

Management of CashFlow Practices in Micro Enterprises: Perspectives from Women-Owned SMEs

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Abstract

This study explores the cash management practices of women-owned Small and Medium Enterprises (SMEs) in Indonesia. Through qualitative research using the ethnographic method, including observations and interviews with three female entrepreneurs in Batu and Malang, East Java, the study reveals insights into their practices. The findings show varying understandings of cash flow management among female entrepreneurs. Cash flow planning is done by estimating monthly income and expenses, setting sales targets, and creating monthly financial reports. Entrepreneurs have different perspectives on business development and expansion. Some plan to expand their businesses, while others focus on stable growth. Debt is seen as a burden if not managed well but can be beneficial for business development. Entrepreneurs also prioritize savings for emergencies and business needs. These findings contribute to understanding the cash management practices of women-owned SMEs in Indonesia. The study emphasizes the importance of financial literacy and provides insights into cash flow management practices that can enhance business operations.

Keywords: *Cash management, SME's, Women Owned SME's, Ethnography*

INTRODUCTION

The development of Small and Medium Enterprises (SMEs) in Indonesia has significantly increased. Wei, (2018) investigated and presented data on the contribution of SMES to Indonesia's total gross domestic product, which amounted to 70%, and their ability to create job opportunities, accounting for 95%. According to the research conducted by Agussani, (2020), 26% of women in Indonesia actively engage in entrepreneurship, and 60% of SMES are owned by female entrepreneurs. This is supported by the release of data in 2021 by the Indonesian Central Statistics Agency, as reported by Hasibuan, (2022), which stated that 64.5% of SMES in Indonesia are managed by women. The majority of female entrepreneurs are found in the informal sector, particularly in the service and trade sectors, located in suburban and rural areas (Fahlevi, M., Rita, R., & Rabiah, 2016; Agussani, 2020). Women entrepreneurs have diverse motivations for engaging in entrepreneurship on an individual basis. Ferrant et al., (2014) observed that the majority of women entrepreneurs are driven by household-related reasons, including supporting their family's finances, working while taking care of children, seeking flexible working hours, and developing their creativity. Some female entrepreneurs enter the business world out of necessity (Rugina, 2019).

The issues and challenges faced by Small and Medium Enterprises (SMEs) in Indonesia, in general, revolve around the inability to reach higher business levels. SMES in Indonesia is perceived to have insufficient contribution to the country's economy when compared to their quantity (Rahman, 2017). There are still many challenges and obstacles that SMEs in Indonesia face in order to achieve greater business levels. OECD (Rugina, 2019) explains that businesses managed by women, on average, appear to be less oriented towards achieving high growth and creating substantial job opportunities for others. Both internal and external factors contribute to the reasons why SMEs cannot develop as expected. External barriers experienced by SMEs include the global economic conditions, changes in demand and consumer behavior, the

presence of a pandemic, and other factors that significantly impact the progress of SMEs businesses. Wei, (2018) reveals that the majority of women-owned SMEs in Indonesia are unable to grow into larger business entities. Internally, the poor financial management of the businesses plays a significant role in the majority of SMEs performance failures. The success or failure of a business is closely related to cash flow. The cycle of incoming and outgoing cash determines the business's solvency (Belobo & Pelsler, 2014). Cash management has a significant impact on business sustainability. Research conducted by Uwonda & Okello, (2015) reveals that many Small and Medium Enterprises (SMEs) in Uganda experience a decline in solvency and long-term growth due to the inability to manage cash flow effectively. The failure of entrepreneurs to generate cash from operations can force businesses to take on debt or liquidate capital investments to meet their obligations, leading to long-term bankruptcy (Uwonda & Okello, 2015).

Cash management practices in a business are essential strategies for maintaining financial liquidity. Small and Medium Enterprises (SMES) must be able to project how and when cash will be received and disbursed. The importance of cash management in SMEs is directed towards assessing cash availability, determining cash sources, evaluating the company's financial performance, determining profitability, and ensuring the availability of cash reserves for short, medium, and long-term operations (Uwonda & Okello, 2015). Even though SMEs operates on a small scale, they still need to be aware of the cash position held by the company. Cash flow management greatly assists SMEs in maintaining an optimal cash balance during business operations, avoiding both excess and insufficient cash. Aminu (2012) explained in Uwonda and Okello's study (2015) that the flow and elements of cash management include actions related to cash payments, receivables management, liquidity management, and strategies for investing surplus cash for maximum profitability and financing deficits at minimum cost.

Women as business owners are recognized for their roles and expertise in financial management. There is limited research that examines gender-based cash management practices, particularly for women. Women are considered multitasking individuals who demonstrate creativity in their activities (Hmieleski & Sheppard, 2019). Some studies indicate that women have a strong inclination for planning and managing household budgets (Fidelity, 2019; Booyesen & Guvuriro, 2021). These abilities can be applied in a business context to effectively and efficiently manage finances for business success. However, some studies also observe weaknesses in the management skills of female entrepreneurs compared to male entrepreneurs (Booyesen & Guvuriro, 2021).

This study aims to examine the cash management practices of women-owned Small and Medium Enterprises (SMEs). According to Ucbasaran et al., (2013), entrepreneurship is generally considered a financially riskier occupation compared to many other jobs. Therefore, empirical research is needed to understand the extent of the role and skills of female entrepreneurs in managing businesses, particularly in relation to financial management and the achievement of entrepreneurial outcomes. This research can serve as a reference for improving the business management of SMEs owners facing similar challenges, based on principles of better financial management. The findings from this study can contribute to the learning materials for SMES owners, enabling them to develop their businesses more effectively, similar to modern business operations.

Several previous studies have been conducted to observe cash flow management practices among SMEs and women entrepreneurs. Sajuyigbe et al., (2017), in their research, found that women entrepreneurs in the Ogun state of Nigeria were not able to effectively manage their cash flow. The fact that some women entrepreneurs lacked transaction records and did not have bank accounts led to the depletion of their business capital, as they couldn't

differentiate between business capital and profits. Another finding was obtained in a study conducted by Nadiah, (2016) on micro and small entrepreneurs in four major states in Peninsular Malaysia. The findings from this research indicated that cash management practices were high, but internal control over cash management had a very low level of implementation. Meanwhile, Enow & Kamala, (2016) investigated cash management practices among SMEs in Cape Metropolis, South Africa. The research findings revealed that the majority of SMEs managed their cash effectively. However, only a small portion of entrepreneurs held cash for speculative purposes and invested some excess cash to generate profits. Additionally, there was a lack of computer assistance in their cash flow management.

Based on the background and various phenomena raised from previous research, the research problem in this study will be formulated as follows: 1. How is the understanding of cash flow management among female owners of SMEs? 2. How do female owners of SMEs plan their cash flow? 3. How do female owners of SMEs manage their cash flow? 4. How do female owners of SMEs control their cash flow?

RESEARCH METHODS

This research adopts a qualitative research approach. The data analysis process in this study utilizes the ethnographic method, which, according to Ingold, (2014), involves meeting people, engaging in conversations, asking them questions, observing their actions, and listening to them. The researcher then assesses the findings through a retrospective conversion of learning. This study employs ethnography because it aims to explore the unique behaviors of female entrepreneurs in managing their business finances. As explained by Geertz, (1960), ethnographic research involves observation and interviews conducted to understand the social and cultural life of a community, and how to translate the obtained data into meaningful interpretations of the prevailing culture or traditions.

This research aims to understand the experiences and practices of female owners of SMEs in managing their financial management. Direct observations are conducted on female entrepreneurs with different characteristics to gain a deeper understanding of their cash flow management practices. Observations are conducted to identify differences in cash flow management practices among different SME owners. Furthermore, ethnography can be utilized to generate richer insights into cash flow management practices and provide recommendations on how these practices can be enhanced or improved.

The interviewees used in this research are 3 female entrepreneurs who own micro and small businesses. This study was conducted with micro and small business owners located in the cities of Batu and Malang, East Java, who are engaged in the beauty salon and trade industries. The respondents were selected based on specific considerations, namely being female entrepreneurs, owning micro and small businesses, having operated their businesses for more than 1 year, and having diverse demographic characteristics. Data was collected through semi-structured and semi-in-depth observations and interviews conducted with each participant.

The list of questions is organized based on the background that has been prepared earlier to explore the experiences of the respondents related to the context and situations that influence their actions. The questionnaire items will be further presented along with the respondents' answers in the results and discussion chapter.

RESULT AND DISCUSSION

This research collected data directly by visiting and conducting interviews with Ms. Ida (Siti Mufida, 35 years old), Ms. Wiwid (Widya Soerjadi, 32 years old), and Ms. Vony (Vony Margareth, 56 years old), female entrepreneurs who own SMEs in the cities of Batu and Malang. The questionnaire items are presented in Table 1, which is organized based on the theory of cash flow management, covering cash flow planning, cash flow management, and cash flow control through maximizing the use of cash for business development. The process of managing cash flow in the business includes activities such as product or service sales, raw material purchases, debt payments, investments, and other operational activities.

Table 1: Questionnaire Item Table

Measurement Item	Question
1. Understanding of cash flow management.	a. Where did you acquire knowledge on financial management? b. Do you separate business finances from personal finances? c. How do you determine if your business is making a profit or a loss?
2. Cash flow planning.	d. Do you estimate your income and expenses on a monthly basis? e. Do you have sales targets? f. Do you generate monthly financial reports?
3. Cash flow management.	g. Where do you obtain business capital? h. Do you have any debts? How do you manage your debts? i. Do you have any receivables? How do you manage your receivables?
4. Cash flow control	j. How is your business currently progressing? k. Do you have plans to expand your business? l. In your opinion, are debts burdensome or beneficial? m. Do you have savings? How do you manage your savings?

Source: processed research data, 2023

Tabel 2 Descriptive Profile of Informants

No	Name of Informer & Age	Business	Length of Business	Education	Business Partners	Number of employees
1.	Siti Mufida (35 yo)	Slipper sellers in the market	5 year	SMA	Husband	0
2.	Widya Soerjadi (32 yo)	Salon and MUA	4 year	S1	None (husband works in another agency)	2
3.	Vony Margareth (56 yo)	Retail stores	12 year	S1	Husband and children	7

Source: interview results, 2023

Understanding Cash Flow Management

Understanding cash flow management is essential for business owners to assess whether the financial operations of a business are being effectively managed. By comprehending cash flow management, business owners can account for the provision of funds used to cover operational expenses. Companies experiencing liquidity disruptions will inevitably face operational challenges. Inadequate cash flow can result in disrupted supply of goods, hindered operations, unpaid debts, and decreased profits.

Mrs. Mufida is a housewife who sells sandals in the market with the assistance of her husband. She lacks sufficient knowledge and skills in managing her business finances. She does not separate her household finances from her business finances. Nevertheless, Mrs. Mufida still plans her income and expenses on a monthly basis. However, her planning is based solely on estimates and intuition since she does not keep financial records, resulting in her lack of precise knowledge about the profitability of her business. Due to her limited knowledge and experience in managing business finances, Mrs. Mufida struggles to expand her business to a larger scale. Here is the answer provided by Mrs. Mufida regarding her understanding of cash flow management:

- (a) *"I don't understand how to manage the finances of my business. What I do every day is collect money from sales, then I use it to buy inventory for the next day's sales, and the proceeds are used to finance my daily needs."*
- (b) *"There is no separation between personal money and business money. I gather all the money and use it to finance both the business and my family's living expenses."*
- (c) *"I don't know the exact amount of my income. I just estimate my daily income and expenses. As long as my family's needs are met every month, I consider my business profitable." (Mrs. Mufida)*

Mrs. Wiwid is an entrepreneur in the beauty and makeup artist industry who has been in business for over 4 years. She has managed her cash flow through self-learning and has adopted some methods from her parents. Mrs. Wiwid keeps financial records and makes an effort to separate her family finances from her business finances. However, she admits that occasionally she uses business funds for personal expenses, but she keeps track of it and reimburses the amount when she receives payments from her clients. According to Mrs. Wiwid, it is important for her to project her income and expenses every month to determine the level of profitability. When asked about business expansion, she expresses her intention to develop her business and considers the possibility of using debt if necessary. Here is an excerpt from Mrs. Wiwid's answers during an interview regarding her understanding of cash flow management:

- (a) *"I don't have a strong understanding of finance. However, I follow the habits of my parents who were entrepreneurs. My mother always kept records of customer payments and receipts for business expenses. But I don't do it regularly because sometimes I serve customers from morning until evening, so I don't have time to do that."*
- (b) *"I separate my business money from my personal money. But sometimes it's difficult for me not to take money from my business, especially when my business is slow. So, I often use the business money to buy my daily necessities."*
- (c) *"It's important for me to estimate my financial needs every month. By estimating the amount of money coming in and going out, I can set targets for how many clients I need to serve, so I can create a monthly budget for my expenses." (Mrs. Wiwid)*

Unlike Mrs. Mufida and Mrs. Wiwid, Mrs. Vony has more experience in managing her business. She has been running her family business concept for approximately 12 years. Mrs. Vony's husband and children take turns assisting in the store. They are assigned different tasks, such as managing inventory, handling financial records and reporting, and maintaining good

relationships with suppliers and customers. Through her experience, Mrs. Vony is aware of the strengths and weaknesses of her business. She sets sales targets and calculates her business expenses every month. This is done to ensure that she can pay employee salaries, cover operational costs, and meet household needs. Mrs. Vony has good financial control, but she is hesitant to invest, even though her profits are increasing. Her business operates based on customer demand and new product offers from suppliers. As a result, Mrs. Vony's store is experiencing gradual growth.

- (a) *"At the beginning of my business, I didn't understand how to manage the finances properly. However, as my business grew and went through both busy and slow periods, I learned to manage my business finances. Even now, I continue to learn how to manage my business finances. I also receive assistance from a consultant in managing finances, especially when determining asset instruments and business investments."*
- (b) *"I have separated my business money and my family's money since my business started to grow. However, there was a time when an unexpected situation occurred, and my mother-in-law had to be hospitalized due to a fall and required surgery. So, I had to use the business money, whether I liked it or not. But the following month, I replaced the business money that I had used."*
- (c) *"Yes, I can know the amount of my monthly profits because I always keep financial records. I record my finances using a computer and with the help of my college-going child because we have to prepare financial reports every month as our obligation to report to the tax office and the bank." (Mrs. Vony)*

From the answers provided by the three informants, although their answers differ, there are some underlying similarities among female SME owners in managing their cash flow. In the question regarding their understanding of cash flow management, the three informants gave different answers. These differences may be influenced by the knowledge and experience gained by the entrepreneurs during their business operations. This indicates that some female SME owners are actually aware of the importance of implementing cash flow management but, due to factors such as lack of knowledge, busyness, and limited resources, they tend to neglect this aspect. The findings in this research are consistent with the findings of previous studies (Nadiyah, 2016) and (Enow & Kamala, 2016), which indicate that while cash management practices among SME owners are generally high, internal cash control, particularly in accounting records and budgeting, is lacking.

Practice of Cash Flow Planning among Female SME Owners

Financial planning is essential for business owners to predict the amount of funds needed, when they are needed, and how they will be utilized. Financial planning activities primarily include income forecasting, cash flow forecasting, determination of financial resources, profit planning, and dividend planning (Brijlal et al., 2014).

Business managers have to make daily decisions regarding the inflow and outflow of cash. On one hand, a certain amount of cash should be available for operational purposes and emergency reserves. On the other hand, if there is an excess cash balance, it should not be left idle and can be invested in short-term assets such as savings or other cash investments to ensure that the funds generate profits (Salas-Molina et al., 2023).

Here is an excerpt of the answers provided by the three participants regarding the question about their practices of cash flow management in their businesses.

- (d) *"Yes, every month I estimate the amount of financial needs, both for my family and for the business."*

- (e) *"I don't have a precise sales target. Usually, I target sales based on the average services I receive each month. I make estimations and sales targets to be able to pay employees and meet the family's shopping needs every month. If there is any excess beyond that, it means it's a busy season. If it's slow, my finances are supported by my husband's income."*
- (f) *"I cannot create financial reports due to my lack of discipline in recording my finances every month." (Mrs. Mufida)*
- (d) *"I will plan in detail the financial needs of the business, including our family's needs and obligations, every month. From there, I can determine how much income I need to collect each month."*
- (e) *"I don't set formal sales targets, but I have expectations about how much of my products or services I want to sell in a specific period of time. I strive hard to achieve and even exceed those expectations to increase my income."*
- (f) *"Yes, I think it's important to create monthly financial reports so that I can monitor the amount of money I collect. However, I haven't been able to create formal monthly financial reports. I tend to rely on a simple cash book and record my financial transactions. Nevertheless, I always know the financial condition of my business by keeping an eye on my account balance and expenses." (Mrs. Wiwid)*
- (d) *"Of course, I make estimates of the incoming and outgoing money in my business. I do that to calculate my obligations to suppliers, banks, employee salaries, my children's school expenses, household needs, and some other expenses."*
- (e) *"Yes, I have to target how much I should sell because the operational costs of the business are quite significant. Sales target estimates help me set daily targets that employees need to achieve. This way, I can meet the operational needs of the business, family expenses, and my children's education expenses."*
- (f) *"I create financial reports every month, and I strive to diligently record the incoming and outgoing money. I have learned from experience about the importance of financial recording in business management. From there, we can determine the progress or decline in our business." (Mrs. Vony)*

In the second question regarding how women entrepreneurs in micro, small, and medium enterprises (SMEs) plan their cash flow, overall, although each woman entrepreneur has a different approach to planning their cash flow, it is evident that they are aware of the importance of financial planning and monitoring the financial performance of their businesses. However, the level of detail and discipline in implementing cash flow planning still varies among individuals. The women entrepreneurs mentioned that they have projected how and when cash will be received and spent. Sales targeting is used as a clear guide to ensure sufficient income to meet financial needs and obligations.

Financial reporting is necessary to determine the amount of cash needed and as a basis for predicting financial planning in the following months. Financial reporting is crucial as a basis for decision-making in cash flow management. According to Brijlal et al., (2014), indicators of good cash management include practices of recording business transactions and financial reporting. From the interviews above, it is found that there is still a lack of awareness and discipline in financial recording, particularly in the cases of Mrs. Ida and Mrs. Wiwid. This condition can pose risks of cash flow shortages and inadequate cash reserves. Therefore, if entrepreneurs are late in realizing this condition, it can result in a decline in business performance (Uwonda & Okello, 2015).

Practice of Cash Flow Management among Female SME Owners

Cash flow management is essentially a balance between growth, value creation, and risk prevention (He et al., 2011). Cash flow growth refers to a sustainable increase in both incoming

and outgoing cash flows. It involves increasing revenue, efficient expenditure, and balanced management of investment cash flows.

The main objectives of cash flow management in business are security, profitability, and business sustainability. He et al., (2011) mention another goal of cash flow management, which is to create additional cash value for the company. With this model, cash flow management is used as a tool to evaluate company performance and provide a basis for strategic investment decisions for business owners.

Starting with capitalization, according to Sajuyigbe et al., (2017), working capital management involves a series of decisions related to managing working capital and short-term financing. Its goal is to ensure the company's operational continuity and sufficient cash flow to meet short-term debt obligations and upcoming operational costs. In this context, working capital management involves cash management, accounts receivable and payable management, and inventory management.

The three interviewees were asked a number of questions about the source of their capital and how they manage their business debts and receivables. Here are their answers regarding the practice of cash flow management:

- (g) *"I started this business using my savings and assistance from my parents. Due to increasing needs and rising prices, I needed more capital. Now, the money I use is from sales and sometimes I borrow from fellow traders in the market."*
- (h) *"Yes, sometimes I borrow from fellow vendors in the market. But I always make sure to repay them on time every month."*
- (i) *"Yes, sometimes we have customers who make bulk purchases and request deferred payments. That sometimes makes it difficult for me to manage cash flow. I collect the payments when those customers shop at my store again." (Mrs. Mufida)*
- (g) *"I obtained initial capital from personal savings and assistance from my husband. For subsequent capital, I rely on business income and have occasionally borrowed from cooperatives or the PKK."*
- (h) *"Yes, I always pay on time every month."*
- (i) *"Yes, sometimes clients make a down payment when using my services. But the majority of them have fulfilled their obligations. Only one or two individuals have not paid, and I have made a note of it, but I do not pursue strict collection." (Mrs. Wiwid)*
- (g) *"We collected the initial capital together with my husband from the severance pay from our previous jobs. As our business grew, we received loan offers from banks. Currently, we have obtained loans from two banks."*
- (h) *"Yes, we always keep a record of the debt obligations that need to be paid each month. At the beginning of the month, we set aside the amount of debt that needs to be paid to the bank and suppliers. If we fail to do so, we won't be able to repay the debt and might lose their trust. We don't want that to happen. However, during the past Covid-19 pandemic, we faced a shortage of funds, but we managed to cover our debt by cutting down on our monthly expenses."*
- (i) *"Yes, we have made some purchases on credit for wholesale purposes. To ensure that we have sufficient operational cash, we often offer discounts to our resellers so that they make payments in cash." (Mrs. Vony)*

From the above responses, it can be seen that the cash flow growth is obtained from personal funds and the turnover of their business sales. In addition, the three respondents took loans from relatives, friends, cooperatives, and banks to increase their business capital. This can be a risky choice as it involves dependence on external loans.

Maintaining the availability of cash is crucial to ensure that cash flow can meet business operations. Cash flow management should consider risks and accelerate the turnover of funds

to avoid disrupting sustainable business activities. The three respondents engaged in credit sales in their business transactions, but they have not shown risk prevention practices by strict debt collection, which can lead to the risk of uncollectible receivables.

In the overall analysis, it can be seen that the three respondents face challenges in managing their cash flow, especially regarding business growth and risk prevention. Although they have taken some steps to manage cash flow, such as recording and paying debts on time, there is still room for improvement in more detailed cash flow planning and more efficient risk management. Therefore, it is important for women entrepreneurs in SMEs to strengthen their cash flow management practices to achieve sustainable growth, value creation, and optimal risk prevention.

The initial conclusion drawn from the cash flow management practices of the three female SME entrepreneurs mentioned above is that they are still focused at the tactical level. The goals of their cash flow management are to maintain the availability of company liquidity and facilitate the fulfillment of family financial needs. They have not implemented strategic cash flow management that separates personal finances from business finances. They have not established an owner's salary system and there is a need for cash flow grouping to serve as operational cash flow, investment cash flow, and financing cash flow.

Practice of Cash Flow Control among Female SME Owners

The next question was asked to understand the opinions and practices of female SME entrepreneurs in managing cash flow to expand and build their businesses in the long term. Here are the answers provided by all three respondents regarding the practices of cash flow control:

- (j) *"Alhamdulillah, our store has never experienced any losses. We only occasionally experience a decrease in orders, especially during the pandemic. We cannot determine the exact extent of our business development because we do not have financial reports."*
- (k) *"Of course, I want our store to grow, but it seems that our business has remained stable until now. Especially with the pandemic and the continuous increase in prices, it has made it difficult for our business to grow."*
- (l) *"Debt sometimes helps, but it can also be challenging. However, I consider borrowing to be a heavy responsibility. Therefore, I try to avoid taking on too much debt."*
- (m) *"Yes, I have savings that I keep at home. I have a savings account at the bank, but I rarely deposit money into it. My money is always used for business turnover and to cover the monthly household expenses." (Ibu Mufida)*
- (j) *"Alhamdulillah, the business I have been running for 4 years has been growing, allowing me to employ 2 of my staff. Especially now, I receive many orders through social media."*
- (k) *"Of course, maybe someday I will hire more employees and expand the types of services I offer, but not at the moment."*
- (l) *"To be honest, I am afraid of borrowing. I worry about getting trapped in debt for unnecessary things. So, I limit my debt and only borrow when necessary."*
- (m) *"Yes, I have savings in the bank and some jewelry as personal savings. I use my savings to finance my children's education, and sometimes I use it to purchase salon equipment that needs replacing." (Ibu Wiwid)*
- (j) *"I feel that my business is doing well because the profits we have obtained so far can be used to pay employee salaries, rotate merchandise, and finance the education of my three children, including college."*
- (k) *"We develop our business organically, as we have been doing. If there is a demand for new products from customers, we will arrange for it. If there are offers from new suppliers, we will sell their products in our store. This has earned us the trust of our*

customers and suppliers. Our store is considered complete and affordable. From there, our store gradually grows."

- (l) "Contrary to what some might think, debt actually helps us develop our business. Our store can expand and diversify its product range thanks to additional capital from bank loans. So, in our opinion, debt is very helpful in expanding our store. However, we need to choose a reliable bank and be cautious and disciplined in repayment."
- (m) "Of course, we have savings because the living expenses for our family are substantial. We have several bank accounts to separate our personal finances from our business finances. In addition to savings, we also invest in deposits for personal savings. Currently, our children are starting to invest in stocks as well." (Ibu Vony)

The responses provided by the three female entrepreneurs indicate a lack of strong motivation to pursue significant business growth. They view their business ventures as a means of supporting their family's financial needs rather than aiming for substantial expansion. This aligns with the findings of previous research by (Wei, 2018) and (Rugina, 2019), which highlight similar perspectives. The success criteria for these entrepreneurs revolve around fulfilling their monthly household requirements, funding their children's education through higher levels, ensuring timely payment of employee salaries, and sustaining their business operations. It becomes apparent that the passion these women have for running their home-based businesses outweighs their focus on maximizing profit, as emphasized by Barlian et al., (2012).

Table 3 below summarizes the responses given by the informants regarding the questions about cash management practices among female SME entrepreneurs.

Table 3 Responses Summary of answers regarding cash flow management practices (question 1 until 4)

No.	Item Question	Ms Ida	Ms Wiwid	Ms Vony
1	a. Where did you acquire knowledge on financial management?	"I lack understanding in managing business finances"	"From the experience of my entrepreneurial parents"	"Through self-learning and consulting with an accountant"
	b. Do you separate business finances from personal finances?	"There is no separation between personal and business finances."	"Yes, to have better control"	"Yes, to avoid mixing them up"
	c. How do you determine if your business is making a profit or experiencing a loss?	"Through calculating income and expenses"	"From well-organized financial records"	"From monthly financial reports"
2	d. Do you estimate your monthly income and expenses?	"Yes, to manage finances effectively"	"Yes, to ensure financial control"	"Yes, to track monthly cash flow"
	e. Do you set sales targets?	"Yes, to achieve expected profits"	"Yes, to increase revenue"	"Yes, to monitor business progress"
	f. Do you have monthly	"I can't create	"Yes, for financial	"Yes, for making

	financial statements?	<i>financial reports due to poor record-keeping discipline."</i>	<i>evaluation"</i>	<i>financial decisions"</i>
3	g. Where do you obtain business capital?	<i>"Savings and loans from family and friends"</i>	<i>"Savings and profits from the business"</i>	<i>"Bank loans and savings from the business"</i>
	h. Do you have debts? How do you manage them?	<i>"Yes, paying regularly"</i>	<i>"Yes, paying on time"</i>	<i>"Yes, making monthly installments"</i>
	i. Do you have receivables? How do you manage them?	<i>"Yes, by requesting timely payments"</i>	<i>"Yes, by setting payment deadlines"</i>	<i>"Yes, by offering discounts for timely payments"</i>
4	j. How is your business currently progressing?	<i>"Growing and stable"</i>	<i>"Growing rapidly"</i>	<i>"Stable with gradual growth"</i>
	k. Do you have plans to expand your business?	<i>"Yes, I want to open branch establishments"</i>	<i>"Yes, I plan to expand."</i>	<i>"Yes, I am considering expanding slowly but steadily."</i>
	l. Do you find debt burdensome or beneficial?	<i>"Debt can be burdensome if not managed properly."</i>	<i>"Debt can be beneficial if used for business development."</i>	<i>"Debt can be burdensome if the interest rate is high."</i>
	m. Do you have savings? How do you manage your savings?	<i>"Yes, I have savings in the bank and they are used as a financial backup."</i>	<i>"Yes, I have savings for emergencies and business needs."</i>	<i>"Yes, I have savings for emergencies and investments."</i>

Source: interview results, 2023

From the answers provided by the three informants, although their responses vary, there are similarities among female micro and small business owners in managing their cash flow. In the question regarding understanding of cash flow management, the three informants gave different answers. These differences may be influenced by the knowledge and experience acquired by the entrepreneurs during their business operations. It indicates that some female micro and small business owners are aware of the importance of cash flow management, but due to factors such as lack of knowledge, busyness, and resources, they tend to neglect it. The findings of this study align with the research conducted by Nadiah, (2016) and Enow & Kamala, (2016), which revealed that micro and small business owners have a relatively high level of cash management practices but are deficient in internal cash control, particularly in accounting recording and budgeting.

In the second question regarding how female micro and small business owners plan their cash flow, the female entrepreneurs stated that they project how and when cash will be received and spent. However, these estimates are not based on clear financial records and reports. This condition poses a risk of cash shortages and inadequate cash reserves. If entrepreneurs are late in realizing this situation, it can result in a decline in business performance (Uwonda & Okello, 2015).

In regards to the question on cash flow control, the three female entrepreneurs did not demonstrate a strong desire to prioritize higher business growth. For them, running a business is part of their daily routine to support their family's financial needs. This finding is consistent with the research conducted by Wei, (2018) and Rugina, (2019). Their measure of success lies in their ability to meet their monthly household expenses, fund their children's education up to higher levels, pay employee salaries, and sustain their business. It is evident that the passion of these women in carrying out their work from home surpasses their profit orientation (Barlian et al., 2012).

CONCLUSION

Entrepreneurship is one of the types of occupations chosen by many women, especially those who are married. They feel they have a greater role and responsibility than men in meeting financial needs while also managing household tasks. That is why small-scale or home-based industries are often preferred as employment options by women who are homemakers.

Effective and efficient cash management practices include activities such as planning the amount of cash inflows and outflows, managing cash inflows and outflows, and optimizing cash to maximize liquidity and business growth.

The ability of an individual to manage a business and its finances depends on factors such as experience, education, skills, interests, and dedication to their work. Similarly, the findings from this study indicate that female entrepreneurs' management of their cash flow is highly influenced by their orientation, interests, skills, education, and personal dedication.

The findings of this research explain that financial record-keeping is crucial for business owners. Through proper record-keeping, optimal cash availability can be maintained. This study further reinforces that female entrepreneurs practice disciplined and organized cash management. However, it also highlights that women may lack motivation to grow their businesses, despite increased profitability, due to certain habits and specific considerations they face.

The limitations of this research include the involvement of a small number of female entrepreneurs and the lack of in-depth questioning. Therefore, it is recommended for future research to conduct deep interviews with additional question items. It is also suggested to increase the number of informants to capture the uniqueness and distinctiveness of entrepreneurial characteristics among female entrepreneurs with different backgrounds.

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