

Measuring Financial Management and Bankability of Small Business Mumpreneurs through Triangulation Study

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Abstract: Women's entrepreneurship can help to achieve "No Poverty" (SDG 1) and "Gender Equality" (SDG 5) under the targeted area of the 17 Sustainable Development Goals 2030. The business sector contributes significantly to the country's economic development. The primary purpose of this study is to explore the financial management practice and bankability of B40 mumpreneurs. The design of this study uses a mixed-method approach based on a semi-structured interview of 23 respondents and a survey study of 200 B40 entrepreneurs. All recorded data were transcribed for thematic data analysis. The survey study has been examined using AMOS SEM analysis. The triangulation method is employed to check the completeness of the interview and survey data and ensure that the data is valid. The results discovered that financial management is at a low level, with several issues having been identified. These include poor credit score, lack of financial knowledge and skills, failure to calculate proper selling price, poor business financial management, using a personal account for business matters, poor business audit, lack of savings and investments, and underutilization of financial tools. The survey showed a significant relationship between poor financial management and low bankability levels.

Keywords: *Financial management, bankability, women entrepreneurs, triangulation, B40*

1. Introduction

The financial crisis caused by the COVID-19 pandemic has turned the world's attention toward the importance of financial literacy among individuals (Sabri et al., 2023). The COVID-19 pandemic that hit the whole world, including Malaysia, is a health crisis that threatens the survival and well-being of the community and puts financial pressure on the individuals involved (Shibata, 2021). For small entrepreneurs, this situation puts pressure on their businesses. Financial pressure occurs due to reduced customers, the need to pay rent for the premises, and cash flow problems (Wang et al., 2021). A Department of Statistics Malaysia study showed that 71.4% of working respondents have savings that are only enough for less than a month. Only 2.4% of self-employed respondents have more than six months of savings (Hamid & Loke, 2021). Individuals who are financially blind will experience problems and tend to make wrong decisions in their economic management (Khan et al., 2023).

Small businesses need a distinctive financial management pattern (Mohd Noor et al., 2024b). Financial management capability involves a dynamic learning process influenced by external and internal environmental factors such as attitude, skills, knowledge, business planning, and experience (Barbosa et al., 2020). Incorrect financial management will cause the business to experience bankruptcy or loss (Burns, 2022). Even if entrepreneurs are not as efficient as accountants, they must understand the implications and effects of effective financial management on their businesses (Noor et al., 2024c). Tuffour et al. (2022) stated that financial management requires specific technical skills.

Noor et al. (2024b) found that most female entrepreneurs must update sales records or use auditors' services. Some need more planning time because they are too busy with other daily affairs and believe financial planning is more suitable for large businesses (Kappal & Rastogi, 2020). Most small businesses fail to obtain financing simply because of poor record-keeping (Kajal et al., 2021). According to a study by Yakob et al. (2021), most entrepreneurs in Malaysia do not update their purchase and sale transaction records and do not use the services of an auditor. Businesses go bankrupt due to failing to manage their finances properly, and some are unable to

distinguish between personal and business finances, causing business capital to disappear and close (Ismail et al., 2021). Despite the various focuses and opportunities, many entrepreneurs still face significant challenges, such as access to financing, which hinder growth and prevent them from competing with large-scale companies (Zayed et al., 2022). Improper financial management will cause firms to experience bankruptcy or losses. According to Ismail et al. (2021), entrepreneurs need to have knowledge and understanding related to financial management to reduce the risk of failure. Sound financial management will help ensure that all existing business resources are used efficiently and effectively and provide optimal returns. Usually, entrepreneurs who start their small businesses do not get formal training or awareness about record keeping, and they will put the records aside because they need to know their importance (Hasan et al., 2023; Mohd Noor et al., 2024). Some commercial banks make it mandatory for future micro-entrepreneurs to prepare a comprehensive business plan before applying for a bank loan. Entrepreneurs with this experience are very advantageous in managing a business, especially those involving financial management, to prevent financial leakage (Iram et al., 2023). Most small businesses do not make it through the first five years if they do not have enough experience (Wang et al., 2020). To understand the financial management of B40 mumpreneurs more clearly, the researchers examine the practice of financial management and how this could impact the bankability level and provide strategies and approaches to empower B40 mumpreneurs' financial well-being.

B40 refers to the group with an income range between RM4,850 and below. This group is very vulnerable to high risks when economic pressure occurs in a country (Joo et al., 2021). Low income hurts the psychological aspects of individuals' and families' well-being. The increase in financial pressure not only causes the deterioration of parents' mental health but also contributes to conflict in the family, leading to cases of divorce, domestic violence, and neglect of responsibility towards children (Johan et al., 2021; Morgan & Long, 2020). Mumpreneurs are described as mothers involved in entrepreneurial activities. Being a working wife and mother is very tiring and stressful. Most B40 entrepreneurs are working within the informal economy.

The 2021 Informal Sector Employment and Informal Employment Survey reported that 955,400, or 73.4 percent, are self-employed individuals who run micro-sized businesses or are informal entrepreneurs (Uchiyama et al., 2022). Among the main criteria of the informal sector is the size of the workforce, which is less than ten people and is not registered under the defined law, and most businesses are not eligible for loans and assistance due to low education, poor credit score, and poor business management, especially financial aspects (Dell'Anno, 2022). This study hopes to help the relevant agencies and parties formulate further financial well-being and literacy policies. This study could also fill previous studies' evidence, population, and methodological gaps. Past studies have heavily examined financial literacy among young people and the public in general, yet the context of low-income groups or B40 mumpreneurs is often overlooked.

2. Literature Review

Financial Management

A former Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad, has launched the National Financial Literacy Strategy 2019-2023. This initiative was launched to improve the financial literacy of Malaysians and encourage responsible financial habits among the community. It is spearheaded by the combination of Bank Negara Malaysia and the Securities Commission in the Financial Education Network (FEN) platform. Financial literacy skills are essential to protect from unfair offers or fraud in an increasingly complex financial environment. In addition, there are several main strategies outlined by FEN to achieve the objective of financial literacy in society. Among them are instilling good values from a young age, increasing public access to information, financial tools, and resources related to financial management, inculcating positive financial habits among the target group, empowering retirement and long-term financial planning practices, and wealth planning (Sabri et al., 2023). FEN members will carry out this effort consistently and welcome the cooperation of other public and private sectors. Based on the OECD/INFE 2023 International Survey of Adult Financial Literacy, financial literacy is diverse across socio-demographic groups (Kiril, 2020). For example, financial literacy levels are higher among adults with higher incomes and educational levels. Moreover, self-employed adults have lower levels of financial knowledge than adults who are employed, and men have slightly higher financial literacy on average than women. Thus, B40 mumpreneurs are a vulnerable group that is highly exposed to financial risks. The report of the average financial literacy scores for 40 participating countries and economies also shows Malaysia's overall average financial literacy score is 61 out of 100 (Kiril, 2020).

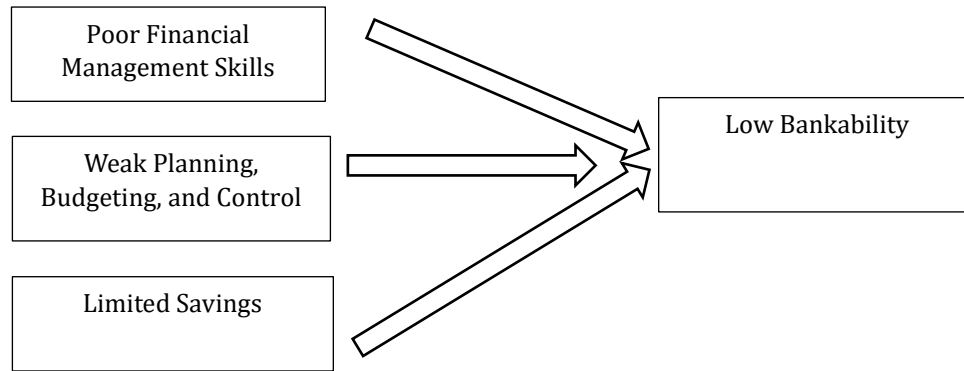
A study on financial management among small businesses has received attention in past studies. Financial management is essential for small businesses to ensure competitiveness (Barbosa et al., 2020). Entrepreneurs with financial literacy understand what is happening in the financial world and can make effective decisions (Burns, 2022). With financial management, businesses can grow into bigger businesses. Academics believe entrepreneurs are always involved in decision-making activities that impact business finances (Bartolacci et al., 2020; Tuffour et al., 2022). Therefore, entrepreneurs need financial skills to ensure effective decisions (Kappal & Rastogi, 2020). Rachidi and El Mohajir (2021) consider financial management to include awareness and knowledge as well as financial instruments and their use in business and daily life. Making the right financial choice is a critical decision with long-term financial consequences in an individual's life (Morgan & Long, 2020). Several skills show financial management, which is crucial to improving the entrepreneur's bankability. These include 1) the preparation of calculations, 2) managing savings, 3) financing skills, 4) budget preparation, and 5) record keeping (Oggero et al., 2020). Financial management tools will help entrepreneurs analyze their business performance over time. As an entrepreneur, they have a goal to grow the business. To achieve that goal, they need financing capital from banks, financial companies, and other financial institutions. Financial statements increase the chances of getting a loan (Gudjonsson et al., 2020). Recording can prevent the issue of bad debts or the risk of the company going out of business.

Bankability

Lack of financial literacy is evident in many aspects of Malaysians' lives. Many people think it is necessary to shop to avoid being left behind. From credit cards to simple payment schemes such as buy first and pay later (BNPL), many need help to make the payment. Bankability is the ability of an individual or a business to generate cash flow and attract financing or investment. One way to examine the bankability status is through credit scores. Credit scores are essential in determining loan or credit card approval, interest rates, and terms offered. A favorable credit score signals to credit providers that you are a responsible borrower and more likely to repay the debt on time (Gopal & Schnabl, 2022). Understanding and managing the credit score in Malaysia is vital to unlocking financial opportunities. A healthy credit score can open the door to achieving personal and business goals, while a low score can limit financial options (Nicolas, 2022). A credit score, essentially a numerical expression based on an analysis of the level of a person's credit file, represents an individual's creditworthiness. In Malaysia, credit scores range from 300 to 850, with higher scores indicating better credit health (Wasiuzzaman et al., 2020). The most basic credit report is a personal credit report from Bank Negara Malaysia (BNM), the Centralized Credit Reference Information System (CCRIS) report. The CCRIS does not display the credit score and only the most basic information for reference. A more detailed report, such as credit score, trade references, legal information, and others, could be retrieved from a third party such as Credit Bureau Malaysia, CTOS Data System, or RAM Credit Information (RAMCI). Some banks also have a way of calculating their credit scores. Financial institutions will also not reveal how they calculate individual credit scores to prevent irresponsible parties from misusing this information. Therefore, there is no standard way or method to calculate an individual's credit score (Wasiuzzaman et al., 2020).

A good credit score is essential for several reasons. It affects the ability to get personal, home, and business loans (Łasak, 2022). The role of financial technology and entrepreneurial finance practices in funding small and medium-sized enterprises. Lenders see a high credit score as an indicator of low risk, often resulting in better loan terms, such as lower interest rates and higher loan limits (Bartolacci et al., 2020). Paying bills on time, including credit card bills and loans, is the easiest way to improve the credit score. Entrepreneurs can consider setting up automatic payments or reminders to ensure they do not miss the due date. The amount of credit used should be below 30%, and the length of the credit history also contributes to the credit score. Keeping old accounts open can positively affect the score if they are in good standing. A healthy credit score is an invaluable asset, whether the individual is aiming for a home loan, looking to grow a business, or simply striving for financial stability (Bartolacci et al., 2020). In the business world, capital should not be acquired through debt unless it involves a significant business deal (D'Amato, 2020). Unfortunately, some run a business with all their capital obtained through debt. This situation will reduce the profit rate because they must pay a specific loan price. Business capital is not only in the form of money. Therefore, it must be understood that the more critical capital is a person's ability in terms of skills, experience, will, contacts, relationships, and the strength of the goods to be traded. This study believes that good financial management leads to better credit scores (i.e., bankability), resulting in better business performance and sound financial well-being. Figure 1 shows the study's conceptual model.

Figure 1: Research Model



3. Methodology

This study has employed a mixed-method approach to perform triangulation. By combining various methods, the potential for bias or errors that may appear from using only one method or source can be minimized (Strijker et al., 2020). If various methods produce consistent or similar findings, this increases confidence that the findings are valid and reliable. Using various methods, the researchers can obtain a complete and more diverse picture of the phenomenon being studied, enabling a more in-depth and holistic interpretation. Thus, triangulation becomes one of the most valuable tools in research as it ensures that research findings are supported by strong and comprehensive evidence, increasing the credibility and relevance of research results in the eyes of stakeholders and the academic community (Singh et al., 2024).

First, the researchers used semi-structured interviews to explore the current financial management practice. Twenty-three B40 mumpreneurs in Kuala Lumpur, Malaysia, were involved in the research and were selected using a purposive sampling technique. Unlike quantitative research, the sample size in qualitative research is generally not determined. This is due to the sample size required for the study being adapted to the availability of complete information or data needed by researchers (Hennink & Kaiser, 2022) or, in other words, achieved saturation or no new information being found. Kuzel (1999) divided the sample size estimate based on the sample category. As many as 6-8 data units are required when using a homogeneous sample, and 12-20 data units on a heterogeneous sample type (as cited in Malterud et al., 2021). The researchers used face-to-face interviews as a tool or instrument to conduct research. The interview protocol is adapted from studies by Fuzi et al. (2024) and Noor et al. (2024a). The researchers analyzed the data with a thematic qualitative approach. Table 1 shows the information on the study's key informants.

Table 1: Key Informants Information

No.	Key Informant Code	Age	Period of Business	Bank Loan
1	A1	40	More than five years	No
2	A2	45	More than eight years	No
3	A3	39	More than five years	No
4	A4	35	Less than two years	No
5	A5	42	Less than two years	No
6	A6	40	More than five years	No
7	A7	37	More than five years	No
8	A8	38	More than five years	Yes
9	A9	40	More than five years	No
10	B1	41	More than five years	No
11	B2	45	More than five years	No
12	B3	35	More than five years	No
13	B4	33	More than five years	No
14	B5	31	More than five years	No
15	B6	40	More than five years	No
16	B7	44	More than five years	No

17	B8	42	More than five years	No
18	B9	38	More than five years	No
19	C1	40	More than five years	No
20	C2	42	More than five years	No
21	C3	46	More than five years	No
22	C4	37	More than five years	Yes
23	C5	37	More than five years	No

For the second phase, questionnaires were distributed to 200 B40 mumpreneurs using stratified sampling. The sampling frame of this study was the Federal Territory of Kuala Lumpur, Malaysia. Kline (2015) offered sample size guidelines for analyzing the structural equation model (SEM), suggesting that a sample over 200 is considered significant. B40 mumpreneurs are coming from PPR localities such as PPR Desa Tun Razak, PPR Desa Petaling, PPR Laksamana, PPR Muhibbah, PPR Cempaka, PPR Seri Pantai, PPR Kerinchi, and others. In this study, the participants must be 18 years old and above, care for their own or foster children, and actively participate in the business as full-time or part-time entrepreneurs. Table 2 summarises the demographic profile of the study. According to Table 2, researchers have focused on five demographic aspects. The age aspect shows that most respondents were equal to or more than 35 years old. Most of this study's respondents were Malays, followed by Indians. In addition, in terms of educational level, secondary school level or *Sijil Pelajaran Malaysia* (SPM) has been recorded as the most significant number, more than half of the study respondents. In addition, most respondents have 3 to 4 children. This study also found that most of the respondents were full-time entrepreneurs. The instrument items were adapted from studies by Jusoh and Abd Talib (2018) and Moko et al. (2022), as well as credit score criteria used by banks. In this research, the researchers used the analysis method of Structural Equation Modelling (SEM). Table 3 summarizes the instrument items used.

Table 2: Demographic Profile of the Respondent

No.	Profile	Frequency (n)	Percentage (%)
1	Age		
	18 -24 years	57	28.5
	25-29 years	41	20.5
	30-34 years	2	1
	≥35 years	100	50
2	Races		
	Malay	167	83.5
	Chinese	0	0
	Indian	33	16.5
	Others	0	0
3	Highest Educational Level		
	Primary School	5	2.5
	Secondary School	182	91
	Undergraduate	13	6.5
	Postgraduate	0	0
4	Number of Children		
	1-2	14	7
	3-4	119	59.5
	More than 4	67	33.5
5	Business Orientation		
	Full-Time Entrepreneur	113	56.5
	Part-Time Entrepreneur	87	43.5

Table 3: Variable Items

Variables	Items
Poor Financial Management Skills	FM1: I do not draft a business plan FM2: I do not prepare an income statement FM3: I do not prepare financial statements FM4: I do not use a ledger or balance sheet FM5: I do not use financial tools or worksheets to make decisions
Weak Planning, Budgeting, and Control	PBC1: I do not have financial goals to achieve within a year or PBC2: in my business PBC3: I do not prepare a budget for my income and expenses PBC4: I do not compare financial goals with my performance
Limited Savings	S1: I do not have any specific plans to save S2: I do not make any savings S3: I do not save a fixed amount
Low Bankability	B1: I do not have insurance coverage such as Takaful insurance and others. B2: I do not have a secured loan with the bank (e.g., home loans, car loans, and others). B3: I do not have unsecured loans (e.g., personal loans, credit cards, and others). B4: I have always been late in paying my loans. B5: My debt ratio is high (i.e., income is less than debt). B6: I do not persistently pay my business bills (e.g., phone or Internet).

4. Findings

Semi-Structure Interviews

The semi-structured interviews first revealed low financial management capability among B40 mumpreneurs. Most do not know about the ledger, balance sheet function, or income statements. They are also unaware of expenses and do not distinguish between personal and business expenses. This makes it difficult for them to accurately check, control, and evaluate the business performance. By recording all transactions accurately and promptly, entrepreneurs will be able to understand the financial health of the business better. However, most informants do not issue a receipt every time a transaction takes place and feel uncomfortable issuing a receipt because it makes things more complicated for them. Thus, the transactions are not recorded, which affects their awareness of the inflow and outflow of money in their business. The interviews also revealed that most informants do not use the proper systems and tools to manage their business finances. Among the verbatim quotes are the following:

"I did not issue any sales receipts. Just accept the order, and the customer pays. I handed over the order to the customer. I just estimated I would receive five orders monthly, and the sales estimate is RM500 per month" (A1).

"Alaa... a small business like mine does not need complicated records. I have a ledger book. There is no need to count money in and out. My business only receives a small monthly profit" (B4).

"I do this business only using my personal bank account. I am too lazy to create a business account. Sometimes, they are desperate because of the narrowness of life. Indeed, I use my business money for personal purposes" (C2).

Most informants also express concern about the inability to determine the selling price per unit. More than 20 mumpreneurs are worried about the risk to their business with the rising and unstable price of raw materials. This worsens when the economic situation worsens or the festive season approaches. Informants do not include additional costs when estimating their selling price. These costs may include utility bills, marketing/advertising, transportation, employee salaries, business licensing, and permit fees. If they do not calculate all these costs, they may not be able to determine the appropriate selling price and make the desired profit. They also may end up setting an uncompetitive selling price.

To assess the informants' financial experience, they agreed they gained financial management experience through the experience of running a business. Not all informants have any academic qualifications in the field of business that can help provide expertise in financial management. This explains that mumpreneurs get

financial management competencies through their own experience without involving any academic qualifications. Moreover, 10 out of 23 informants have attended business/entrepreneurship courses to learn how to properly and systematically manage finances. However, the application of knowledge is minimal without any monitoring or guidance from mentors or training providers. Among the verbatim quotes are the following:

"I have gone through financial management training before. They teach how to record outgoing and incoming money. I did, but only for a moment. After that, I was not consistent. A small business like mine does not even have enough capital. Difficult taking care of finances. I was forced to use business money for family emergencies" (C1).

"I have never attended any financial management training. Most are expensive, and I fear the formality because I am illiterate. I only learn by experience. I asked my children to do it if I wanted to make a QR code payment. Even simple accounting is not my forte" (A7).

Some informants also expressed their frustration with the current financial training and campaign. Among the verbatim quotes is the following:

"I suggest that training organizers or authorities come to our flat to hold a financial literacy campaign. This is not only for traders but also for the people in PPR. I am worried that young people are not good at managing their finances. Every month, the salary ends like that. Do not do campaigns in shopping malls. We have no vehicles and enough money to attend" (B2).

All informants also admitted that the business audit was not performed and that they did not intend to hire audit auditors or officers. Moreover, only some intend to register their businesses because they are afraid of preparing annual business statements and reports. The registration also potentially causes them to pay taxes and lose some privileges to receive assistance for the B40 group. The interview data also revealed that the informants' poor credit scores led to lower bankability. Only two informants have received business loans; the rest are not eligible due to poor payment history, monthly late payments, involvement in a legal case, and high debt ratios. Making payments on time reflects the credibility of a prudent payer.

The main challenges for small businesses are the need for more capital and the difficulty obtaining financing or loans from outside parties. The lack of financial resources to finance the business is a threat to expand the business. There are several factors why banks are less interested in funding small businesses. Most small B40 entrepreneurs do not have substantial collateral, low rates of return, no business records, or questionable financial status, and the majority do not have an organized management system. Poor financial management is the highest challenge faced by B40 entrepreneurs. This challenge also makes it difficult for entrepreneurial agencies to provide additional capital assistance.

Finally, all informants have admitted that they do not have any emergency savings, insurance, or investments. Among the verbatim quotes are the following:

"I am not eligible to receive bank loan assistance because I have been blacklisted for non-payment of loans. I am also a guarantor for my husband's car, which has been towed for a year for non-payment. So, for business, I use a lot of personal savings and borrow from friends" (B3).

"How many times have I wanted to take out a business loan but was rejected by the bank due to the large debt? Therefore, I only expect financial assistance from agencies such as Zakat and Amanah Iktihar Malaysia (AIM). Even business money rarely produces profit. There is only enough to eat every month. I have been doing this for almost five years. Nothing changes and improves" (A7).

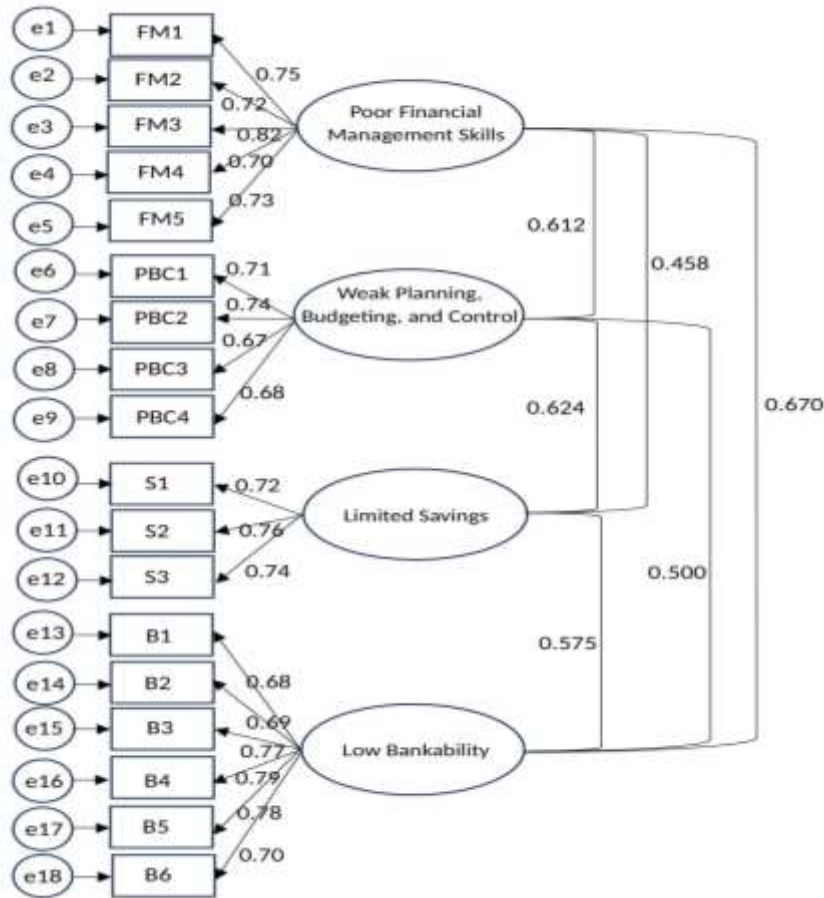
Non-eligibility for business loans occurs due to non-payment of personal loans. Lately, we can see how our society has been very eager to go into debt to get what it needs and wishes for. Being in debt to half the people has become a culture that is considered healthy, especially in showing luxury and boasting about the property and goods they have.

Survey Findings

Confirmatory Factor Analysis (CFA)

According to Hoque et al. (2017), construct validity shows how much a statement in the item used can measure the construction the researcher wants to measure. Construct validity is achieved when all the fitness indexes of the construction meet the specified level. To determine the fitness model, the value for Comparative Fit Index (CFI), Goodness Fit Index (GFI), and Tucker Lewis Index (TLI) is expected to be ≥ 0.90 . The size of the expected Root Mean Square Error of Approximation (RMSEA) value ≤ 0.08 . The value of chi-square (χ^2/df) ≤ 3 . It is considered acceptable (Hair et al., 2011). For this study, various indicators of the confirmatory model were acceptable ($\chi^2/df = 2.115$, $p < 0.001$, $GFI = 0.940$, $TLI = 0.930$, $CFI = 0.960$, and $RMSEA = 0.058$). Figure 2 shows the CFA model.

Figure 2: CFA Model



Convergent and Discriminant Validity

To identify the convergent validity, the researchers need to ensure that the Composite Reliability (CR) value is ≥ 0.6 and the Average of Variance Extracted (AVE) values are ≥ 0.05 (Hair et al., 2011). Table 3 describes Factor Loading, AVE, CR, and Cronbach's alpha for the study variables. Based on Table 4, the factor loading for each study item was more than 0.60, and AVE, CR, and Cronbach's Alpha values were within the acceptable range (Hair et al., 2011).

Table 4: Factor Loading, Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach Alpha's

Variable	Items	Item Loadings	AVE (≥ 0.50)	CR (≥ 0.60)	α (≥ 0.70)
Poor Financial Management Skills	FM1	0.75	0.620	0.860	0.788
	FM2	0.72			
	FM3	0.71			
	FM4	0.70			
	FM5	0.73			
Weak Planning, Budgeting, and Control	PBC1	0.71	0.689	0.808	0.880
	PBC2	0.74			
	PBC3	0.67			
	PBC4	0.68			
Limited Savings	S1	0.72	0.745	0.825	0.850
	S2	0.76			
	S3	0.74			
Low Bankability	B1	0.68	0.707	0.830	0.876
	B2	0.69			
	B3	0.77			
	B4	0.79			
	B5	0.78			
	B6	0.70			

Discriminant validity explains the extent to which a construct does not have a strong relationship with another construct in the same model. According to Hoque et al. (2017), discriminant validity for a construct can be achieved if all diagonal values of the matrix are more significant than other values in row and column cells. The diagonal value of the matrix is the square root of the average variance extracted (AVE). In contrast, the values in the metric are the correlations between the constructions in the model. From Table 5, the discriminant validity is achieved.

Table 5: Discrimination Validity

No.		1	2	3	4
1	Poor Financial Management Skills	0.787			
2	Weak Planning, Budgeting, and Control	0.612	0.830		
3	Limited Savings	0.458	0.624	0.863	
4	Low Bankability	0.670	0.500	0.575	0.840

Note: Values in the diagonal show the square root of AVE

Structural Model Analyses

As shown in Table 6, it was discovered that poor financial management ($\beta = 0.427, p < 0.001$), weak planning, budgeting, and control ($\beta = 0.309, p < 0.001$), and limited savings ($\beta = 0.189, p < 0.001$) have a significant association with low bankability of B40 mumpreneurs.

Table 6: Results of Structural Analysis

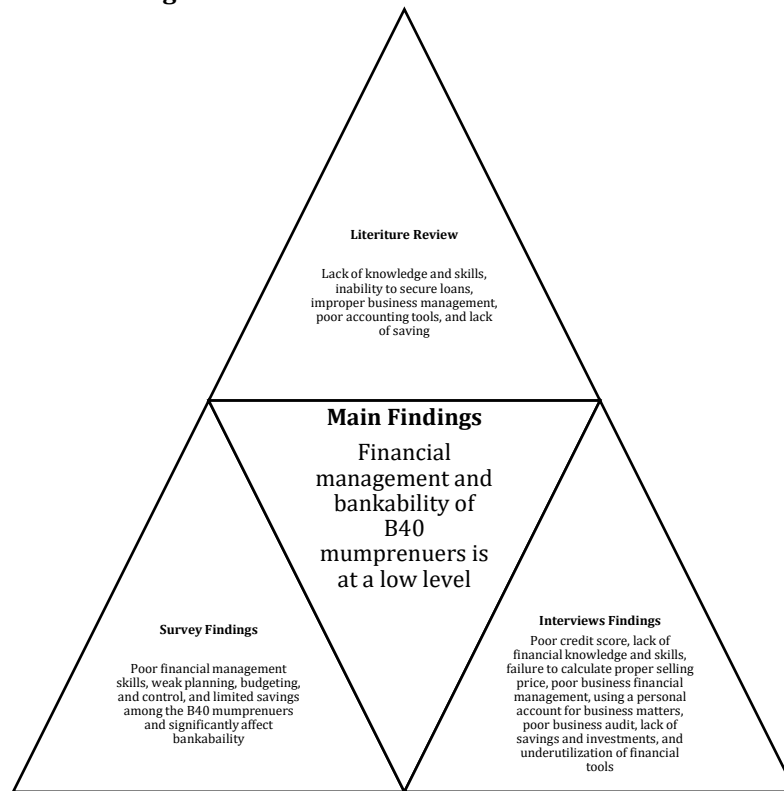
Path	β	S.E.	p
Poor Financial Management Skills → Low Bankability	0.427	0.061	***
Weak Planning, Budgeting, and Control → Low Bankability	0.309	0.059	***
Limited Savings → Low Bankability	0.189	0.041	***

Discussion

The interview results first discovered that financial management is at a low level, with several issues having been identified. These include poor credit score, lack of financial knowledge and skills, failure to calculate proper selling price, poor business financial management, using a personal account for business matters, poor business audit, lack of savings and investments, and underutilization of financial tools. The survey showed a

significant relationship between poor financial management and low bankability levels, supporting the identified significant issues. A lack of knowledge about financial management can cause a person not to give priority to saving activities. Figure 3 portrays the outcome of the study.

Figure 3: Triangulation Findings



To overcome this problem, it is essential to start by improving the knowledge of financial management, making a budget, setting realistic savings goals, and ensuring that every expenditure follows the financial budget that has been set. The quality of financial management education is one of the aspects that should be given attention. The quality of education is essential, and it is the responsibility of all parties. Quality education will produce educated and qualified entrepreneurs (Noor & Omar, 2024c). To identify the quality of financial management education, the training providers can apply the service quality (SERVQUAL) dimension. A Training Needs Analysis (TNA) needs to be conducted to ensure the effectiveness of financial literacy training (Noor & Omar, 2024c). It is a systematic examination process to reveal disparities between current proficiency levels and the skills/ knowledge required. The purpose is to facilitate identifying and prioritizing training requirements that align with overall objectives. The content of the training may include 1) learning how to distinguish needs from wants, 2) knowing how savings, 3) the skill of developing an action plan, 4) earning money covers various topics around livelihood, employment, and entrepreneurship, 5) exploring options of investing money, and 6) understanding cost of borrowing. In financial education, it is not enough to know; it is necessary to gradually learn to improve skills that can be used in practice and to use the acquired knowledge to change one's attitudes and behaviors.

Early primary, secondary, and tertiary education must also be inculcated because this young generation will become prospective entrepreneurs as well as a preventive approach rather than a cure approach. Currently, no specific subjects on entrepreneurship and finance are taught in secondary schools in Malaysia, resulting in young people not being exposed to aspects of managing their finances effectively. A unique curriculum or subject on entrepreneurship and finance needs to be introduced at the secondary school level. One unique aspect of the proposed Finnish strategy is an emphasis on preventing people from getting into difficult financial circumstances in the first place rather than just meeting everyone wherever they are in their financial journey (Finland's Bank, 2021). One of the indicators is that at least 80% can define inflation (knowledge); at least half

make a monthly budget for their finances and get pleasure from spending money at once (attitudes), evidencing their emphasis not only on knowledge but also on behavior and attitudes. Financial education officially became part of the secondary school curriculum in England in 2014. However, it was included in the Personal, Social, and Health Education requirements and is not a core, compulsory subject (Stillwell, 2016). Financial literacy and business management must focus on real-world case studies and applications instead of a theoretical basis. Most higher learning institutions have entrepreneurship courses as a mandatory subject, yet implementing business scenarios is only for a short period. In Australia, the government has invited banks to formulate and support the development of courses, and financial literacy has been integrated into various courses, not only in one separate course or one-off subject. Moreover, Finland has a nationwide mandatory financial literacy curriculum requires all ninth graders to participate in economic education, combining personal finance and macroeconomics (Kalmi & Russkanen, 2018).

More awareness campaigns and training must be implemented to penetrate the B40 community. This is crucial because some informants have revealed they are unable to join external campaigns or training due to difficulties such as no transportation, limited travel costs, and inability to leave their children or disabled family members. The government and relevant agencies such as the Financial Education Network (FEN), Bank Negara, Credit Counselling and Debt Management Agency, and nonprofit organizations (NGOs) have implemented various programs and strategies; however, these could be improved using a community-based approach. It would be better to conduct the training in local communities, such as areas in the People Housing Program (PPR) or villages. We need to pay attention to the low-income group or B40 who need an affordable protection plan and awareness to help them make the best choice for their future and their families. We must raise awareness and literacy among B40 and offer products commensurate with them (e.g., grants or free financial auditing services to mumpreneurs). The strategies that can be employed involve spreading the word through social media and reaching out to the community directly through a series of tours throughout Malaysia. The responsible bodies must always go to B40 or rural areas and give information about financial literacy. Another strategy is to create an adoption community (*komuniti angkat*) where the industry or higher learning institutions monitor the residents as a part of their community service and knowledge transfer. Innovative cooperation between industry partners and higher learning institutions can help improve financial well-being (Mohd Noor et al., 2023). Credit Counselling and Management Agency, Bank Negara Malaysia, and other agencies could hold motivational and counselling sessions through outreach programs.

The process of financial planning and managing personal finances is not easy. This process requires careful planning and consistent execution (Rachidi & El Mohajir, 2021). If entrepreneurs find it challenging to implement this process, they can use the services of a financial advisor or financial planner. The presence of apps for business financial management plays a vital role in managing finances more efficiently and quickly. With this app, mumpreneurs can keep track of their daily expenses, organize a budget, and receive reminders when they are about to exceed a set budget limit. With the proper application, they can make more accurate decisions based on available financial data (Barbosa et al., 2020). Among the available apps are My Tabung oleh Bank Negara Malaysia, Touchstyle oleh Bank Rakyat, Monefy-Money Manager, Money Manager, and iSaveMoney. Knowing the business's cash inflows and outflows is essential to tracking the business's performance. Digital tools can help to evaluate expenses and budgets and to invest money wisely (Kappal & Rastogi, 2020; Łasak, 2022). Many financial tools offer bar graphs and charts to interpret complex data, making information easy to understand. The training workshops and campaign should also spread simplified information on using these tools (e.g., brochures, pamphlets, TikTok, and YouTube videos).

Mumpreneurs are encouraged to create a financial management formula and adopt the financial tools, record expenses, start building savings, and diversify bank accounts (e.g., emergency savings, personal account, and business accounts), wise in differentiating needs vs wants, pay off the debts, learn how to refinance or consolidate debt, keep the credit score healthy, consider investing, and seek advice and coaching from the expertise (Noor et al., 2024a; Tuffour et al., 2022). They need emergency savings, which refers to the money they can save from profits. Entrepreneurs must keep 50% of their profits as emergency savings (Burns, 2022). An example that has happened in our country is the COVID-19 pandemic and natural disasters that hinder the economy and the purchasing power of our society, which directly and indirectly impact the finances. The business risk is considerable if entrepreneurs do not have enough emergency savings. They must save money

for 3 - 6 months of monthly operating costs. They are advised to open a savings account specifically for emergency savings. This can make it easier to identify emergency savings and avoid unnecessary expenses.

Usually, when there is a situation where the price of raw materials fluctuates, entrepreneurs are afraid to raise prices because they are worried that customers will run away to buy from competitors. When this happens, the risk of the business being closed is higher because the business is absorbing the additional costs. The way to increase the selling price is when the price of raw materials changes. Entrepreneurs can also use a value-for-money strategy, where pricing a product is based on how much the customer believes it is worth. Another strategy is maintaining a lower price by reducing production, marketing, and advertising costs.

5. Conclusion

The study concluded that most B40 mumpreneuers must be more assertive in managing business finance. In modern society, the financial system plays a vital role in enabling various transactions to meet our wants and needs as human beings. Understanding financial affairs is essential for a person to carry out business responsibilities. This does not mean that the entrepreneur must be an accountant or even an economist but must have the knowledge and skills to understand the impact of the decisions and actions. The financial management of any business requires high discipline and cannot be influenced by external elements with different interests. Therefore, various parties need to play their respective roles to help bring awareness to the community about good financial management. This concept of financial literacy needs to be applied in the education system through the subjects of Economics, Mathematics, or new subjects such as Finance taught at school. Current technological developments also need to be used as best as possible by increasing public access to information, financial tools, and resources related to financial management. Therefore, efforts to create a financially literate society need to be strengthened. When there are many financially literate individuals, the income gap can be reduced, and all Malaysians can feel the country's progress.

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