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Business Resilience as a Mediator between Financial Management Practices and Business Performance among Mompreneurs in Makassar City

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ABSTRACT

Mompreneurs contribute significantly to local economic development through their participation in micro and small enterprises. Despite their growing economic role, many mompreneurs continue to face challenges in sustaining business performance amid financial limitations and business uncertainties. This study examines the relationship between financial management practices and business performance and investigates the mediating role of business resilience among mompreneurs in Makassar City. Using a quantitative approach, data were collected from 400 mompreneurs and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software. The results reveal that financial management practices positively influence business resilience ($\beta = 0.566$, $p < 0.001$) and business performance ($\beta = 0.334$, $p < 0.001$). Business resilience also exerts a significant positive effect on business performance ($\beta = 0.513$, $p < 0.001$). Furthermore, business resilience partially mediates the relationship between financial management practices and business performance, indicating that effective financial management enhances performance not only directly but also through strengthening firms' resilience capabilities. The model explains 23.8% of the variance in business resilience and 41.4% of the variance in business performance. These findings underscore the strategic importance of resilience-building in improving the sustainability and competitiveness of mompreneur-led businesses.

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1. INTRODUCTION

The sustainability of micro and small enterprises (MSEs) has become an increasingly important concern in entrepreneurship research because these businesses are widely recognized as key drivers of employment creation, household income generation, and regional economic development. Within this sector, women entrepreneurs have assumed an increasingly significant role by establishing and managing

businesses that contribute not only to local economies but also to family welfare. Among women entrepreneurs, mompreneurs represent a distinctive entrepreneurial group because they simultaneously perform entrepreneurial and family caregiving responsibilities, requiring them to balance business growth with domestic obligations. Although this dual role provides opportunities for economic empowerment and household prosperity, it also exposes mompreneurs to greater managerial complexity, financial constraints, and operational uncertainty than many conventional entrepreneurs. The rapid evolution of market conditions, intensified competition, and frequent economic disruptions have further increased the vulnerability of women-owned microenterprises, highlighting the importance of developing managerial capabilities that enable businesses to sustain performance under uncertain environments [1], [2], [3], [4], [5], [6], [7].

Among various managerial capabilities, financial management practices have been consistently recognized as one of the most critical determinants of business sustainability. Financial management practices include planning financial activities, maintaining systematic financial records, managing cash flows, preparing budgets, and allocating resources efficiently to support strategic decision-making. Entrepreneurs who possess sound financial management practices are generally better equipped to control operational costs, evaluate investment opportunities, anticipate financial risks, and improve organizational decision quality. Consequently, effective financial management has been associated with stronger business growth, greater financial capability, wider adoption of digital financial services, and improved organizational performance among small enterprises [8], [9], [10], [11], [12], [13], [14], [15]. Nevertheless, previous empirical studies also indicate that effective financial management does not automatically guarantee superior business performance. Enterprises operating with relatively similar financial capabilities frequently achieve different performance outcomes, suggesting that financial management alone is insufficient to explain sustained organizational success. This inconsistency indicates the existence of an organizational mechanism through which financial management practices are translated into long-term business performance, thereby creating an important theoretical issue that deserves further investigation.

Business resilience has recently emerged as a strategic organizational capability that explains why some enterprises are able to maintain superior performance despite operating under highly uncertain conditions. Unlike the traditional perspective that views resilience merely as the ability to recover from crises, contemporary literature conceptualizes business resilience as a dynamic capability that enables organizations to anticipate disruptions, adapt to environmental changes, reorganize internal resources, and continuously exploit emerging opportunities. For micro and small enterprises, resilience is particularly important because limited financial and operational resources make them more vulnerable to external shocks. Previous studies consistently report that resilient firms exhibit greater strategic flexibility, stronger adaptive capacity, and higher organizational performance than less resilient firms [16], [17], [18], [19], [20], [21], [22], [23], [24]. Entrepreneurial resilience has also been associated with innovation, organizational learning, and long-term competitiveness, indicating that resilience represents a strategic capability rather than simply a reactive response to business disruption [25], [26], [27], [28], [29], [30]. Consequently, business resilience provides a compelling theoretical explanation for understanding how effective financial management practices can be transformed into sustainable business performance among mompreneurs.

Despite the growing body of literature on financial management, business resilience, and business performance, several important knowledge gaps remain. First, previous studies have primarily investigated the direct relationship between financial management

practices and business performance or examined business resilience as an independent predictor of organizational success. Comparatively few studies have integrated these constructs within a single explanatory model to clarify the organizational mechanism through which financial management practices influence business performance [12], [13], [14], [15], [16], [17], [18], [19], [20], [26], [27], [28], [29], [30]. Second, resilience research has largely focused on firms responding to economic crises, disasters, or large-scale environmental turbulence, while considerably less attention has been devoted to resilience developed through routine managerial practices among women-owned microenterprises [17], [18], [19], [20], [21], [22], [23], [24], [25], [26], [27], [28], [29]. Third, although mompreneurs contribute substantially to household welfare and local economic development, empirical evidence explaining how financial management practices strengthen business resilience and subsequently improve business performance within this entrepreneurial context remains limited, particularly in emerging economies [1], [3], [8], [9]. These gaps suggest that the capability-building process linking financial management practices, business resilience, and business performance has not yet been comprehensively explained.

Responding to these gaps, this study investigates the relationships between financial management practices, business resilience, and business performance among mompreneurs in Makassar City. Specifically, the study examines the direct effects of financial management practices on business resilience and business performance while evaluating the mediating role of business resilience in strengthening business performance. The primary contribution of this study lies in integrating the capability-based perspective with business resilience literature to explain how financial management practices create sustainable organizational outcomes through the development of resilience capability. By positioning business resilience as a strategic mediating mechanism rather than merely an organizational attribute, this study extends existing entrepreneurship literature and provides a more comprehensive explanation of sustainable business performance among women-owned microenterprises. The findings are expected to contribute not only to theoretical advancement but also to the development of practical strategies for policymakers, entrepreneurship support institutions, and women entrepreneurs seeking to improve the resilience, competitiveness, and long-term sustainability of mompreneur-led businesses.

2. LITERATURE REVIEW

2.1 Financial Management Practices

Financial management practices (FMP) represent a strategic managerial capability that enables entrepreneurs to effectively plan, allocate, monitor, and control financial resources in pursuit of sustainable business growth. Rather than being limited to routine accounting activities, FMP encompass a broad range of managerial processes, including financial planning, budgeting, cash flow management, financial record keeping, and investment decision-making. From the capability-based perspective, entrepreneurial and managerial capabilities enable firms to utilize available resources more efficiently, improve organizational responsiveness, and support strategic adaptation in dynamic business environments [10], [11]. Accordingly, financial management should be viewed as an organizational capability that contributes not only to operational efficiency but also to long-term business sustainability.

Extensive empirical evidence has confirmed the strategic role of financial management practices in improving the performance of micro and small enterprises. Entrepreneurs with stronger financial management capabilities are more likely to make informed financial decisions, maintain healthier cash flows, secure external financing, and allocate resources more efficiently, thereby strengthening

organizational competitiveness [12], [13]. Furthermore, financial capability facilitates the adoption of digital financial services and enhances firms' ability to respond to changing market conditions, which ultimately contributes to improved business performance [14]. A comprehensive review of the financial management literature also concludes that financial capability constitutes one of the most influential organizational resources supporting sustainable enterprise development, particularly among small businesses operating under resource constraints [15].

Despite the well-established relationship between financial management practices and business performance, previous studies also indicate that similar financial capabilities may produce different organizational outcomes across firms. This variation suggests that financial management alone cannot fully explain sustainable business success because business performance is also influenced by an organization's ability to anticipate uncertainty, adapt to environmental change, and effectively reconfigure its internal resources. Consequently, financial management practices should be understood as a foundational capability that facilitates the development of higher-order organizational capabilities, particularly business resilience, which enables entrepreneurs to transform sound financial management into sustainable competitive performance. This perspective provides the theoretical foundation for examining the role of business resilience as an organizational mechanism linking financial management practices with business performance among mompreneurs.

2.2 *Business Resilience*

Business resilience (BR) is increasingly recognized as a strategic organizational capability that enables firms to sustain operations, maintain competitiveness, and create long-term value under conditions of uncertainty. Contemporary resilience literature extends beyond the traditional view of resilience as the ability to recover from adverse events by emphasizing an organization's capacity to anticipate disruptions, adapt to environmental changes, reorganize internal resources, and continuously learn from experience [19], [20]. This perspective is consistent with the dynamic capability view, which argues that sustainable competitive advantage depends on an organization's ability to sense environmental changes, seize emerging opportunities, and reconfigure internal resources in response to evolving market conditions [11]. Accordingly, business resilience should be understood not merely as a defensive response to crises but as a proactive organizational capability that supports continuous adaptation and sustainable business development.

The importance of business resilience is particularly evident among micro and small enterprises, where limited financial, managerial, and operational resources increase vulnerability to market fluctuations and unexpected disruptions. Entrepreneurial resilience enables business owners to maintain strategic flexibility, improve decision quality, and mobilize organizational resources effectively despite environmental uncertainty [16]. Likewise, organizational resilience has been associated with adaptive change processes that strengthen firms' ability to respond proactively to external challenges while preserving operational continuity [17]. Systematic reviews further demonstrate that resilient organizations possess superior adaptive capacity because they continuously integrate learning, innovation, and resource reconfiguration into their strategic decision-making processes [19], [21], [22]. Furthermore, organizational resilience is strengthened through continuous capability development, organizational learning, and strategic

renewal, enabling firms to sustain competitiveness under dynamic business environments [31]. These capabilities allow firms not only to survive disruptive events but also to identify new opportunities that support sustainable organizational growth [23], [24].

Empirical evidence consistently supports the positive contribution of business resilience to organizational performance. Entrepreneurial resilience has been shown to improve business success by strengthening entrepreneurs' ability to cope with uncertainty and sustain business activities over time [16]. Similarly, resilient firms demonstrate greater strategic consistency, stronger dynamic capabilities, and superior organizational performance when operating in turbulent business environments [26], [27], [28], [29], [30]. Collectively, these findings suggest that business resilience functions as a higher-order organizational capability through which firms transform managerial resources into sustainable competitive advantage. Rather than acting independently, resilience complements existing managerial capabilities by enhancing an organization's capacity to utilize financial, human, and organizational resources more effectively.

Within the context of mompreneurs, business resilience assumes an even more critical role because women entrepreneurs simultaneously manage business operations and family responsibilities while facing financial limitations and rapidly changing market conditions. Effective financial management provides the resources and discipline necessary for business continuity, whereas resilience determines how those resources are adapted and strategically deployed when environmental conditions change. Consequently, business resilience is expected to serve as the organizational mechanism through which financial management practices are translated into superior business performance. This theoretical perspective provides the foundation for proposing that business resilience functions not only as a direct determinant of business performance but also as a mediating capability linking financial management practices with sustainable business outcomes among mompreneurs.

2.3 Business Performance

Business performance (BP) represents the extent to which a firm achieves its strategic and operational objectives through the effective utilization of organizational resources. In the context of micro and small enterprises, business performance extends beyond short-term financial outcomes and encompasses business growth, profitability, market competitiveness, customer retention, and long-term sustainability. From the capability-based perspective, superior performance is not generated solely by resource ownership but by an organization's ability to integrate, deploy, and continuously reconfigure its resources in response to changing environmental conditions [11]. Accordingly, business performance reflects the cumulative outcome of organizational capabilities that enable firms to create, sustain, and strengthen competitive advantage over time.

Previous studies consistently demonstrate that business performance is enhanced by organizational capabilities that improve strategic flexibility, adaptive capacity, and resource utilization. Firms possessing stronger dynamic capabilities and higher resilience are better positioned to respond to uncertainty, maintain operational continuity, and exploit emerging opportunities, thereby achieving superior organizational outcomes [26], [27], [28], [29], [30]. The literature further suggests that organizational capabilities influencing

business performance are multidimensional. Besides dynamic capability and resilience, innovation capability has also been recognized as an important capability that enables firms to continuously improve products, services, managerial practices, and business processes, thereby strengthening long-term organizational performance and sustaining competitive advantage [32]. Collectively, these findings indicate that sustainable business performance is achieved through the effective development and deployment of complementary organizational capabilities rather than through the possession of resources alone. Within the context of this study, Financial Management Practices represent a critical managerial capability that supports effective resource utilization, whereas Business Resilience enables firms to adapt to environmental changes and maintain operational continuity. Together, these capabilities provide a comprehensive explanation of sustainable business performance among mompreneurs.

2.4 Hypothesis Development

Financial management practices constitute an essential organizational capability that enables entrepreneurs to utilize financial resources efficiently while improving organizational adaptability under uncertain business environments. From the dynamic capability perspective, managerial capabilities enhance firms' ability to integrate and reconfigure strategic resources in response to environmental changes, thereby strengthening organizational resilience and supporting sustainable competitive advantage [11]. Empirical evidence consistently demonstrates that entrepreneurs with stronger financial management capabilities are more capable of maintaining financial flexibility, optimizing resource allocation, and improving organizational preparedness for uncertainty [12], [13], [14], [15]. At the same time, resilience literature emphasizes that adaptive capability develops through effective resource mobilization, organizational learning, and strategic flexibility rather than through reactive responses to crises alone [16], [17], [18], [19], [20], [21], [22], [23], [24]. Therefore, effective financial management practices are expected to strengthen business resilience.

Financial management practices also contribute directly to business performance by improving financial decision-making, operational efficiency, and resource utilization. Firms that effectively manage their financial resources are better positioned to exploit business opportunities, reduce operational risks, and sustain organizational competitiveness, ultimately leading to superior business performance [12], [13], [14], [15]. In addition, resilient organizations consistently demonstrate higher organizational performance because they possess stronger adaptive capacity, strategic consistency, and the ability to transform environmental uncertainty into business opportunities [16], [19], [20], [26], [27], [28], [29], [30]. Collectively, these findings indicate that both financial management practices and business resilience positively contribute to organizational performance.

Building upon the capability-based perspective, business resilience is proposed to function as the organizational mechanism through which financial management practices are translated into sustainable business performance. While financial management provides the managerial foundation for effective resource allocation, resilience enables entrepreneurs to continuously adapt, reorganize, and deploy those resources in response to changing environmental conditions. Consequently, the integration of financial management practices and business resilience is expected to strengthen sustainable

business performance among mompreneurs.

Based on the above theoretical arguments, the following hypotheses are proposed:

H1: Financial management practices positively influence business resilience.

H2: Financial management practices positively influence business performance.

H3: Business resilience positively influences business performance.

H4: Business resilience mediates the relationship between financial management practices and business performance.

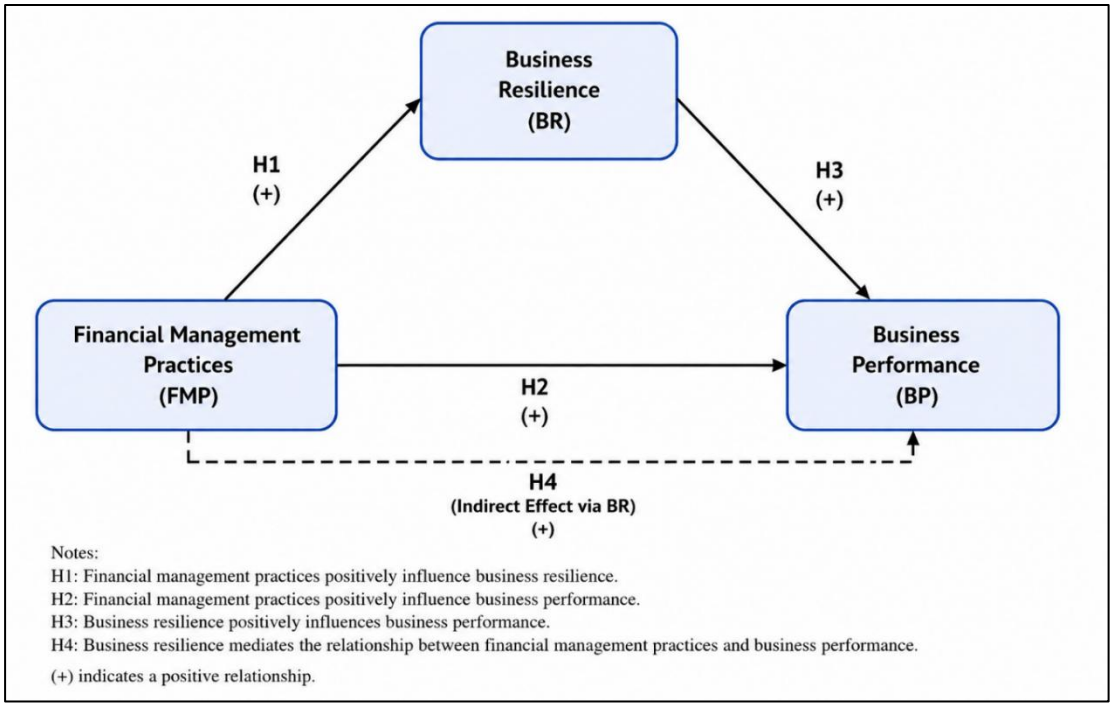


Figure 1. Conceptual Framework of the Study

Figure 1 presents the conceptual framework proposed in this study. The model illustrates that financial management practices are hypothesized to exert a direct positive effect on business resilience and business performance. Furthermore, business resilience is expected to positively influence business performance while simultaneously serving as the mediating mechanism through which financial management practices are translated into sustainable organizational outcomes. Grounded in the capability-based perspective, the proposed framework assumes that superior business performance is achieved not only through effective financial management but also through the organization's capability to adapt, reorganize resources, and sustain competitiveness under dynamic business environments. Accordingly, the conceptual framework provides the theoretical foundation for empirically testing the proposed structural relationships among financial management practices, business resilience, and business performance.

3. METHODS

3.1 Research Design

This study employed a quantitative research design to investigate the relationships among Financial Management Practices (FMP), Business Resilience (BR), and Business Performance (BP) among mompreneurs in Makassar City, Indonesia. A cross-

sectional survey was conducted to collect primary data from respondents at a single point in time. This research design was considered appropriate because it enables the empirical examination of the proposed hypotheses and the assessment of both direct and mediating relationships among the study constructs.

3.2 Population and Sample

The target population consisted of mompreneurs operating micro and small enterprises in Makassar City. Respondents were selected using purposive sampling to ensure consistency with the objectives of the study. The inclusion criteria required respondents to (1) own and actively manage a micro or small enterprise, (2) have at least one child, (3) operate their business for a minimum of one year, and (4) be directly responsible for financial management and business decision-making. A total of **400** valid questionnaires were collected and included in the final analysis.

3.3 Measurement of Variables

The proposed research model comprised three reflective latent variables: Financial Management Practices (FMP), Business Resilience (BR), and Business Performance (BP). The measurement items were adapted from established studies and modified to reflect the characteristics of mompreneur-led micro and small enterprises. Financial Management Practices were measured using five indicators representing financial planning, budgeting, cash flow management, financial record keeping, and financial control, adapted from previous studies on financial management and financial capability [12], [13], [14], [15]. Business Resilience was measured using five indicators representing organizational adaptability, strategic flexibility, organizational learning, recovery capability, and business continuity based on established resilience literature [16], [17], [18], [19], [20], [21], [22], [23], [24]. Business Performance was measured using five indicators reflecting business growth, profitability, customer growth, operational performance, and overall business sustainability [26], [27], [28], [29], [30]. All questionnaire items were measured using a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree").

3.4 Data Analysis

The proposed research model was analyzed using SmartPLS 4 through the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. PLS-SEM was selected because it is appropriate for prediction-oriented research involving latent constructs and for simultaneously estimating multiple structural relationships, including mediation effects [33], [34].

The analysis was conducted in two stages. The first stage evaluated the measurement model by examining indicator reliability, internal consistency reliability, convergent validity, and discriminant validity using outer loadings, Composite Reliability (CR), Average Variance Extracted (AVE), and the Heterotrait–Monotrait Ratio (HTMT). The second stage evaluated the structural model by assessing collinearity, path coefficients, coefficients of determination (R^2), effect sizes (f^2), predictive relevance (Q^2), and bootstrapping procedures to determine the significance of the proposed hypotheses and the mediating effect of Business Resilience [33], [34], [35].

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics and Descriptive Statistics

The analysis begins with an overview of the respondents' demographic characteristics to provide contextual information regarding the sample used in this study. Understanding the respondents' profiles is essential because demographic

characteristics may influence entrepreneurial decision-making, financial management practices, and the capability of business owners to respond to dynamic business environments. The demographic characteristics of the respondents are presented in Table 1.

Table 1. Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage (%)
Age	20–29 years	68	17.0
	30–39 years	172	43.0
	40–49 years	116	29.0
	≥50 years	44	11.0
Education Level	Junior High School	28	7.0
	Senior High School/Vocational School	154	38.5
	Diploma	62	15.5
	Bachelor's Degree	140	35.0
	Postgraduate Degree	16	4.0
Business Experience	<3 years	96	24.0
	3–5 years	140	35.0
	6–10 years	108	27.0
	>10 years	56	14.0
Type of Business	Culinary	148	37.0
	Fashion	84	21.0
	Beauty and Cosmetics	52	13.0
	Retail	48	12.0
	Handicrafts	40	10.0
	Services	28	7.0

Table 1 shows that most respondents were between 30 and 39 years old (43.0%), followed by those aged 40–49 years (29.0%), indicating that the majority of participants were within their productive entrepreneurial years. This age profile suggests that most respondents had accumulated sufficient entrepreneurial experience while remaining actively involved in managing business operations and making strategic decisions. Regarding educational attainment, senior high school or vocational school graduates accounted for the largest proportion (38.5%), followed closely by respondents holding bachelor's degrees (35.0%). This distribution indicates that effective business management among mompreneurs is not solely determined by formal educational qualifications but is also supported by practical entrepreneurial experience and continuous business learning.

With respect to business experience, most respondents had operated their businesses for three to five years (35.0%), while more than one-quarter had six to ten years of entrepreneurial experience (27.0%). These findings indicate that the majority of respondents had sufficient experience to evaluate financial management practices and organizational capabilities within their businesses. In terms of business sectors, culinary businesses represented the largest proportion of the sample (37.0%), followed by fashion (21.0%), beauty and cosmetics (13.0%), retail (12.0%), handicrafts (10.0%), and services (7.0%). The diversity of business sectors enhances the representativeness of the sample and suggests that the findings are applicable across various types of mompreneur-led micro and small enterprises in Makassar City.

Following the demographic analysis, descriptive statistics and correlation analysis were conducted to

provide an initial overview of the distribution of the study variables and their bivariate relationships before evaluating the measurement and structural models. The results are presented in Table 2.

Table 2. Descriptive Statistics and Correlations

Variable	Mean	SD	FMP	BR	BP	Remarks
FMP	3.17	1.16	1.000	0.487	0.517	Moderate positive correlation
BR	3.09	1.16	0.487	1.000	0.587	Moderate positive correlation
BP	3.24	1.19	0.517	0.587	1.000	Moderate positive correlation

As presented in Table 2, Financial Management Practices recorded a mean score of 3.17 (SD = 1.16), Business Resilience obtained a mean score of 3.09 (SD = 1.16), and Business Performance achieved the highest mean score of 3.24 (SD = 1.19). These results indicate that respondents generally perceived the implementation of financial management practices, organizational resilience, and business performance to be at a moderate level. The findings suggest that although mompreneurs have adopted various financial management activities and adaptive business practices, opportunities remain to further strengthen these capabilities in order to achieve higher organizational performance.

The correlation analysis further demonstrates positive relationships among all research variables. Financial Management Practices were moderately correlated with Business Resilience (r = 0.487) and Business Performance (r = 0.517), while Business Resilience exhibited the strongest correlation with Business Performance (r = 0.587). Although these correlations do not establish causal relationships, they provide preliminary empirical support for the proposed conceptual framework by indicating that stronger financial management practices are associated with greater organizational resilience and improved business performance. Moreover, the moderate magnitude of the correlation coefficients suggests that the constructs are sufficiently related while remaining conceptually distinct, thereby supporting the subsequent application of PLS-SEM for hypothesis testing.

4.2 Measurement Model Assessment

Before testing the proposed structural relationships, the measurement model was evaluated to ensure that the research instrument satisfied the recommended reliability and validity criteria. Following the PLS-SEM procedure, the assessment included indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. The results of these evaluations are presented in Tables 3–5.

Table 3. Indicator Reliability

Construct	Indicator	Outer Loading	Remarks
FMP	FMP1	0.734	Valid
	FMP2	0.805	Valid
	FMP3	0.797	Valid
	FMP4	0.747	Valid
	FMP5	0.746	Valid
BR	BR1	0.752	Valid
	BR2	0.766	Valid
	BR3	0.787	Valid
	BR4	0.745	Valid
	BR5	0.795	Valid
BP	BP1	0.787	Valid

Construct	Indicator	Outer Loading	Remarks
	BP2	0.825	Valid
	BP3	0.820	Valid
	BP4	0.786	Valid
	BP5	0.768	Valid

Table 3 presents the outer loading values for all measurement indicators. The results show that all indicators achieved outer loading values ranging from 0.734 to 0.825, exceeding the recommended minimum threshold of 0.70. These findings indicate that every indicator adequately reflects its corresponding latent construct and contributes substantially to measuring Financial Management Practices, Business Resilience, and Business Performance. Consequently, no indicators were removed from the measurement model, confirming satisfactory indicator reliability for all constructs.

After confirming indicator reliability, the internal consistency reliability and convergent validity of each construct were evaluated using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). The results are presented in Table 4.

Table 4. Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
FMP	0.876	0.877	0.587
BR	0.878	0.879	0.592
BP	0.897	0.897	0.636

As shown in Table 4, all constructs achieved Cronbach's Alpha values between 0.876 and 0.897, while Composite Reliability values ranged from 0.877 to 0.897. These values exceed the recommended threshold of 0.70, indicating strong internal consistency among the measurement items. Furthermore, the AVE values ranged from 0.587 to 0.636, surpassing the recommended minimum value of 0.50. These findings demonstrate that each construct explains more than half of the variance of its indicators, confirming adequate convergent validity and supporting the reliability of the measurement model.

Following the confirmation of convergent validity, discriminant validity was assessed using the Heterotrait–Monotrait Ratio (HTMT) to determine whether the latent constructs were empirically distinct from one another. The results are presented in Table 5.

Table 5. Discriminant Validity (HTMT)

Construct Pair	HTMT	Remarks
FMP – BR	0.556	Valid
FMP – BP	0.584	Valid
BR – BP	0.661	Valid

Table 5 indicates that all HTMT values ranged from 0.556 to 0.661, remaining well below the recommended threshold of 0.90. These results confirm that Financial Management Practices, Business Resilience, and Business Performance represent distinct theoretical constructs with adequate discriminant validity. Overall, the results presented in Tables 3–5 demonstrate that the measurement model satisfies all recommended reliability and validity

criteria. Therefore, the proposed measurement model is considered robust and appropriate for evaluating the structural relationships and testing the proposed hypotheses in the subsequent stage of analysis.

4.3 Structural Model Assessment

After confirming that the measurement model satisfied the required reliability and validity criteria, the structural model was evaluated to examine the proposed relationships among Financial Management Practices, Business Resilience, and Business Performance. The assessment included the evaluation of the structural model, hypothesis testing, indirect effects, and the explanatory power of the endogenous constructs. The structural model is illustrated in Figure 2, while the statistical results are presented in Tables 6–8.

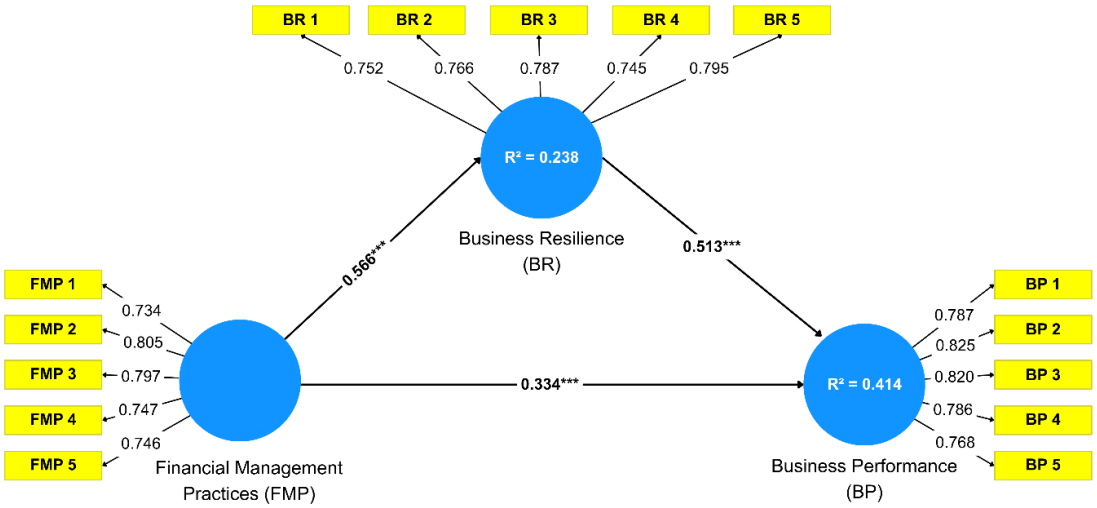


Figure 2. Structural Model Result

Figure 2 illustrates the estimated structural relationships among the study variables. The standardized path coefficients indicate positive relationships between Financial Management Practices and Business Resilience, Financial Management Practices and Business Performance, as well as Business Resilience and Business Performance. Furthermore, the model suggests that Business Resilience functions as an important mediating mechanism through which Financial Management Practices contribute to improved Business Performance. These structural relationships provide initial support for the proposed conceptual framework and are statistically evaluated through hypothesis testing.

The significance of the proposed structural relationships was subsequently examined using the bootstrapping procedure. The results of hypothesis testing are presented in Table 6.

Table 6. Structural Model Assessment and Hypothesis Testing

Hypothesis	Relationship	β	z-value	p-value	Decision	Remarks
H1	FMP → BR	0.566	9.049	<0.001	Supported	Significant
H2	FMP → BP	0.334	5.410	<0.001	Supported	Significant
H3	BR → BP	0.513	7.982	<0.001	Supported	Significant

As presented in Table 6, all proposed direct relationships were statistically significant. Financial Management Practices exerted a positive and significant effect on Business Resilience (β = 0.566, p < 0.001),

supporting H1. Financial Management Practices also positively influenced Business Performance ($\beta = 0.334$, $p < 0.001$), supporting H2. In addition, Business Resilience demonstrated a positive and significant effect on Business Performance ($\beta = 0.513$, $p < 0.001$), supporting H3. Among the direct relationships, the effect of Business Resilience on Business Performance was the strongest, suggesting that organizational resilience plays a substantial role in enhancing business outcomes among mompreneurs.

To further examine the proposed mediation model, the indirect effect of Financial Management Practices on Business Performance through Business Resilience was assessed. The results are presented in Table 7.

Table 7. Indirect Effect Analysis

Hypothesis	Indirect Relationship	Indirect Effect	Decision	Remarks
H4	FMP → BR → BP	0.291	Supported	Mediation Supported

Table 7 indicates that the indirect effect of Financial Management Practices on Business Performance through Business Resilience was positive ($\beta = 0.291$) and statistically significant, providing empirical support for H4. This finding confirms that Business Resilience partially mediates the relationship between Financial Management Practices and Business Performance. The result suggests that effective financial management contributes to improved business performance not only through its direct influence but also by strengthening the adaptive capability of mompreneur-led enterprises.

The explanatory power of the proposed structural model was subsequently evaluated using the coefficient of determination (R^2). The results are presented in Table 8.

Table 8. Coefficient of Determination (R^2)

Endogenous Variable	R^2	Interpretation	Remarks
Business Resilience	0.238	Moderate	Acceptable
Business Performance	0.414	Moderate–Strong	Acceptable

As shown in Table 8, the R^2 value for Business Resilience was 0.238, indicating that Financial Management Practices explained 23.8% of the variance in Business Resilience. Meanwhile, the R^2 value for Business Performance was 0.414, suggesting that Financial Management Practices and Business Resilience jointly explained 41.4% of the variance in Business Performance. According to commonly accepted guidelines for PLS-SEM, these values indicate moderate explanatory power, demonstrating that the proposed model provides a satisfactory explanation of business resilience and business performance among mompreneurs while leaving opportunities for future studies to incorporate additional explanatory variables.

4.4 Discussion

The empirical findings demonstrate that Financial Management Practices significantly enhance Business Resilience, providing support for H1. This relationship indicates that systematic financial planning, budgeting, cash flow management, and financial control enable mompreneurs to allocate resources more efficiently while improving organizational preparedness for uncertainty. Effective financial management reduces financial vulnerability and provides entrepreneurs with greater flexibility to adjust operational strategies when market conditions change. From the

capability-based perspective, organizational resilience develops through the effective deployment and continuous reconfiguration of strategic resources rather than through the availability of resources alone [11]. Therefore, financial management should be viewed as a strategic capability that enables entrepreneurs to build adaptive capacity and sustain business continuity under dynamic business environments. This finding reinforces previous evidence that managerial and financial capabilities strengthen organizational resilience among micro and small enterprises [12], [13], [14], [15], [16], [17], [18], [19], [20], [21], [22], [23], [24], while extending the literature by demonstrating that this relationship also characterizes mompreneur-led enterprises operating in emerging economies.

The results further reveal that Financial Management Practices positively influence Business Performance, supporting H2. This finding suggests that effective financial management enables entrepreneurs to make better financial decisions, optimize operational expenditures, improve resource allocation, and identify business opportunities more effectively. These capabilities increase organizational efficiency and strengthen business competitiveness, ultimately contributing to higher organizational performance. Although previous studies have consistently reported a positive association between financial capability and business performance [12], [13], [14], [15], the present findings provide additional evidence that financial management remains a critical determinant of performance even within businesses simultaneously balancing commercial objectives and family responsibilities. Accordingly, the study highlights that financial management contributes not only to operational efficiency but also to the long-term sustainability of women-owned micro and small enterprises.

Business Resilience was also found to exert a positive and significant influence on Business Performance, providing empirical support for H3. This finding demonstrates that resilient enterprises possess greater capability to maintain operational continuity, respond proactively to environmental changes, and transform uncertainty into opportunities for organizational development. Rather than functioning solely as a recovery mechanism following business disruption, resilience represents a higher-order organizational capability that promotes strategic flexibility, organizational learning, and continuous adaptation. These capabilities enable entrepreneurs to sustain business performance despite operating under resource limitations and volatile market conditions. This finding also reinforces the argument that entrepreneurial resilience strengthens entrepreneurs' confidence, adaptability, and persistence when facing uncertainty, thereby contributing to superior business performance [25]. The findings therefore reinforce resilience literature emphasizing that adaptive capability constitutes an essential source of sustainable competitive advantage [16], [17], [18], [19], [20], [21], [22], [23], [24], [25], [26], [27], [28], [29], [30]. The relatively stronger effect of Business Resilience on Business Performance further indicates that resilience plays a more substantial role in sustaining long-term organizational success than operational capability alone.

The mediation analysis represents the principal contribution of this study by confirming that Business Resilience significantly mediates the relationship between Financial Management Practices and Business Performance, thereby supporting H4. The findings suggest that financial management practices alone are insufficient to generate superior business

performance unless entrepreneurs possess the capability to transform financial resources into adaptive strategic actions. While financial management provides the managerial foundation for efficient resource utilization, business resilience determines how effectively those resources are mobilized, reconfigured, and deployed when responding to environmental uncertainty. This mechanism explains why enterprises with comparable financial management capabilities may ultimately achieve different levels of organizational performance. By identifying Business Resilience as the organizational mechanism linking Financial Management Practices with Business Performance, this study extends the capability-based perspective beyond direct capability–performance relationships and provides a more comprehensive explanation of sustainable business performance among mompreneurs. This integrated perspective contributes to entrepreneurship literature by clarifying the capability-building process through which financial management practices are translated into sustainable organizational outcomes in women-led micro and small enterprises.

Collectively, the findings demonstrate that sustainable business performance among mompreneurs depends not only on sound financial management but also on the capability to transform financial resources into adaptive organizational responses through business resilience. The study therefore contributes theoretically by integrating financial management and resilience within a unified capability-based framework that explains sustainable business performance in women-led microenterprises. From a practical perspective, the findings suggest that entrepreneurship development initiatives should extend beyond financial management training by simultaneously strengthening adaptive capability, strategic flexibility, and organizational resilience. Such an integrated approach is expected to improve the long-term sustainability and competitiveness of mompreneur-led enterprises while supporting broader economic development in emerging economies.

5. CONCLUSION

This study examined the relationships among Financial Management Practices, Business Resilience, and Business Performance among mompreneurs operating micro and small enterprises in Makassar City. The findings demonstrate that Financial Management Practices constitute an important managerial capability that strengthens both Business Resilience and Business Performance. Furthermore, Business Resilience plays a pivotal role in enhancing organizational performance while simultaneously serving as the mechanism through which Financial Management Practices are translated into sustainable business outcomes. These findings indicate that achieving superior business performance depends not only on effective financial management but also on entrepreneurs' capability to adapt, reorganize resources, and respond strategically to environmental uncertainty. By integrating Financial Management Practices and Business Resilience within a capability-based perspective, this study contributes to entrepreneurship literature by providing a more comprehensive explanation of sustainable business performance among women-led micro and small enterprises in emerging economies.

The findings provide practical implications for policymakers, entrepreneurship support institutions, and business development agencies by highlighting the importance of integrating financial management capability with resilience-building programs for mompreneurs. Entrepreneurship

development initiatives should therefore extend beyond financial literacy training to include adaptive capability, strategic flexibility, and organizational resilience in order to strengthen long-term business sustainability. Future research is encouraged to incorporate additional organizational and environmental factors, such as digital capability, innovation capability, entrepreneurial orientation, or external environmental uncertainty, to obtain a more comprehensive understanding of sustainable business performance. Future studies may also employ longitudinal research designs and broader geographical coverage to improve the generalizability of the findings and provide deeper insights into the dynamic capability development of women-owned micro and small enterprises.

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