# FINANCIAL BOOTSTRAPPING AND FINANCIAL LITERACY: THE MODERATING ROLE OF GOVERNMENT SUPPORT ON SME PERFORMANCE

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**ABSTRACT:** SMEs can support long-term, stable, and sustainable economic development. However, funding, limited information, and lengthy credit administration procedures constantly severed their expansion. Potential solutions may emerge from external funding in creative and unconventional ways through financial bootstrapping. This study analyzes the influence of financial bootstrapping and financial literacy on SME performance using P2P lending in Makassar, Indonesia, with government support as mediation. Government support as mediation is expected to provide policies that facilitate SMEs obtaining external funding through fintech P2P lending to improve SMEs' business performance. This study employs a partial-least-squared structural-equation model (PLS-SEM) for data analysis of 220 businesses. The result shows that financial literacy significantly affects SME performance. This positive effect emerges in direct or mediated relationships. Financial bootstrapping does not substantially affect SME performance. This finding signifies the lack of information regarding the myriad of funding opportunities.

**Keywords**: P2P Lending; Financial Bootstrapping; Financial Literacy; Government Support; SME Performance

## INTRODUCTION

Small and Medium enterprises (SMEs) can create jobs and absorb a reliable and professional workforce. SSMEs are considered a sector not vulnerable to various external factors in the economic market. As a sector considered capable of surviving even in critical conditions, SMEs can support long-term, stable, and sustainable economic development. SMEs can grow and develop quickly because of the nature of SMEs with low capital or investment (Alamsyah, 2020).

SME actors have made a significant contribution to the economy in Indonesia. Especially in reducing unemployment, this shows that SMEs are consistent and capable of growing. There are still many problems in terms of funding. However, actors can overcome this by fulfilling external finance through creative and unconventional funding strategies.

The financial bootstrapping strategy aligns with developing P2P lending financial technology services. P2P lending encourages SMEs to seek alternative financing with high funding opportunities and an easy, independent, and fast requirements process (Lam, 2010). This is in line with research (Efrata & Herdinata, 2012); the advantages SMEs have gained in implementing financial bootstrapping strategies are, among others, easy to obtain, minimal requirements, no detailed business plan required, and no loan guarantees needed. This strategy is suitable for new enterprises at the UMK level when facing the constraints of resource shortages by networking and leveraging entrepreneurs' social capital (Löfqvist, 2017). This strategy provides something new and develops entrepreneur innovations to adapt to a dynamic environment, maintain business survival, and generate superior performance (Utaminingsih, 2016).

The development of the fintech profile in Indonesia based on its sector is dominated by digital payments at 42.2%, loans at 17.7%, and the rest is aggregated in the form of 12.5%, crowdfunding at 8.15%, and so on (Hadad, 2017). Along with technological developments, financial institutions in Indonesia are developing into technology-based financial service provider companies. This has caused all financial services sectors to create digital technology. Various innovations in fintech models have also begun in Indonesia, with the establishment of peer-to-peer lending companies. Many fintech companies have innovated to create physical financial institutions, such as peer-to-peer lending, which brings lenders and seekers together.

In Indonesia, peer-to-peer lending is in great demand by the public for various reasons, one being to make it easier for the community, especially SMEs, to get business funding quickly. 102 companies are licensed and officially registered with OJK P2P until 2022, with a relatively high market share of KoinWorks as the best P2P lending in 2020 and 2021. This attracted people to KoinWorks, which can make funding starting from IDR 100,000. As an investor, you can choose the field you want to fund. Modalku has become the best fintech peer-to-peer lending since January 2016, and lenders can fund SME loans

registered on Modalku. Two main products are SME loans and invoice financing (Otoritas Jasa Keuangan, 2022).

Financial Bootstrapping is a creative or unconventional funding strategy that can help SMEs overcome the constraints of access to credit from external sources of finance (Cornwall, 2010; Mabonga, 2020). According to previous studies (Efrata & Herdinata, 2012; Dika et al., 2021), there are advantages to using alternative funding sources, including easy to obtain, minimal requirements, and no need for a business plan that is too detailed and does not require loan guarantees so several SME have implemented financial bootstrapping for business actors can increase sales and turnover so that it has a good impact on business performance.

Regarding financial bootstrapping, SMEs must also know financial literacy, which is a consideration to survive amid competition. Financial literacy provides various ways and knowledge to make someone competent in managing their finances. Financial literacy is a series of strategies or activities to increase individuals' and communities' knowledge, skills, and beliefs to manage their finances effectively. The government is also very involved in business continuity in an era without technology. The government has supported SMEs in various ways, including tax breaks, loans, social assistance, and financial assistance. Government financial assistance encourages the MSE sector to expand its operations internationally, improve performance, and contribute considerably (Ganlin et al., 2021).

## THEORETICAL REVIEW

### The Resource-based Theory for Entrepreneurship

The resource-based strategy for a small business proposed by Brush et al. (2001) examines how entrepreneurs create and exploit resources to achieve a competitive advantage. It offers a resource acquisition and development model involving four stages: identification, acquisition, bundling, and leveraging. This is in line with Mahoney and Pandian's (1992) proposal of competitiveness (Dasuki, 2021). Entrepreneurs must develop superior internal resources that are not transparent, difficult to imitate, and innovative, and have a strategy for prices and solid long-term (futuristic) competitiveness, potentially exceeding demands on the market and the volatile external situation. According to this theory, the company's resources are land, technology, labor (including capabilities and knowledge), capital, and organizational patterns, which are managed to gain continuous competitive advantage. Resource-based theory, focusing on a firm's internal resources and capabilities, fits the needs of owners and executives of SMEs well in value creation and appropriation (Rangone, 1999). Business success creates high-added value through the possibility of existing (local) natural resources and the capabilities of human resources equipped with high knowledge and skills. Thus, this takes the entrepreneurial orientation to form the delicate composition.

This theory establishes the fundamental importance of subjectivity in entrepreneurial discovery and creativity. Furthermore, this theory explains that entrepreneurial perceptions and knowledge come partly from the experience of entrepreneurs in specific business settings such as companies, management teams, and industries (Lin & Nabergoj, 2014; Asnawati, 2021). Resource-based entrepreneurship theory will encourage businesses to discover entrepreneurial skills and creativity and build on a resource approach. The theory is also considered important for building relationships between entrepreneurship. Creativity, entrepreneurial intuition, and imagination can thus determine economic decisions to continue evaluating opportunities for market expansion to encourage entrepreneurial performance (Alvarez & Busenitz, 2001; Shepherd et al., 2018). In building entrepreneurship with a resource-based approach, this theory considers the dynamic processes that influence the development of entrepreneurial heuristics and business institutions based on entrepreneurial experience and knowledge of actors, which are supported by technology-oriented strategies.

*Financial Bootstrapping*

As a tool to measure the health of a business, financial bootstrapping is used as a subjective measurement medium that describes the effectiveness of the use of assets by a company in carrying out its main business and increasing revenue. There are two functions of financial bootstrapping: investment decisions and funding decisions. Investment decisions are related to selecting investment alternatives that are profitable for a company. In contrast, funding decisions are associated with the amount of funds provided, either debt or capital (Jones et al., 2022). By implementing financial bootstrapping, a company can quickly determine the business's financial condition. Benchmarks of the success of a business can be seen from the financial aspect. After a certain period, the business will experience increased capital, business scale, and type of business (Winbaktianur and Siregar, 2021). Financial bootstrapping is usually measured by several indicators: funding sources, receivable management, use of shared facilities, payment delay, investment minimization, and financial subsidies.

*Financial Literacy*

Financial literacy is the knowledge and ability to apply them, resulting in wise economic behavior and effective financial management (Rapina et al., 2023). Attitude is an essential element in financial literacy, and financial attitude refers to a person's psychological characteristics related to personal financial problems. Economic attitudes include being open to information, assessing the importance of managing finances, not being impulsive in consumption, orienting to the future, and being responsible. Financial literacy is managing finances, meaning preparations must be tailored to welcome globalization, especially in the financial sector (Chen & Volpe, 1998; Chen, H. dan Volpe, 2017). Financial literacy can be considered a resource or a capability that can enhance the

performance and competitiveness of small business firms. The intersection of financial literacy and resource-based theory may emerge from identifying and acquiring financial resources, bundling and leveraging the funds, managing and protecting the assets, and innovating and diversifying the portfolio. Therefore, financial literacy can be a potential source of competitive advantage for small business firms, especially if it is valuable, rare, inimitable, and non-substitutable.

*SME Performance*

The term performance comes from job performance, namely work performance or actual achievement a person achieves. Meanwhile, performance or business achievement is the work accomplished by the company, both in terms of quality and quantity, within a particular time (Alyza, 2019). According to Alam et al. (2023), two types of factors affect the performance of SMEs, namely internal and external factors. Internal factors consist of the human resource aspect, financial aspect, aspects of production or operational techniques, and marketing aspect. In comparison, external factors consist of government policy, socio-cultural and economic aspects, and aspects of related institutions' role. Indicators to measure SME performance are profit growth, customer growth, sales growth and asset growth.

*Government Support*

The government is an organization that has the authority to make policies by implementing laws and regulations in specific areas under its control. In the broad sense of government, a form of organization that works to run a system of executive, legislative, and judiciary government. In a narrow sense, the government is an association body that has the authority to manage and regulate the operation of a government system for the welfare of the people (Yusnita & Wibawa, 2020). The community needs government support, especially SMEs who need support from the government regarding the continuity of their business. Ferina et al. (2016) stated indicators to measure government support: business capital assistance, optimization of means, facilitation, and security.

FB is a creative technique used to obtain resources at reduced cost and optimize the utilization of the resources (Titus & Victor, 2017). SME actors overcome the scarcity of capital resources from external companies by conducting unconventional, creative funding. Working capital management resulting from this creative funding strategy can increase sales turnover, thereby encouraging business performance, considering that sufficient working capital will ensure smooth day-to-day business operations. Employment capital management is the most crucial factor in the growth of SMEs by taking into account financial liquidity, debt turnover ratio, liability turnover ratios, stock turnover rate, and cash conversion cycles in a smooth asset structure (Zimon & Tarighi, 2021).

Proper corporate policy in managing working capital will result in sales turnover and business profits to a maximum. Enterprise profits can reflect a

company's ability to suppress cost efficiency and measure the effectiveness of the enterprise's working capital management. A leadership role is essential in making good planning and regulating the working capital for the department's operational needs. More than that, leaders need to make future projections relating to increased production, business climate, and corporate management patterns to maintain business sustainability and generate profits. Research conducted by Li and Alvarado (2021) links financial bootstrapping to access to financial resources, relationships with customers and suppliers, and cooperation with other businesses, the results of which impact performance. SME entrepreneurs' capital costs in funding bootstrapping tend to be minimal or zero. By increasing efficiency through bootstrapping funding, it is hoped that the added value obtained by SMEs will be higher than the added value for external financing. This increase will impact SME work (Vanacker et al., 2011).

*H₁: Financial bootstrapping significantly affects SME performance using P2P lending.*

Companies with good financial literacy will be able to strategically identify and respond to changes in the business, economic, and financial climate so that decisions made will create innovative and well-directed solutions for improving performance and business sustainability. Good financial literacy can also help reduce information asymmetry in the market by telling about financial products and services they may not be aware of (Ali et al., 2022). This may help encourage them to avoid non-standard or unregistered financial services at the OJK, which may not serve their best interests.

Financial literacy focuses on the possession of competencies and skills in managing finance. Financial literacy is crucial in supporting corporate success, especially in financial management planning and decision-making. Small and medium-sized enterprises with sound financial literacy must make the right management decisions based on their financial situation (Allgood & Walstad, 2016). The proper decision-making process will yield maximum results and rewards for performing well. Agyei (2018) concluded that the relationship between financial literacy and SME growth depends on the cultural context. It focuses on religious institutions embedding financial education in their teachings, financial literature training tailored to their needs, and cultural beliefs being considered in designing financial literacy programs.

*H₂: Financial literacy has a significant effect on SME performance using P2P.*

The resource-based theory states that a company with valuable and unique resources can perform better than its competitors. The relevance between *Resource-Based Theory* and government support, which moderates financial bootstrapping on the performance of SMEs, lies in how the government can influence and strengthen the ability of SMEs to use their internal resources more effectively. The Songling et al. (2018) research concludes the importance of building government relations with newly established enterprises to acquire complex support (financial) and soft support (advisory) by the government, which are essential for the smooth running of operations. It is important to remember that not all SMEs will gain a competitive advantage or better

performance solely by relying on financial bootstrapping. However, with proper and effective government support, SMEs have a better opportunity to optimize the utilization of their internal resources, which in turn can improve their performance according to the principles of the theory.

Government efforts encourage entrepreneurs to go digital through digital marketing education, forms of digitization training, and fund support to entrepreneurs. Not only that, the pandemic conditions of the last few years have stressed that the government is making policy regulations that require individuals to stay at home. It provides valuable lessons for entrepreneurs and individuals to be more adaptive and sensitive to today's digital developments. The government is working with the Financial Services Authority to regulate data security and business information guarantees. The government also supported the go-global venture by launching a program to create 500,000 new exporters by 2030 and promoting an Indonesian-made national pride movement.

$H_3$: *Government support moderates the relationship between financial bootstrapping and SME performance*

The moderating role of government support can influence this relationship. Appropriate and balanced government support, such as financial training programs, access to financial services, tax incentives, and markets, can strengthen financial literacy's positive influence on SME performance. The focus on SMEs to further develop business competencies, innovations, and performance by utilizing market orientation, learning orientation behaviors, and financial literacy is crucial for business performance (Wahyono & Hutahayan, 2021). With sound financial literacy, it is expected that MSMEs will be able to make the proper management and financial decisions to improve performance and innovation. The government balances decisions on the circumstances and situations for the hypothesis construction.

$H_4$: *Government support as moderation has a significant effect on the relationship between financial literacy and SME performance*
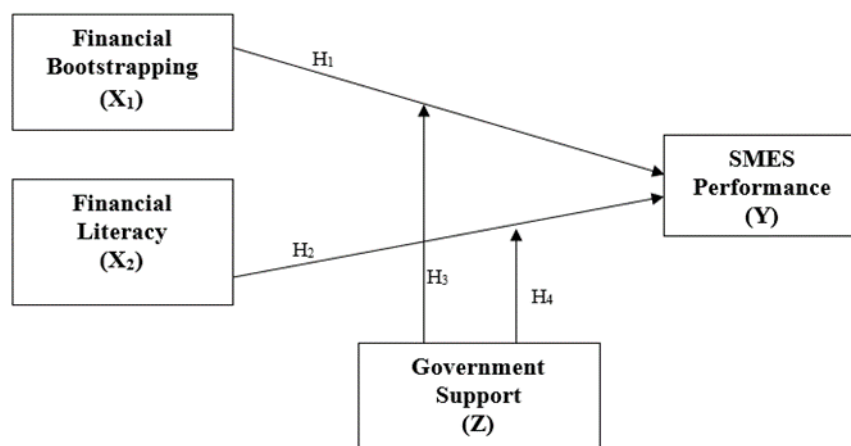


Figure 1. Research Model

## METHODOLOGY

This study employs a quantitative approach (Sugiyono, 2018) by comparing and contrasting the resources and capabilities of SMEs across different industries, following the measurement validation of the instruments. This study examines populations by the sample criteria as the data basis for statistical hypothesis testing analysis. Using a questionnaire, the location or data source used in this study was obtained from the source SME in Makassar, Indonesia. The questionnaire is a data collection tool in the form of a list of questions written to receive information from the number of respondents. This research focuses on the performance of SMEs using P2P lending in the city of Makassar. A stratified sampling technique was used to select the participants. Firstly, the type of fintech P2P lending was used as strata, and secondly, the participants were randomly selected within each stratum. The stratified sampling technique has been used to reduce errors and enhance fair representation. The data collection methods used are the questionnaire method and the documentation method. Based on the guidelines (Hair et al., 2014), the number of samples in this study is (Number of indicators + number of latent variables) x (5 to 10 times). Based on these guidelines, this study's maximum number of samples is (18 + 4) x 10 = 220 respondents. Data analysis and processing in this study used multiple linear regression analysis using the Smart-PLS version 3.0.

## RESULTS

*Respondent Characteristics*

The characteristics of respondents can be seen in Table 1. The overall respondents in the study, as many as 220 SMEs, consisted of the owners of the male gender, 41.8%, and SME owners females are 58.2%. Other respondent characteristics data can be seen in Table 1. The data is separated into several financial activities from the SMEs in their P2P activities and thus serves as the cornerstone for the analysis.

Table 1. Respondent Characteristics (N=220)

| Characteristics | | N | % | Characteristics | | N | % |
|---|---|---|---|---|---|---|---|
| **Gender** | Male | 92 | 41.8 | | KoinWorks | 31 | 14.1 |
| | Female | 128 | 58.2 | **P2P** | Modalku | 96 | 43.6 |
| | 20-29 | 118 | 53.6 | **Lending** | Amartha | 25 | 11.4 |
| **Age** | 30-39 | 60 | 27.3 | | Investree | 37 | 16.8 |
| | 40-49 | 42 | 19.1 | | Others | 31 | 14.1 |

*The Outer Model Measurement*

This study analyses the model quality by its convergent validity and discriminant validity. The acceptable convergent validity is the loading factor

value > 0.70. Meanwhile, The discriminant validity is with the AVE value > 0.50. Table 2 summarises the findings.

Table 2. Measurement Model

| Constructs | Items | Loading | t-value | VIF | Alpha | rho_a | CR | AVE |
|---|---|---|---|---|---|---|---|---|
| Financial Bootstrapping | FIB1 | 0.657 | 2.371 | 1.725 | 0.787 | 0.825 | 0.848 | 0.584 |
| | FIB2 | 0.760 | 3.272 | 1.748 | | | | |
| | FIB3 | 0.833 | 3.356 | 1.399 | | | | |
| | FIB4 | 0.796 | 3.509 | 1.565 | | | | |
| Financial Literacy | FIL5 | 0.806 | 24.36 | 2.457 | 0.821 | 0.835 | 0.894 | 0.739 |
| | FIL6 | 0.945 | 129.2 | 3.838 | | | | |
| | FIL7 | 0.821 | 29.14 | 1.958 | | | | |
| SME Performance | SMP1 | 0.862 | 55.92 | 3.080 | 0.894 | 0.904 | 0.922 | 0.703 |
| | SMP2 | 0.884 | 58.15 | 3.337 | | | | |
| | SMP3 | 0.74 | 18.494 | 1.740 | | | | |
| | SMP4 | 0.828 | 20.002 | 2.711 | | | | |
| | SMP5 | 0.870 | 43.640 | 3.010 | | | | |
| Government Support | GOS1 | 0.872 | 45.517 | 2.508 | 0.876 | 0.896 | 0.909 | 0.666 |
| | GOS2 | 0.832 | 32.994 | 2.073 | | | | |
| | GOS3 | 0.807 | 19.000 | 2.379 | | | | |
| | GOS4 | 0.795 | 20.892 | 2.088 | | | | |
| | GOS5 | 0.771 | 21.849 | 1.791 | | | | |

All experiments demonstrated by Smartpls output in Table 2. suggested that according to the external load value, all used goods have a value greater than 0.70. This maximum value indicates that all indicators can measure the latent variables associated with this item (Hair et al., 2010). AVE value greater than 0.5 can strengthen the validity value, thus supporting this study's validity. The results showed that both the composite reliability structure (CR) and Cronbach's α were higher than 0.70 for all the scales, indicating good reliability. However, the study also acknowledged the limitations of using these indicators as the sole criteria for evaluating the quality of measurement scales, and suggested other methods and considerations for future research.

The validation test was carried out using a measurement evaluation model (external), specifically the convergent validity of the total load factor for each target variable > 0.50. The composite reliability value is > 0.7 indicates a highly reliable model or can be relied upon, while a value > 0.6 indicates a relatively reliable construction. Table 2. reports the composite reliability value of all latent variables to be exceeding 0.80, Composite reliability is a measure of internal consistency among the items that reflect the same construct. A commonly used threshold for composite reliability is 0.70, although some researchers suggest that it may vary depending on the context and the number of items3. Therefore, the table suggests that the items are consistent and accurate in measuring the latent variables. Table 3. and Figure 2 summarize the statistical presentation for the hypothetical outputs.

Table 3. Hypothesis Testing

| Hypothesis | Effect size | *t*-value | *p*-value | Decision (P < 0.05) |
|---|---|---|---|---|
| Financial Bootstrapping-> SME Performance | 0.08 | 1.388 | 0.166 | NS |
| Financial Literacy-> SME Performance | 0.707 | 17.30 | 0.000 | S |
| Financial Bootstrapping-> Government Support-> SME Performance | -0.007 | 0.115 | 0.909 | NS |
| Financial Literacy ->Government Support-> SME Performance | -0.142 | 3.992 | 0.000 | S |

Notes :

NS = Not Significant (not significant)

S  = Significant (Significant: P < 0.05)

Table 3 shows that the effect of financial bootstrapping on SME performance is insignificant, financial literacy has a significant impact on SME performance, government support moderates the effect of financial bootstrapping on SME performance, and government support cannot reconcile the impact of financial literacy on SME performance.
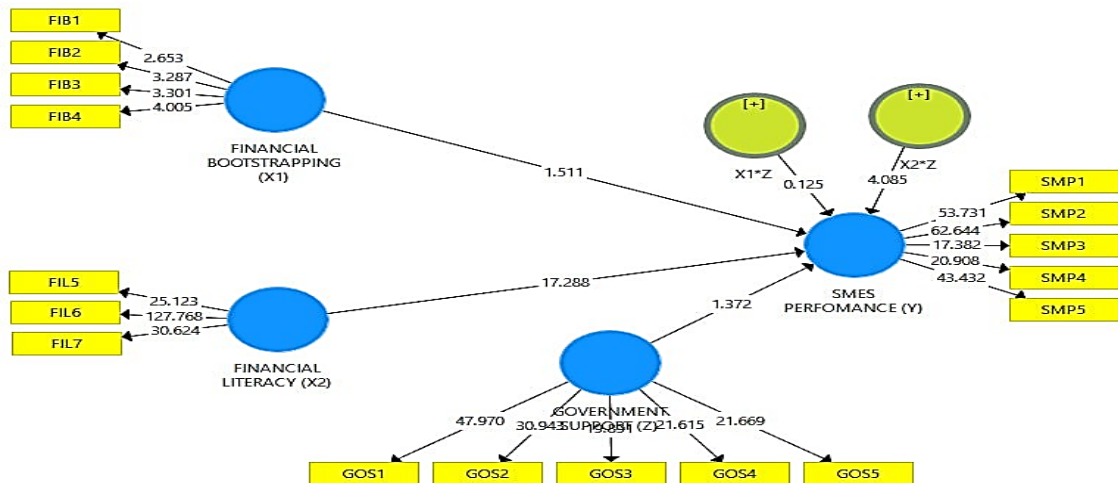


Figure 2. Bootstrapping Model

## DISCUSSION

Financial bootstrapping alone does not guarantee business success or failure, as other factors influence performance, as evidenced by hypothesis 1. Some bootstrapping methods may help SMEs cope with financial difficulties and sustain their activities, even though bootstrapping does not directly affect

performance. This research is consistent with Horvath's (2018) study, which explored the relationship between financial bootstrapping and business performance in different contexts. A way to finance small businesses by using internal resources or low-cost external sources, without relying on equity or debt, is inspired by them. Furthermore, entrepreneurs who depend on bootstrapping methods need adequate knowledge and skills to manage their finances. Thus, they should be careful in choosing and applying bootstrapping methods, as some may adversely affect their business growth and profitability. They should also seek to improve their financial literacy by self-learning or attending training programs to enhance their financial decision-making and control.

According to Zimon and Tarighi (2021), financial bootstrapping impacts effective working capital management and cost efficiency. Working capital management is the most crucial factor in SME growth by considering financial liquidity, debt turnover ratio, liability turnover ratio, share turnover rate, and cash conversion cycle in a current asset structure. Li and Alvarado (2021) link financial bootstrapping to access to financial resources, relationships with customers and suppliers, and cooperation with other businesses, hence business performance.

Financial literacy connects to business performance using the resource-based theory. Financial literacy influences how SMEs acquire and manage their resources, and it is a crucial asset for gaining a competitive edge, as hypothesis 2 verifies. Financial literacy also boosts SMEs' performance by enhancing their comprehension of financial concepts, management, investment, risk management, and P2P Lending as a financing option. Ali et al. (2022) assert that good financial literacy can lower market information asymmetry by informing SMEs of financial products and services they might overlook. SMEs with solid financial literacy must make prudent management choices based on their financial situation (Allgood & Walstad, 2016).

This study demonstrates that government support does not moderate the impact of financial bootstrapping on SME performance, as hypothesized in H3. The relationship between financial bootstrapping and MSE performance is unaffected by government support. This is because financial bootstrapping involves a business financing strategy that utilizes internal resources innovatively and economically, such as self-financing, capitalizing on existing assets, or borrowing from kin and acquaintances. P2P Lending is an online platform that enables direct lending and borrowing through digital media, and government support is an external resource. This aligns with the research conducted by Rita et al. (2021). This suggests that government support does not significantly affect the financial institutions that offer P2P lending services and the SMEs that access P2P lending as a funding source.

Songling et al. (2018) highlight the need for new enterprises to forge strong ties with the government to secure both hard support (financial) and soft support (advisory) that are vital for their operational efficiency. However, financial bootstrapping alone may not give all SMEs a competitive edge or superior performance. Government support also plays a crucial role in shaping and

validating policies by enacting laws and regulations on P2P lending and safeguarding user data privacy (Indriyani et al., 2022).

Financial literacy is vital for SME performance, but it also needs government support to moderate its effect and ensure a secure and sustainable environment for SMEs using P2P lending services. This study hopes that SMEs can make the most of P2P lending services responsibly and sustainably, as suggested by (Istan, 2023). (Wahyono & Hutahayan, 2021) also found that SMEs can enhance their business competencies, innovations, and performance by applying market orientation, learning orientation behaviors, and financial literacy.

Financial literacy among MSMEs is not a uniform concept but a diverse one that depends on various groups and contexts. Factors such as gender, company size, company age, and number of employees may influence the financial knowledge, skills, attitudes, and behaviors of MSME owners and managers and their access to and use of financial services and products. Thus, depending on these factors, financial literacy may have different impacts on MSME performance. This means financial literacy interventions and policies should be customized to the specific needs and characteristics of different MSME segments, instead of a generic approach. Furthermore, improving financial literacy among MSMEs is an individual matter and a collective one. As MSMEs make up a large part of the economy and labor force in many countries, their financial literacy can positively impact overall economic and social development. For instance, financially literate MSMEs can foster financial inclusion, financial stability, job creation, innovation, poverty reduction, and environmental sustainability. Therefore, investing in financial literacy among MSMEs is a valuable goal and a way to achieve broader development goals. This calls for a coordinated and collaborative effort among various stakeholders, such as governments, financial institutions, business associations, educational institutions, and civil society organizations.

**FURTHER STUDY**

This study examined the effects of financial bootstrapping and government support on the performance of SMEs in Indonesia. The findings revealed that neither financial bootstrapping nor government support had a significant impact on SME performance. This implies that SMEs rely more on their internal resources and capabilities than on external financing and assistance to achieve their goals. Therefore, it is recommended that SMEs plan their working capital prudently, optimize their bootstrapping financial strategy, and enhance their production, business climate, and management practices to ensure their sustainability and profitability in the competitive market.

However, this study has some limitations that suggest avenues for future research. First, the sample size was relatively small and limited to one region, which may affect the generalizability of the results. Future studies could use a larger and more representative sample of SMEs across different regions and sectors to increase the validity and reliability of the findings. Second, the study

only measured the performance of SMEs using financial indicators, such as sales growth and profitability. Future studies could include non-financial indicators, such as customer satisfaction, innovation, and social responsibility, to capture the multidimensional aspects of SME performance. Third, the study did not explore the underlying mechanisms and contingencies that may influence the relationship between financial bootstrapping, government support, and SME performance. Future studies could examine how factors such as entrepreneurial orientation, market orientation, and environmental uncertainty may moderate or mediate the effects of financial bootstrapping and government support on SME performance.

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