6, they should be taken out from the questionnaire (Sekaran & Bougie, 2010).

**Table 3: Analysis for Financial Literacy and SME Performance**

	Mean
Financial Management	4.68
Saving literacy	4.68
Debt literacy	3.93
Investment literacy	4.33
Insurance literacy	3.99
Financial literacy	4.26
SME performance	4.25

The average financial literacy score was notably high at 4.26, implying a strong level of financial knowledge among owners and managers of medical SME. Similarly, the performance of SMEs was examined at a high level as well as, with a mean score of 4.25. The interpretation of these mean values follows the guidelines established by Mukminin and Hidayat (2013), as presented in Table 3.

**Table 4: Mean score interpretation**

Mean Score	Interpretation
1.00 - 2.33	Low
2.34 – 3.66	Medium
3.67 – 5.00	High

Source: Mukminin & Hidayat (2013)

The heteroscedasticity test was conducted using the Breusch-Pagan and Koenker methods, yielding statistical values of (LM = 13.143, p = 0.156) and (LM = 15.226, p = 0.085), respectively. Since the null hypothesis could not be rejected, this indicates no presence of heteroscedasticity issues. Additionally, Table 5 presents the results of the multiple regression analysis, showing an R<sup>2</sup> value of 0.177, which implies that 17.7% of performance of medical firms is explained by issues relating to financial and managerial skills. The remaining 82.3% is influenced by other issues not covered in the study. Implication of low R<sup>2</sup> value also indicate low strength of linear relationship among the explained and explanatory variables. However, when R<sup>2</sup> is low but significant still we can draw conclusions related to the impact of explanatory on explained variables (Morrison, 1973; Bonnie et al., 2013). Bonnie et al. (2013) also added that the value of R<sup>2</sup> could be low in certain aspect for example in studies associated with predicting human behavior. The output also indicates F values=4.536 and p=0.000<0.05, implying that the regression model can be applied in measuring performance small medical enterprises. Consistent with our prior expectations regression results report that financial literacy has a positive and significant impact on performance of small medical enterprises at α = 1% with p = 0.000. This Finding conforms with view that financial literacy positively impacts the performance of SMEs. Impliedly the higher the level of financial literacy to entrepreneurs the better the SME’s performance will be. These results conform with the findings of Dahmen and Rodriguez (2014); Aribawa (2016); Chamwada (2015); Cherugong (2015); Njoroge (2013); Fernandes (2015), Kimunduu et al. (2016); Muraga and John (2015); Sabana (2015); and Salome (2014). Findings further revealed that experienced SMEs managers perform better compared to less experienced managers, as reflected by the positive sign of the parameter for EXP at α = 0.10 with p = 0.085.

Results conform with Ndlovu (2019) which stressed that it is logical to assume that a more experienced manager is better equipped to handle various business functions, including financial management and human resources. Furthermore, specific industry in which SMEs operate has a notable influence on their performance, with statistical significance at  $\alpha = 0.10$  and  $p = 0.093$ . Conversely, a manager's educational background has a significant but negative effect on SME performance at  $\alpha = 0.10$  and  $p = 0.055$ . In particular, managers without tertiary education tend to outperform their counterparts with higher academic qualifications. with different background of education.

**Table 5: Results for Regression Analysis**

<i>Outcome: SMEPe</i>	<i>coefficient</i>	<i>Standard error</i>	<i>t-statistics</i>	<i>p-value</i>
	<b>2.592</b>	<b>0.344</b>	<b>8.036</b>	<b>0.000</b>
<i>Constant</i>	<b>0.370</b>	<b>0.344</b>	<b>0.310</b>	<b>0.000*</b>
<i>FINLIT</i>	<b>-0.107</b>	<b>0.085</b>	<b>-0.090</b>	<b>0.200</b>
<i>GEN</i>	<b>-0.003</b>	<b>0.083</b>	<b>0.007</b>	<b>-0.919</b>
<i>AGE</i>	<b>0.137</b>	<b>0.026</b>	<b>0.115</b>	<b>0.085**</b>
<i>EXP</i>	<b>-0.154</b>	<b>0.079</b>	<b>-0.131</b>	<b>0.093**</b>
<i>SEC</i>	<b>-0.069</b>	<b>0.091</b>	<b>-0.058</b>	<b>0.448</b>
<i>OWN</i>	<b>-0.047</b>	<b>0.091</b>	<b>-0.101</b>	<b>0.188</b>
<i>BIZAGE</i>	<b>0.002</b>	<b>0.036</b>	<b>0.085</b>	<b>0.277</b>
<i>SIZE</i>	<b>-0.071</b>	<b>0.002</b>	<b>-0.139</b>	<b>0.055**</b>
<i>EDU</i>	<b>0.177</b>	<b>0.037</b>		
<i>R<sup>2</sup></i>	<b>0.134</b>			
<i>Adjusted R<sup>2</sup></i>	<b>4.536</b>			
<i>F</i>	<b>LM=13.143</b>	<b>p = 0.000</b>		
<i>Breusch Pagan</i>	<b>LM=15.226</b>	<b>p = 0.156</b>		
<i>Koenker</i>		<b>p = 0.085</b>		

\*Significance at  $\alpha = 0.01$ ; \*\*significance at  $\alpha = 0.10$

This is consistent with findings in previous studies such as those of Ndlovu (2019) and Essel (2019) where they also found evidence on influence of education level on firms' performance. Other factors such as gender, age, ownership, business age, and firm size do not significantly influence performance of small medical firms. Incontrovertibly, literacy on financial issues is very crucial for managers and owners of the medical enterprises as in the case of other business entity. Therefore, government agencies and even at individual or corporate level it is quite inevitable to avoid training that focus enhancement of skills on financial management.

#### 4.0. CONCLUSION AND POLICY IMPLEMENTATION

This study aimed to provide empirical evidence on the impact of financial literacy on the performance of small medical enterprises. The analysis was based on survey responses from 200 small medical business owners operating in the Mpanda, Mlele, and Mpimbwe districts of the Katavi region. Regression findings indicated that

financial literacy among managers has a significant positive effect on the performance of small medical enterprises, even after accounting for managerial profiles and firm-specific characteristics. Findings also revealed that financial literacy has impact on the decisions made by managers of the small medical entrepreneurs in Katavi region, these result calls for both long term and short-term courses relating to financial literacy to managers (as well as the owners if need arise) of small medical enterprises in Katavi region. Such kind of courses can be conducted to managers periodically or before establishment of such business (small medical enterprises). The study also appealed to the policy makers to come up with policy so that responsible ministry can replicate implementation of same efforts in other regions of Tanzania. This study found that literacy on debt management had the lowest mean value. Therefore, entrepreneurs need to learn effective debt management strategies in order to generate profit. Control variables, including managers' experience, education level, and the business sector, had a significant impact on the performance of medical firms. However, since these variables were used to control the causal effect of financial literacy on performance, their influence is not examined in detail. The findings contribute to existing research by further emphasizing the substantial impact of various aspects of financial literacy on the performance of small and medium-sized medical enterprises. Managers, owners, and entrepreneurs must make critical business decisions and address pressing challenges while considering the fundamentals of financial literacy.

Findings implies that managers, owners, and entrepreneurs with better financial literacy skills are believed to be in better position to make accurate financial decisions that can help SMEs reduce administrative costs, conduct cost-benefit analysis, minimize staff turnover, engage in profitable investment schemes, and reduce internal conflicts which may affect performance, financial decision made in such situations will be rational and based on the financial information obtained. Thus, SMEs can optimize sales and maximize profits, resulting in better performance. The study recommends collaboration between policy makers, regulatory authority to craft policy in view of relevancy financial literacy to managers as well as implement mandatory training on relating financial literacy so that these small medical enterprises can eventually grow and contribute to economic growth in the country. Higher learning institutions (particularly those offering business and financial courses or financial consultants to design package that suit to the managers in small medical enterprises sector in the country. The study recommends that extension of this study should focus largely on the other factors that might explain the performance of the small medical enterprises since the model indicate that performance of these SMEs are largely influenced by factors other than the one mentioned in this study.

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## APPENDICES

### Appendix 1: Dimensions and Item Description of Financial Literacy

Dimension	Item description
<b>Financial management</b>	Our organization has cash books used to record business collections and expenses Our organization separates any personal income/expenses from business income/expenses. The organization prepares plans for the business and regularly monitors it. Our organization implements cash flow projections for businesses. Our organization provides financial statements for businesses (e.g., balance sheets and income statements)". This organization uses the financial information in the financial statements to manage the business Our organization has a business plan
<b>Savings literacy</b>	Our organization recognizes the significance of saving for business expenses and has established savings plans for this purpose. We consistently set aside funds to cover business costs. Additionally, our organization is committed to preserving savings and does not readily allocate them to unrelated expenses.

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**Investment literacy** The organization has a structured investment plan in place.  
It routinely tracks and evaluates investment returns.  
The organization diversifies its investments and adjusts them based on expected returns or revenue.  
High-return investments often come with higher risks.

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**Insurance literacy** Business insurance is essential for protecting operations.  
Various business insurance policies available in the market have different terms and coverage.  
It is crucial for all organization members to understand the terms of business insurance policies.  
The organization is unable to afford a business insurance policy due to its high cost.  
Members of the organization lack awareness of suitable insurance products for the business.

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**Debt literacy** Debt is an unavoidable aspect of running a business.  
Taking out loans for business operations carries inherent risks.  
Organization members understand the distinctions between a base rate, nominal rate, and interest rate.  
Members are knowledgeable about the concept of real benefits.  
They can differentiate between interest rates and compounded interest rates.  
The organization prefers loan repayment on a flat basis rather than a reducing balance structure.  
Over the past 12 months, the organization has obtained business credit reports.  
The organization is experiencing high debt levels and either faces or is likely to face repayment challenges.  
The organization currently holds a manageable level of debt and faces no challenges in repayment.  
With low debt levels, the organization qualifies for additional loans.  
The organization is unaware of the current status of its outstanding debts.

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*Source: Sabana, (2014)*

**Appendix 2: Small Medical Entrepreneur’s business performance**

<b>Construct</b>	<b>Item</b>
<b>Business performance of a small medical enterprises</b>	Cash flow
	Gross profit margin
	Net operating profit
	Sales growth rate
	Return on sales
	Return on investments
	Net profit margin
	Return on shareholder equity
	Ability to fund business through profits

Source: Khazaei & Azizi (2020).

**Appendix 3: Summary of Measurement of variables**

<b>Variable</b>	<b>Description</b>	<b>Measurement</b>
<b>GEN</b>	Gender	Gender: 1 = Male, 0 = Female
<b>AGE</b>	Managers’ age	Age Categories (Ordinal): Below 25 years; 26–30 years; 31–35 years; 36–40 years; 41–45 years; 46–50 years; Above 50 years
<b>EXP</b>	Managers’ experience – measures whether managers possessed any experience before starting their business	1=experience, 0=no experience
<b>EDU</b>	Education level	(1) Primary Education; (2) Secondary Education (3) Diploma; (4) Bachelor’s Degree; (5) Master’s Degree (6) Doctorate (PhD)
<b>SEC</b>	Sector in which SMEs operate	1=service, 0=non-service
<b>BIZAGE</b>	Type of ownership	1= sole proprietor, 0 = others
<b>SIZE</b>	Business age – number of years since SMEs were incorporated	(1) Less than 5 years; (2) 5 to 10 years; (3) 11 to 15 years (4) 16 to 20 years; (5) 21 to 25 years; (6) More than 25 years
<b>FINLIT</b>	Firm size	Numbers of employees
<b>SMEPe</b>	Financial literacy	
	SME performance	6-point Likert scale
		6-point Likert scale