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Impact of financial management practices on the performance of small enterprises (SEs): A study based on the perceptions of entrepreneurs in Southern Assam, India

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Abstract. Financial management practices play a crucial role in shaping the performance and growth of enterprises. Financial management involves arranging both short-term and long-term funding needs, ensuring the smooth functioning of enterprises. This research aimed to examine the relationship between financial management practices and the performance of small enterprises, as well as the impact of these practices on enterprise performance. Recognising the importance of financial management in enterprises, this study focused on small enterprises, which was key contributors to the growth of Northeast India. The research investigated entrepreneurs' perceptions of financial management practices and their relationship to the performance of small enterprises in Northeast India. The study based on primary data collected from a sample of 50 registered small enterprises under the District Industries Centre, Silchar. The data were analysed using descriptive statistics and Spearman's rank correlation. The results indicate that financial management practices – namely Capital Budgeting, Cash Management, Stock Management, Receivable Management, Capital Structuring, and the Use of Information Technology for maintaining financial records – are significantly correlated with enterprise performance. Furthermore, statistical tests using multiple regression analysis demonstrated that these practices positively and significantly impact the performance of small enterprises. The findings of this study will assist entrepreneurs in identifying the financial management practices that play a crucial role in improving the performance of small enterprises

Keywords: Capital Structuring; Capital Budgeting; control; profit; cash; receivables

Introduction

Small enterprises (SEs) are vital for economic development, but their financial management practices differ significantly from those of large organisations, and poor financial decisions can lead to business failure. Despite their importance, many SEs lack strategic financial planning skills. Effective financial management practices are crucial for the success and sustainability of SEs. These practices encompass key areas such as working capital management, Capital Structuring, and the use of accounting information systems, all of which significantly influence enterprise performance. This study explored how entrepreneurs perceive the impact of these financial management practices on their business outcomes. By examining various research findings, the analysis aimed to illuminate the relationship between sound financial management and enhanced performance,

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providing insights into best practices that can drive growth and competitiveness in the dynamic landscape of small enterprises.

Past research has highlighted various financial management practices crucial for the performance of small enterprises across different contexts. T. Tharmini & A.M.I. Lakshan (2021) studied the impact of financial management practices on the performance of small and medium enterprises (SMEs) in terms of accounting information systems, financial reporting and analysis, working capital management, and financial planning and control. They found that financial reporting and analysis, as well as working capital management, positively impact enterprise performance, whereas the other two variables exhibited inverse results. K.A. Mohammed & A. Suleiman (2022) investigated the performance of enterprises concerning cash flow management, Stock Management, bookkeeping practices, and financial planning. They concluded that working capital management, including stock and Cash Management, significantly affects enterprise performance alongside financial planning. R. Rahmah & F.O. Peter (2024) examined financial management practices in the manufacturing sector in Indonesia and discovered that Capital Budgeting, working capital, and financial analysis strongly impact performance. Their study further revealed that units managing investment decisions effectively derive long-term benefits. L. Sooriyakumaran *et al.* (2022) found a significantly positive relationship between financial management planning and firm performance. Specifically, working capital management, accounting recording and reporting, the use of information systems, and Capital Structuring were identified as significant factors affecting performance, although investment decisions yielded insignificant results. G.S. Ahinful *et al.* (2021) emphasised that firms with better governance achieved improved financial results. They suggested transitioning to a formal ownership model and developing operational capacities to enhance performance. P.G. Matare & T.N. Sreedhara (2020) highlighted the importance of working capital management, balancing receivables management, and inventory management in determining enterprise profitability and growth. Their findings suggested that long-term stability requires financial innovation, investment, and risk management. Z.L. Anangwe & A. Malenya (2020) identified financial issues as the primary cause of failure among small and medium enterprises in Kenya. Their findings showed that working capital management, asset management, Cash Management, and financial reporting significantly impact enterprise performance. They recommended adopting these practices to ensure sustainability and success. G. Adda (2020) reported that enterprises in Ghana struggle due to inadequate financial management skills. The study indicated the need for enhanced practices, especially in financial recording, reporting, and working capital management. L.K. Kangangi & J. Omagwa (2020) explored the effects of working capital practices, such as cash, debtors', creditors', and inventory management, on SMEs. They found that cash and debtors' management practices significantly impact performance, underscoring the importance of liquidity and credit management policies to avoid bad debts. D.K. Chalmers *et al.* (2020) examined working capital management practices in Italian SMEs and concluded that enterprises with shorter working capital cycles perform better than those with longer cycles.

Overall, the body of research collectively illustrates that robust financial management practices are essential for the success and sustainability of SEs. By focusing on key areas such as Capital Budgeting, Cash Management, Stock Management, receivables management, Capital Structuring, the Use of Information Technology, financial expertise, and Tax Planning, small enterprises can better navigate challenges and enhance their competitive edge in the marketplace. More specifically, in Southern Assam – a region that serves as a commercial hub connecting four Indian states (Mizoram, Manipur, Meghalaya, and Tripura) and sharing borders with Bangladesh in the Karimganj and Hailakandi districts – small enterprises play a significant role in the regional economy.

The purpose of this research was to examine the impact of financial management practices on the performance of SEs in Southern Assam, as perceived by the concerned entrepreneurs. Based on this purpose, the following hypotheses were formulated: Null Hypothesis (H_0) – there is no significant relationship between the performance of small enterprises and financial management practices as perceived by the concerned entrepreneurs. Alternative Hypothesis (H_1) – there is a significant relationship between the performance of small enterprises and financial management practices as perceived by the concerned entrepreneurs.

Materials and Methods

This research study identified the financial management practices commonly employed by SEs in Southern Assam. The study employed a purposive sampling method, selecting only those small enterprises registered with the District Industries Centre (DIC), Silchar (South Assam) from 1 April 2007 to 31 March 2019. The total number of registered SEs during this period was 76, including 67 manufacturing and 9 service units (DIC, Silchar). A pilot study conducted on 12 SEs – 8 manufacturing and 4 service units – revealed that data collection was feasible only from the manufacturing sector. Consequently, the study was concentrated solely on manufacturing enterprises. Out of 67 manufacturing enterprises, 6 were found to be non-functioning and 4 were non-traceable. This left a total of 57 operational enterprises. To determine the sample size, Taro Yamane's formula was applied. Taro Yamane's formula was widely

used in research to calculate an appropriate sample size for finite populations, balancing precision with resource constraints. The formula is:

$$n = \frac{N}{1+N(e^2)}, \quad (1)$$

where *n* is the sample size; *N* is the population size = 57; *e* is the margin of error = 0.05.

$$n = \frac{57}{1+57(0.05^2)} = 50 \text{ units.}$$

The sample size of 50 enterprises was drawn, and data were collected using random sampling through an interview schedule. The interview schedule included two sections. The first section gathered background information on the respondents, including their age, gender, and type of ownership. The second section contained statements on financial management practices, addressing parameters such as Capital Budgeting, Cash Management, Stock Management, Receivable Management, Capital Structuring, the Use of Information Technology, Tax Planning, and the presence of financial experts. The interview schedule was designed to capture entrepreneurs' perceptions of how financial management practices in SEs impact the performance (Net Profit) of the firm, using a 5-point Likert scale. On this scale, 1 indicated "strongly disagree", 2 indicated "disagree", 3 indicated "neutral", 4 indicated "agree", and 5 indicated "strongly agree". To achieve the study's objectives, descriptive statistics, such as frequency, percentage, mode, and standard deviation, were employed. Spearman rank correlation was conducted to examine the relationship between financial management practices and firm performance. Additionally, an ANOVA test was performed to evaluate the study's hypotheses. ANOVA was used to determine whether significant differences exist in the means of the dependent variable across the groups of independent variables.

The study's model was expressed as P = f (CB, CM, SM, RM, CS, UIT, FME, TP), where: Dependent Variable – Performance of the enterprise (Net Profit of the enterprise, P). Independent Variables – CB = Capital Budgeting; CM = Cash Management; SM = Stock Management; RM = Receivable Management; CS = Capital Structuring; UIT = Use of Information Technology; FME = Financial Management Expertise; TP = Tax Planning. A reliability test was conducted to evaluate the consistency of the eight variables related to financial management practices. Cronbach's Alpha coefficient was used for this purpose (Table 1).

Table 1. *Test of reliability*

No. of items	Cronbach's Alpha
8	.773

Source: *developed by the authors*

The overall coefficient was measured at 0.773, and all individual items showed values above 0.700, indicating that the data are reliable and acceptable (Table 2). To test the data's normality, the Shapiro-Wilk test was used, as it is suitable for small sample sizes (Razali & Wah, 2011) (Table 3).

Table 2. *Item-wise Cronbach's Alpha values*

Statements	Cronbach's Alpha
Financial management practices (No. of items = 8)	.773
Capital Budgeting techniques help the enterprise improve its performance (CB)	.811
Cash Management prevents cash shortages in the enterprise and influences its performance (CM)	.764
Stock Management ensures the smooth functioning of production and influences enterprise performance (SM)	.747
Receivable Management reduces bad debts and enhances profitability (RM)	.748
Capital Structuring optimises the enterprise's profits (CS)	.748
The use of computerised systems to manage income and expenses improves financial management (UIT)	.760
Financial Management Expertise enables sound business decisions, influencing performance (FME)	.803
Proper Tax Planning reduces tax liabilities and increases profitability (TP)	.807

Source: *developed based on P. Mishra et al. (2019)*

Table 3. *Test of normality*

Financial management practices	Shapiro-Wilk		
	Statistic	df	Sig.
Capital Budgeting (CB)	.835	50	.000
Cash Management (CM)	.876	50	.000
Stock Management (SM)	.854	50	.000
Receivable Management (RM)	.860	50	.000
Capital Structuring (CS)	.877	50	.000

Table 3, Continued

Financial management practices	Shapiro-Wilk		
	Statistic	df	Sig.
Use of Information Technology (UIT)	.883	50	.000
Financial Management Expertise (FME)	.580	50	.000
Tax Planning (TP)	.836	50	.000

Source: *developed by the authors*

Table 3 indicated that all variables considered in the study have p-values below the typical significance level of 0.05, showing that the data are not normally distributed. Based on N.M. Razali & Y.B. Wah's (2011) study, non-parametric tests were suitable for such data. To avoid the impact of COVID-19 on the performance of SEs in Southern Assam, the study focused exclusively on the 12 years preceding the pandemic. Consequently, the study wasn't include post-COVID-19 impacts on enterprises.

Results and Discussion

This section presents the analysis and interpretation of data based on the objectives of the study. To investigate the perception of entrepreneurs regarding the financial management practices of SEs in Southern Assam, data were collected using a 5-point Likert scale. The responses were tabulated and analysed using percentage and mode (Table 4).

The results in Table 4 indicated the percentage of responses to each statement. It showed that 34% of the respondents strongly agreed and 24% agreed with statement 1, indicating Capital Budgeting as crucial for SEs. However, 22% were neutral, 4% disagreed, and 16% strongly disagreed with the statement. This suggested that Capital Budgeting was widely viewed as an important tool for business improvement. For statement 2, 12% strongly agreed and 44% agreed that effective Cash Management was crucial for preventing cash shortages and influencing performance. However, 8% strongly disagreed, suggesting that some entrepreneurs might not consider Cash Management critical or may face challenges in implementing such practices within their enterprises. Statement 3 revealed that 32% of the respondents strongly agreed, and 22% agreed on the importance of Stock Management. However, 14% strongly disagreed, which may reflect variations in how Stock Management was handled across enterprises or differing experiences with inventory control. A significant portion, 12% strongly agreed, and 44% agreed with statement 4, while 20% were neutral, 12% disagreed, and 10% strongly disagreed about the importance of Receivable Management in reducing bad debts. This indicated that while the majority of respondents believe Receivable Management contributes to profitability, some may not perceive significant benefits, possibly due to differences in experiences with credit policies. For statement 5, 22% of respondents strongly agreed, and 38% agreed that Capital Structuring was a key factor in optimising profits. However, 8% strongly disagreed, possibly reflecting scepticism regarding the relationship between capital structure and profitability. Regarding statement 6, mixed responses were observed. While 24% agreed on the importance of information technology (IT) for managing income and expenses, a large proportion (42%) remained neutral. This indicated that the use of IT for financial management wasn't yet fully optimised among SEs.

Table 4. *Perceptions of entrepreneurs on financial management practices*

Statements	SD	D	N	A	SA	Total
1) Capital Budgeting techniques help the enterprise improve its performance (CB)	8 (16%)	2 (4%)	11 (22%)	12 (24%)	**17 (34%)**	**50 (100%)**
2) Cash Management prevents cash shortages in the enterprise and influences its performance (CM)	4 (8%)	8 (16%)	10 (20%)	**22 (44%)**	6 (12%)	**50 (100%)**
3) Stock Management ensures the smooth functioning of production and influences enterprise performance (SM)	7 (14%)	10 (20%)	6 (12%)	11 (22%)	**16 (32%)**	**50 (100%)**
4) Receivable Management reduces bad debts and enhances profitability (RM)	5 (10%)	6 (12%)	10 (20%)	**23 (46%)**	6 (12%)	**50** (100%)
5) Capital Structuring optimises the enterprise's profits (CS)	4 (8%)	5 (10%)	11 (22%)	19 (**38%**)	11 (22%)	**50** (**100%**)
6) The use of computerised systems to manage income and expenses improves financial management (UIT)	5 (10%)	3 (6%)	**21** (**42%**)	12 (24%)	9 (18%)	**50** (**100%**)
7) Financial Management Expertise enables sound business decisions, influencing performance (FME)	**37** (**74%**)	0 (0%)	1 (2%)	5 (10%)	7 (14%)	**50** (**100%**)
8) Proper Tax Planning reduces tax liabilities and increases profitability (TP)	**19** (**38%**)	5 (10%)	9 (18%)	13 (26%)	4 (8%)	**50** (**100%**)

Note: *SD = strongly disagree; D = disagree; N = neutral; A = agree; SA = strongly agree*
Source: *developed by the authors*

Statement 7 showed that 74% of respondents strongly disagreed with the importance of Financial Management Expertise in decision-making, whereas only 14% strongly agreed. This suggested that many entrepreneurs presume financial expertise were already embedded within their organisation's operations, diminishing its perceived value as a differentiator. The statement on Tax Planning revealed that 38% of respondents strongly disagreed, while 26% agreed that Tax Planning reduced tax liabilities and increased enterprise profits. This may reflect a lack of awareness about Tax Planning or a perception that tax issues have minimal impact on profitability in this context. Table 5 illustrated the most frequent responses for each statement on a 5-point Likert scale and their corresponding standard deviation.

Table 5. *Mode responses of entrepreneurs and standard deviation*

Statement	Mode	Standard deviation
CB	5	1.417
CM	4	1.138
SM	5	1.469
RM	4	1.159
CS	4	1.181
UIT	3	1.153
FME	1	1.568
TP	1	1.431
*N = 50		

Source: *developed by the authors*

The analysis of Table 5 revealed the mode response, i.e., the most frequently given score, and the standard deviation, which indicated the variability in responses among entrepreneurs. The highest mode, '5', was observed for Capital Budgeting and Stock Management, indicating that entrepreneurs rated these practices highly. However, there was moderate variability in responses, as reflected by the standard deviations of 1.417 and 1.46, respectively. Cash Management, Receivable Management, and Capital Structuring predominantly received a mode of '4', with lower standard deviations (approximately 1.1), suggesting more consistent perceptions and general agreement among entrepreneurs regarding these practices. Conversely, responses for the Use of Information Technology were centred around a mode of '3' (neutral), accompanied by a low standard deviation, indicating less variability in responses. In contrast, Financial Management Expertise and Tax Planning had modes of '1', with standard deviations of 1.568 and 1.431, respectively. These results indicated strong disagreement among respondents regarding the importance of these practices and substantial variability in how entrepreneurs viewed their significance. Further, to assess the correlation between financial management practices and enterprise performance (measured as Net Profit), Spearman's rank correlation (rho) test was conducted (Table 6).

Table 6. *Correlation of financial management practices with the performance of enterprises*

Variable		Net Profit	CB	CM	SM	RM	CS	UIT	FME	TP
Net Profit	Correlation coefficient p-value	1.000 -								
CB	Correlation coefficient p-value	**.417**** **(.003)**	1.000 -							
CM	Correlation coefficient p-value	**.393**** **(.005)**	.424** (.002)	1.000 -						
SM	Correlation coefficient p-value	**.432**** **(.002)**	.342* (.015)	.185 (.198)	1.000 -					
RM	Correlation coefficient p-value	**.619**** **(.000)**	.408** (.003)	.252 (.077)	.301* (.033)	1.000 -				
CS	Correlation coefficient p-value	**.440**** **(.001)**	.410** (.003)	.391** (.005)	.396** (.004)	.360* (.010)	1.000 -			

Table 6, Continued

Variable		Net Profit	CB	CM	SM	RM	CS	UIT	FME	TP
UIT	Correlation coefficient p-value	**.515** (.000)**	.247 (.084)	.115 (.428)	.415** (.003)	.644** (.000)	.300* (.034)	1.000 -		
FME	Correlation coefficient p-value	-.122 (.398)	-.249 (.082)	-.121 (.403)	-.028 (.848)	.018 (.899)	-.231 (.107)	.002 (.987)	1.000 -	
TP Correlation coefficient p-value .007 (.963)			-.070 (.630)	.102 (.480)	-.074 (.609)	-.224 (.118)	-.291* (.040)	-.182 (.205)	-.247 (.084)	1.000 -
** - correlation is significant at the 0.01 level (2-tailed). * - correlation is significant at the 0.05 level (2-tailed). c. List wise N = 50. The figures in parentheses are all positive										

Note: *CB = Capital Budgeting; CM = Cash Management; SM = Stock Management; RM = Receivable Management; CS = Capital Structuring; UIT = Use of Information Technology; FME = Financial Management Expertise; TP = Tax Planning*
Source: *developed by the authors*

Table 6 presented the results of the Spearman rank correlation analysis, which were discussed as follows: Performance (Net Profit) to Capital Budgeting (CB) – the correlation coefficient of .417, with a p-value of .003, signified that the observed correlation is strongly positive and statistically significant. This indicated that effective Capital Budgeting practices can lead to increased Net Profit. This finding aligned with the research of U.A.H.A. Rathnasiri (2015), which highlighted the importance of Capital Budgeting in enhancing business performance. Performance (Net Profit) to Cash Management (CM) – the correlation coefficient of 0.453, with a p-value of 0.001, indicated a strongly positive and statistically significant relationship. This suggested that improvements in Cash Management practices tend to increase Net Profit by optimising cash flow and reducing liquidity risks. Similar findings were reported by B.K. Agyei-Mensah (2011) and M. Eton *et al.* (2021), emphasised the role of Cash Management in the performance of small enterprises. Performance (Net Profit) to Stock Management (SM) – the correlation coefficient of 0.432, with a p-value of 0.002, indicated a strongly positive and statistically significant correlation. This result highlighted that effective Stock Management is associated with increased Net Profit. Improved Stock Management reduces instances of stockouts and overstocking, minimising losses and maximising sales. These findings were consistent with the studies of M. Isse Abdikadir & M. Abdisalan (2016) and A.L.A. Rauf (2016). Performance (Net Profit) to Receivable Management (RM) – the correlation coefficient of 0.619, with a p-value of 0.000, indicated a very strongly positive and statistically significant relationship. This suggested that effective Receivable Management contributes significantly to Net Profit by reducing working capital needs and ensuring timely revenue generation. The results align with the studies of M. Isse Abdikadir & M. Abdisalan (2016) and I. Nketsiah (2018), which underscored the importance of proper credit policies in reducing bad debt and enhancing profitability. Performance (Net Profit) to Capital Structuring (CS) – the correlation coefficient of .440, with a pvalue of .001, indicated a strongly positive correlation between Capital Structuring and Net Profit. Effective Capital Structuring aided in strategic investment decisions, optimises resource allocation, and maximises returns. This finding supported the research of P.S. Vohra & J.S. Dhillon (2014), which concluded that Capital Structuring has a significant positive impact on firm performance. Performance (Net Profit) to Use of Information Technology (UIT) – the correlation coefficient of .515, with a p-value of .000, indicated a strongly positive and statistically significant relationship. The Use of Information Technology, particularly in computerised accounting, is associated with increased Net Profit due to enhanced efficiency and accuracy in financial management. The results were consistent with the findings of U.A.H.A. Rathnasiri (2015) and A.Y. Hailu & P. Venkateswarlu (2016), which highlighted the significance of using accounting information systems for maintaining accurate financial records and facilitating decision-making. Financial Management Expertise (FME) to Performance (Net Profit) – the correlation coefficient of -.122, with a p-value of .398, indicates a negative and statistically insignificant relationship. This suggested that the presence of a financial management expert may not directly correlate with Net Profit in SEs, likely due to resource limitations that hinder the full utilisation of an expert's skills. Similar results were reported by T. Abanis *et al.* (2013). Tax Planning (TP) to Performance (Net Profit) – the correlation coefficient of .007, with a p-value of .963, indicated a weak and statistically insignificant relationship. This may reflect limited awareness and understanding of tax laws and regulations among SEs owners. The findings align with the study by L. Judijanto *et al.* (2024) on Tax Planning strategies in small and medium enterprises, which underscored the importance of enhancing Tax Planning practices in such organisations. One of the stages of the research included verification through an ANOVA test.

Table 7. *Test of hypothesis*

ANOVA					
	Total variance in Net Profit	**df**	**Mean Square**	**F**	**Sig.**
Explained by FM practices	42.442	11	3.858	19.400	.000 p-value < 0.05 reject the null hypothesis
Unexplained (residual error)	7.558	38	.199		
Total	50.000	49			
Dependent variable: Net Profit					

Source: *developed by the authors*

The ANOVA results presented in Table 7 demonstrated that the regression model was highly significant, with an F-value of 19.400 and a p-value of .000. These results indicated that the predictors (financial management practices) significantly explain 42.442 variations in Net Profit. The p-value, being less than 0.05, supported the rejection of the null hypothesis, establishing a significant relationship between financial management practices and the performance of small enterprises. This finding suggested that the variance in Net Profit can largely be attributed to financial management practices.

Specifically, practices such as Capital Budgeting, Cash Management, Stock Management, Receivable Management, Capital Structuring, and the Use of Information Technology significantly influence the performance of small enterprises in Southern Assam. Enterprises that effectively manage these financial management practices exhibit improved performance.

Conclusions

The findings of this study demonstrated a clear connection between financial management practices and the performance of small enterprises, affirming the research focus on the impact of financial management practices on profitability. The results indicated that the highest percentage of responses – 34% – was for strong agreement on Capital Budgeting, while Cash Management received 44% agreement. Conversely, 74% strongly disagreed regarding the value of having a financial management expert, and 38% strongly disagreed on the importance of Tax Planning, reflecting critical areas for improvement in financial practices among small enterprises. Further, it was found that there is a significant relationship between various financial management practices and the performance of small enterprises. Capital Budgeting, Cash Management, Stock Management, Receivable Management, Capital Structuring, and the Use of Information Technology all exhibited strong positive correlations with Net Profit, indicating that effective management in these areas enhances financial performance. However, Financial Management Expertise and Tax Planning weren't demonstrate a positive association with Net Profit, suggesting potential limitations in leveraging these practices within small enterprises.

These findings suggested that effective implementation of financial strategies can significantly enhance profitability by optimising resources and improving cash flow. The lack of significant correlation between Financial Management Expertise and Tax Planning with Net Profit highlighted potential barriers to maximising financial benefits, such as limited awareness and resource constraints among small enterprises. This underscored the need for targeted education and training to fully leverage financial expertise. These findings encouraged small enterprises to prioritise the adoption of effective financial management strategies to navigate challenges and seize growth opportunities in a competitive business environment. Future research could focus on specific financial management practices to explore the challenges faced by entrepreneurs and to design policies that support the successful adoption and implementation of these practices.

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Conflict of Interest

None.

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Вплив практик фінансового менеджменту на результативність малих підприємств (МП): дослідження, засноване на сприйнятті підприємців у Південному Ассамі, Індія

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Анотація. Практики фінансового менеджменту відіграють важливу роль у формуванні результативності та зростанні підприємств. Фінансовий менеджмент передбачає організацію як короткострокових, так і довгострокових потреб у фінансуванні, забезпечуючи безперебійну роботу підприємств. Метою цього дослідження було вивчити взаємозв'язок між практиками фінансового менеджменту та результативністю малих підприємств, а також вплив цих практик на їх діяльність. Усвідомлюючи важливість фінансового менеджменту в діяльності підприємств, це дослідження було зосереджено на малих підприємствах, які є ключовими чинниками зростання Північно-Східної Індії. Дослідження розглядало сприйняття підприємцями практик фінансового менеджменту та їхній зв'язок із результативністю малих підприємств у Північно-Східній Індії. Дослідження базувалося на первинних даних, зібраних із вибірки з 50 зареєстрованих малих підприємств під керівництвом Окружного промислового центру, Сілчар. Дані було проаналізовано за допомогою описової статистики та рангової кореляції Спірмена. Результати свідчать, що практики фінансового менеджменту, а саме: бюджетування капіталу, управління грошовими коштами, управління запасами, управління дебіторською заборгованістю, структурування капіталу та використання інформаційних технологій для ведення фінансової звітності, суттєво корелюють із результативністю підприємств. Крім того, статистичні тести, проведені за допомогою багатофакторного регресійного аналізу, показали, що ці практики позитивно та суттєво впливають на результативність малих підприємств. Результати цього дослідження допоможуть підприємцям визначити практики фінансового менеджменту, які відіграють ключову роль у підвищенні результативності малих підприємств

Ключові слова: структурування капіталу; бюджетування капіталу; контроль; прибуток; грошові кошти; дебіторська заборгованість