Comparative Study of Entrepreneurial Orientation and Financial Management Strategies in Women MSMEs

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ABSTRACT

This study aims to analyze in depth the influence of entrepreneurial orientation, consisting of dimensions of innovation, risk taking, and proactive attitude, on decision making in financial management and its impact on financial performance in women-owned MSMEs from three ethnic groups, namely Javanese, Madurese, and Osing, spread across East Java. This study also aims to compare the differences in influence between the three ethnic groups. The research method used is a quantitative approach with the Structural Equation Modeling (SEM) analysis tool processed using AMOS software, on a sample of between 100 and 200 female MSME actors selected purposively, with a minimum provision of 30 respondents from each ethnic group. In this study, entrepreneurial orientation is set as the independent variable, financial management decision making as the mediator variable, and financial performance as the dependent variable. The results of the study indicate that innovation and risk taking have a significant positive effect on financial decisions, but have a negative impact on financial performance, while proactiveness is not significant. Financial management decisions are proven to significantly improve the financial performance of MSMEs.

Keywords*: Entrepreneurial Orientation, Ethnic Group, Financial Management, Financial Performance, Women MSMEs*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis secara mendalam pengaruh orientasi kewirausahaan, yang terdiri atas dimensi inovasi, pengambilan risiko, dan sikap proaktif, terhadap pengambilan keputusan dalam pengelolaan keuangan serta dampaknya terhadap kinerja keuangan pada UMKM milik perempuan dari tiga suku bangsa, yaitu Jawa, Madura, dan Osing, yang tersebar di wilayah Jawa Timur. Penelitian ini juga bertujuan untuk membandingkan perbedaan pengaruh tersebut di antara ketiga kelompok suku bangsa tersebut. Metode penelitian yang digunakan adalah pendekatan kuantitatif dengan alat analisis Structural Equation Modeling (SEM) yang diolah menggunakan software AMOS, pada sampel berjumlah antara 100 hingga 200 pelaku UMKM perempuan yang dipilih secara purposive, dengan ketentuan minimal 30 responden dari masing-masing suku bangsa. Dalam penelitian ini, orientasi kewirausahaan ditetapkan sebagai variabel bebas, pengambilan keputusan pengelolaan keuangan sebagai variabel mediator, dan kinerja keuangan sebagai variabel terikat. Hasil penelitian menunjukkan bahwa inovasi dan pengambilan risiko berpengaruh positif signifikan terhadap keputusan keuangan, namun berdampak negatif terhadap kinerja keuangan, sedangkan proaktif tidak signifikan. Keputusan pengelolaan keuangan terbukti secara signifikan meningkatkan kinerja keuangan UMKM.

Kata kunci*: Orientasi Kewirausahaan, Kelompok Etnis, Manajemen Keuangan, Kinerja Keuangan, UMKM Wanita*

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INTRODUCTION

Gender inequality remains a pressing issue in many societies, with women often having less access to strategic resources due to factors such as low education and early marriage (Dessalegn et al., 2020). These factors limit women's opportunities for better employment and independence and undermine their educational empowerment and development (Wei et al., 2021). Aronson (2019) states that Over the past 30 years, research has shown that fewer women own and manage businesses than men, often due to limited entrepreneurial experience. Although both sexes share similar socioeconomic characteristics such as education, wealth, and employment status, some scholars argue that these differences may not exist due to insufficient empirical evidence (Malerba & McKelvey, 2020). Hardilawati et al. (2019) and Linton (2019) stated that innovation in entrepreneurial orientation has been widely recognized for its role in improving business performance and growth. This study adopts these dimensions, especially considering their effectiveness in the manufacturing sector.

Guo and Jiang (2020) highlighted the continuing ambiguity regarding the conceptualization of risk taking and its relationship to firm performance, particularly in the context of new product entry in Chinese manufacturing firms. They found that emotional intelligence and locus of control had a positive impact on financial risk taking, while risk aversion in general had a negative impact. Rizaldi and Asandimitra (2019) found that financially literate women were better able to manage finances and plan finances. Alabdullah and Churiyah (2023) reported that women's business decisions are often influenced by personal, family, and social constraints. Gender differences in investment risk taking are also significant, with women often showing a greater tolerance for risk than men. This varies across age groups, with younger adults being more open to risk than older ones. In Surabaya, particularly at ITC Mega Grosir, many female traders are Javanese, Madurese, and Chinese. Javanese women who traditionally played a domestic role are now beginning to enter the public sphere, inspired by figures such as R.A. Kartini. However, Tambunan (2019) argues that cultural norms such as devotion to one's husband and limited mobility limit innovative behavior.

Recent research shows that a strong understanding of gender roles has a positive impact on financial management (Kleinert & Mochkabadi, 2022). Gender influences financial thinking and decision-making due to different responsibilities (Aini & Rahayu, 2022). Indicating that socio-cultural factors influence the financial and investment behavior of female MSME entrepreneurs. Women involved in their husband businesses generally face fewer barriers to innovation (Dohse et al., 2019; Audretsch et al., 2022). Chinese women showed stronger innovative behavior compared to Javanese and Madurese women, who had more difficulty in exploring ideas and seeking support. This difference is in line with the different levels of financial risk tolerance, which is influenced by ethnicity.

This study seeks to address the gap in understanding how entrepreneurial orientation—specifically innovation, risk, and proactiveness—interact with financial decision-making and financial performance among women-led MSMEs. The study focuses on Javanese, Madurese, and Osing women in East Java, using structural equation modeling (SEM) to investigate how ethnic-based financial decisions affect business outcomes and resolve inconsistencies in previous research. This research is important to advance the science of financial management, especially regarding women's entrepreneurial orientation and its impact on financial decisions and results (Bawono et al., 2020; & Khatulistiwa, 2021). This is in line with what Owino (2023) said that financial management plays an important role in achieving future goals, protecting and increasing assets, managing cash flow, handling debts and receivables, and planning investments. Three main variables are used in the proposed SEM: entrepreneurial orientation of women-owned SMEs, ethnic-based financial decision-making, and financial performance. This study aims to analyze the impact of innovation, risk-taking, and proactiveness on financial decisions and performance, while examining ethnic-based differences.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Entrepreneurial Orientation towards Financial Management Decision Making

Entrepreneurial Orientation (EO) is a strategic mindset reflecting a company's tendency to innovate, take risks, and act proactively in response to market dynamics (Putniņs & Sauka, 2020). EO plays a crucial role in influencing financial management decision-making, especially among small and medium enterprises (SMEs) (Gardi et al., 2021). A key EO dimension is innovation, which reflects entrepreneurs' capacity to implement new ideas in products, processes, marketing, and organizational structures (Asemokha et al., 2019). Innovation helps businesses not only survive but grow through strategic creativity. Businesses with higher innovation levels often adopt flexible financial management, including investment in technology, efficient fund allocation, appropriate financing source selection, and long-term dividend strategies (Slavinskaite et al., 2022).

Risk-taking is another essential EO element. Entrepreneurs willing to take risks often explore new financial strategies, try unconventional funding options, and invest despite uncertainty. This boldness promotes strategic financial decisions and positions the business for substantial growth (van Baar, 2019). Proactiveness, the third EO component, highlights the entrepreneur's ability to anticipate change and act quickly. Proactive entrepreneurs are more likely to seize opportunities and address financial issues before they worsen. This readiness leads to timely investment, loan decisions, and financial restructuring that strengthen business stability. Ultimately, proactiveness supports more accurate and profitable financial decision-making, reinforcing business resilience in dynamic environments.

H1: Innovation in entrepreneurship orientation has a positive and significant effect on financial management decision-making.
H2: Risk in entrepreneurial orientation has a positive and significant effect on financial management decision-making.
H3: Proactivity in entrepreneurship orientation has a positive and significant effect on financial management decision-making.

Financial Management Decision Making on Financial Performance

Financial management decisions—such as those involving investment, funding, and profit distribution—directly impact a company's financial performance (Santoso, 2019). These decisions shape how financial resources are allocated to support business operations and growth (Al Breiki & Nobanee, 2019). When made strategically, they can enhance profitability, optimize asset use, and strengthen financial stability. Conversely, poor decisions may lead to inefficiencies, losses, or cash flow issues that harm performance.In addition to financial decision-making, innovation—a key dimension of entrepreneurial orientation—also significantly influences financial outcomes (Laskovaia et al., 2019). Entrepreneurs' capacity to innovate in products, processes, marketing, and organizational structures contributes to increased revenue, operational efficiency, and overall profitability (Yang et al., 2022). Innovation enables businesses to adapt to changing market demands, differentiate from competitors, and create value through new approaches. As such, there is a strong causal relationship where higher innovation levels lead to improved financial results. Strategic financial decisions and continuous innovation form a synergistic foundation for superior financial performance. By integrating innovative thinking into financial planning, businesses can navigate uncertainties more effectively and position themselves for sustainable growth. Therefore, both sound financial management and a strong commitment to innovation are essential for enhancing a firm's long-term financial health and competitiveness in dynamic market environments (Saerang et al., 2019).

H4: Innovation in entrepreneurship orientation has a positive significant effect on financial performance.

Entrepreneurial Orientation towards Financial Performance with Financial Decision Making Mediation

Entrepreneurial orientation—including innovation, risk-taking, and proactiveness—has been shown to influence a company's financial performance. However, this effect may not be entirely direct; rather, it is often mediated by financial management decision-making (Cindiyasari et al., 2022). Entrepreneurs with a strong entrepreneurial orientation tend to make more strategic financial decisions—such as those related to investment, financing, and dividend distribution—which in turn improve business performance. Therefore, financial decisions act as a critical bridge linking entrepreneurial orientation to financial outcomes.

Specifically, risk-taking behavior within entrepreneurial orientation (X2) significantly influences financial performance (Y). Entrepreneurs who are willing to take calculated risks may achieve higher returns, as these risks often present greater opportunities for growth. Likewise, proactiveness (X3) defined as the ability to anticipate changes, act ahead of competitors, and seize opportunities early—also has a positive impact on financial performance (Tajeddini & Mueller, 2019). Proactive entrepreneurs tend to make timely business and financial decisions that translate into better outcomes. In this context, sound financial management decisions (Z) remain critical. Decisions regarding investment allocation, financing strategies, and profit distribution play a vital role in supporting business growth and financial stability (Al Breiki & Nobanee, 2019).

H5: Risks in entrepreneurial orientation (X2) has a positive and significant effect on financial performance (Y).
H6: Proactivity in entrepreneurial orientation (X3) has a positive and significant effect on financial performance (Y).
H7: Financial management decision-making (Z) has a positive and significant effect on financial performance (Y).

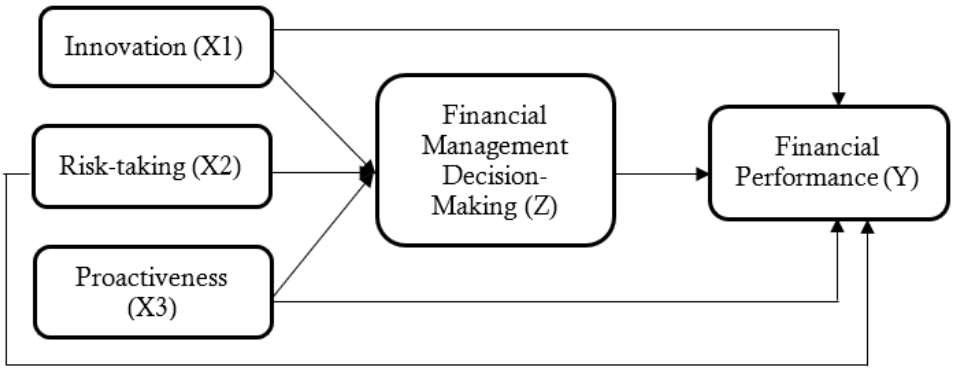

Figure 1. Research Framework

Figure 1 presents the classification of costs based on behavior in relation to changes in activity levels. It categorizes costs into three types: fixed costs, variable costs, and semi-variable costs. Fixed costs remain constant regardless of the level of activity within a relevant range, such as rent and salaries. Variable costs change in direct proportion to activity levels, such as raw materials and direct labor. Semi-variable costs, also known as mixed costs, contain both fixed and variable elements, meaning they partially change with activity levels, such as utility bills and maintenance expenses. This classification helps organizations better understand cost behavior and aids in budgeting, and decision-making processes (Tolzmann et al., 2024).

RESEARCH METHOD

This study employs a quantitative approach. It is explanatory research that provides causal explanations between variables through hypothesis testing while also conducting

explanations. The exogenous/independent variables in this study consist of entrepreneur orientation innovation (X1); entrepreneur orientation risk (X2); entrepreneur orientation proactive (X3); and the endogenous intervening variable of financial management decision-making (Z); as well as the endogenous/dependent variable of financial performance (Y). The entrepreneur orientation innovation variable (X1) is divided into four sub-variables such as product innovation (X1.1), process innovation (X1.2), marketing innovation (X1.3), and organizational innovation (X1.4). The entrepreneur orientation risk variable (X2) consists of three sub-variables: risk averter (X2.1), risk neutral (X2.2), and risk seeker (X2.3). The entrepreneur orientation proactive variable (X3) has four indicators. The financial management decision-making variable (Z) comprises three sub-variables: investment decisions (Z1), financing decisions (Z2), and dividend decisions (Z3). The financial performance variable consists of 4 indicators.

This study was conducted on female MSMEs in East Java, with the research population determined in districts where the majority of the population belongs to a homogenous ethnic group. The target population of this research is women who own and manage small businesses (MSMEs) based on ethnicity (Javanese, Madurese, Osing ethnic groups in East Java) with an unlimited and unknown exact number. The sample size for this research is 25 times the number of independent variables, which is 25 x 3 variables = 75 samples. The study utilizes SEM Amos data analysis and the recommended sample size for SEM according to Ghozali (2014) is between 100-200 samples. In this research, a minimum of 30 respondents is required for each ethnic group (Javanese, Madurese, and Osing) with a total sample size ranging from 100-200.

The sampling approach utilized is non-probability sampling, where elements from the population are selected based on availability. The sampling technique employed is purposive sampling, where sample selection is based on the researcher's criteria. Respondents are female MSME owners from the Madurese, Osing, and Javanese ethnic groups in East Java. Female MSME owners from the Madurese, Osing, and Javanese ethnic groups in East Java who have been in operation for a minimum of 5 years. The sampling technique is based on the distribution of data on female MSMEs in ethnic regions according to the research population. The sample determination process is based on the directory of female MSMEs that meet the specified criteria and are willing to fill out the questionnaire. If they are unwilling or do not meet the criteria, then those female MSMEs will be skipped and other female MSMEs in the surrounding area that meet the sample criteria will be sought, referring to the obtained data.

RESULTS

This study presents data based on the age characteristics of respondents, the majority of whom are between 50 and 60 years old, which is 30.77%. This shows that female MSME entrepreneurs are of productive age. In terms of ethnicity, female MSME entrepreneurs are mostly from the Javanese ethnic group (38.46%), followed by the Madurese ethnic group (28.21%) and Osing (33.33%). According to data from "Indonesia's Population Ethnicity and Religion in a Changing Political Landscape" by Suryadinata et al. (2003), the top three ethnic groups in East Java are Javanese, Madurese, and Osing. The marital status of female MSME actors from the Madurese, Osing, and Javanese ethnic groups in East Java shows that the majority (87.18%) are married, while the remaining 12.82% are unmarried.

In terms of education, female MSME actors from the Madurese, Osing, and Javanese ethnic groups in East Java mostly have a Bachelor's/Diploma education (44.87%), followed by those with a high school/vocational high school education (33.97%). This shows that female MSMEs have high competence and knowledge. Based on the characteristics of the business category, it is known that the majority of female MSME respondents in East Java are in the micro-business category, which is 92.9%. The sales turnover of female MSMEs from the Madurese, Osing, and Javanese tribes in East Java is dominated by sales turnover below 2 billion, which is 93.6%.

The majority of female MSMEs from the Madurese, Osing, and Javanese tribes in East Java who were research participants were involved in the service sector such as salons, sewing, massage, and others, which is 27.6%. In addition, business actors in the processing sector were 17.9% and business actors in the retail and wholesale sector were 14.7%. The majority of female MSMEs from the Madurese, Osing, and Javanese tribes in East Java have been running a business for 3-5 years, which is 34%, which shows that they have quite high business experience. In terms of the number of workers, 40.4% of respondents only have 1-2 workers, 39% do not have any workers, and the rest have 3-5 workers. The majority of female MSME actors from the Madurese, Osing, and Javanese tribes in East Java are in Banyumas Regency, which is 50.6%. Other locations include Jember Regency (25%), Gresik Regency (3.8%), Bondowoso Regency, Jombang Regency, Pamekasan Regency, Surabaya City, Malang City (1.3% each), and Blitar City (3.2%). The remaining 0.6% of respondents are in Pacitan, Malang, Sampang, Lumajang, and Kediri.

The independent t-test results indicate that the significance value (α) is greater than 5% or 0.05; this means there is no difference in the response characteristics of respondents who filled out the questionnaire directly through interviews compared to those who responded indirectly through the Google Form application sent to them.

Table 1. Non-Response Bias Test Results

Variable	Direct Interview	Self-Filling	Difference	Sig (2-tailed)	Conclusion
Product Innovation	6.2900	6.3300	- 0.0400	0.8940	No difference
Process Innovation	6.3835	6.3707	0.0128	0.9640	No difference
Marketing Innovation	6.2788	6.1274	0.1514	0.6160	No difference
Organizational Innovation	6.0501	6.1576	- 0.1075	0.7300	No difference
Risk Averter	5.9656	6.0132	- 0.0476	0.8710	No difference
Risk Neutral	5.4400	5.7079	- 0.2679	0.3370	No difference
Risk Seeker	5.9175	5.9763	- 0.0588	0.8460	No difference
Proactive	6.5250	6.1421	0.3829	0.2170	No difference
Investment decision	5.3235	5.4136	- 0.0901	0.7730	No difference
Funding Decisions	5.9025	5.9237	- 0.0212	0.9440	No difference
Dividend Decision	5.9237	5.7829	0.1408	0.3010	No difference
Financial performance	5.4031	5.8059	- 0.4028	0.1720	No difference

Table 2. Significance of Relationships Between Variables

Direct relationship	Prob	Information	Coefficient	Relationship
Innovation Entrepreneurial Orientation (X1) -> Financial Management Decision-making for the Javanese Ethnicity (Z)	***	Significant	0.350	Positive
Innovation Entrepreneurial Orientation (X1) -> Financial Performance (Y)	***	Significant	-0.451	Negative
Risk Entrepreneurial Orientation (X2) -> Financial Management Decision-making for the Javanese Ethnicity (Z)	***	Significant	0.637	Positive
Risk Entrepreneurial Orientation (X2) -> Financial Performance (Y)	0.009	Significant	-0.593	Negative
Proactive Entrepreneurial Orientation (X3) -> Financial Management Decision-making for the Javanese Ethnicity (Z)	0.439	Not significant	0.022	Positive
Proactive Entrepreneurial Orientation (X3) -> Financial Performance (Y)	0.735	Not significant	0.010	Positive
Financial Management Decision-making for the Javanese Ethnicity (Z) -> Financial Performance (Y)	***	Significant	1.955	Positive

Table 1 presents the results of the non-response bias test by comparing the group averages between direct interviews and self-filling respondents across various variables. The significance values (2-tailed) for all variables—including product, process, marketing, and organizational innovation, risk attitudes (averter, neutral, seeker), proactiveness, investment, funding, and dividend decisions, as well as financial performance—are all

above the threshold of 0.05. This indicates that there are no statistically significant differences between the two groups for any variable, leading to the conclusion that non-response bias is not present in the data.

Based on the Table 2, it is evident that out of all the paths tested, only three paths are deemed to have significant influence while the other four paths are considered insignificant. In the event of insignificant paths, the trimming theory is applied by removing or deleting the non-significant paths. Subsequently, with the new structure results, each path coefficient is recalculated. Here is the calculation of the SEM equation involving only variables with significant path coefficients.

Table 3. Summary of Significant Differences in Mean Values for Each Measured Subvariable

Variable	Madurese	Osing	Javanese	Osing	Javanese	Madurese
Product Innovation (x1.1)	0.000	0.000	0.000	0.021	0.000	0.021
Process Innovation (x1.2)	0.000	0.000	0.000	0.016	0.000	0.016
Marketing Innovation (x1.3)	0.000	0.000	0.000	0.000	0.000	0.000
Organizational Innovation (x1.4)	0.022	0.016	0.022	0.991	0.016	0.991
Risk Averter (x2.1)	0.000	0.001	0.000	0.207	0.001	0.207
Risk Neutral (x2.2)	0.000	0.111	0.000	0.001	0.111	0.001
Risk Seeker (x2.3)	0.000	0.000	0.000	0.000	0.000	0.000
Proactive (X3)	0.000	0.000	0.000	0.000	0.000	0.000
Investment Decision (z.1.1)	0.000	0.293	0.000	0.000	0.293	0.000
Funding Decision (z1.2)	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Decision (z1.3)	0.000	0.003	0.000	0.000	0.003	0.000
Financial Performance (y)	0.000	0.017	0000	0.000	0.017	0.000

Table 3 summarizes the significant differences in mean values for each measured subvariable across three ethnic groups to Javanese, Madurese, and Osing. The results indicate statistically significant differences ($p < 0.05$) in almost all subvariables such as product, process, marketing, and organizational innovation; risk attitudes (averter, neutral, seeker); proactiveness; investment, funding, and dividend decisions; and financial performance—among the ethnic groups. Notably, marketing innovation, risk seeking behavior, proactiveness, and funding decisions show consistently significant differences across all group comparisons. Meanwhile, some variables like organizational innovation and risk neutral behavior show variation in significance depending on the ethnic group pairing. Overall, the table suggests that ethnicity plays a significant role in shaping responses across most measured subvariables.

The findings demonstrate particularly robust distinctions ($p<0.001$) for most variables, as evidenced by consistent p-values of 0.000 across multiple comparisons. Financial performance exhibits the clearest contrast between Javanese and Madurese groups, with more moderate but still significant Javanese-Osing differences. Notably, organizational innovation and select risk dimensions between Madurese and Osing show non-significant results, suggesting specific areas of convergence between these two ethnicities. These patterns collectively underscore how cultural and ethnic backgrounds shape distinct entrepreneurial approaches and financial management practices, highlighting the importance of context-specific strategies for supporting women entrepreneurs across different ethnic communities in East Java.

DISCUSSION

Research findings related to entrepreneurial orientation have reported a positive relationship with financial business performance and business performance. Covin and Wales (2019) emphasized that the level of entrepreneurial orientation applied in business is often indicated by how much entrepreneurs and managers are willing to take risks to support change and innovation in order to ultimately gain a competitive advantage, this was also expressed by Wahyuni and Sara (2020). Several empirical studies on entrepreneurial orientation and business performance have also been conducted. Alqahtani and Uslay (2020) with their research results also support previous research

which states that business actors are expected to continue to be oriented towards entrepreneurship in order to find and formulate new ways to dominate the market. Wales et al. (2020) stated that entrepreneurial orientation has become one of the most established and researched constructs in the entrepreneurship literature.

A study conducted by Linton (2019) and Hardilawati et al. (2019) shows that in the context of entrepreneurship, hypotheses H1, H2, and H3 highlight the importance of the dimensions of innovation, risk taking, and proactivity to financial management decision making. Innovation (X1) is key because innovative entrepreneurs tend to be more adaptive in managing finances efficiently to support their new ideas. This opinion is also in line with what was said by Guo and Jiang (2020) that Risk Taking (X2) also makes a significant contribution, where entrepreneurs who dare to take risks will dare to make investment or financing decisions. Meanwhile, Covin and Wales (2019) revealed that proactivity (X3) encourages MSMEs to respond more quickly to market changes, which ultimately creates more strategic and timely financial decisions. Gardi et al. (2021) shows that the quality of financial reports is the basis for management decision making, especially when entrepreneurs apply these entrepreneurial principles.

According to Malerba and McKelvey (2020), hypotheses H4, H5, and H6 state that the third dimension of entrepreneurial orientation has a direct influence on financial performance. Innovation is also able to create competitive advantages and significant added value to products or services, which has a direct impact on increasing revenue. Hypothesis H7 strengthens the mediation relationship, namely that financial management decision making (Z) has a significant influence on financial performance (Y). Meanwhile, Al Breiki and Nobanee (2019) explain that proper financial management is an important element to ensure efficient use of resources and business desires. As explained by Raut, (2020) and Kumar et al. (2023) the ability to manage finances well is not only influenced by financial literacy, but also by the quality of decision making.

CONCLUSION

The analysis reveals that entrepreneurial orientation factors such as innovation and risk positively and significantly influence financial management decisions among East Java's ethnic groups, while proactive orientation shows a positive but not significant effect. Interestingly, innovation and risk orientation have a significant negative impact on financial performance. There are also notable differences in the average values of sub-variables related to entrepreneurial orientation, financial decision-making, and financial performance among the Javanese, Madurese, and Osing ethnic groups. Based on these findings, it is recommended that businesses, particularly female MSMEs in East Java, focus on enhancing organizational strategies, managerial philosophies, and entrepreneurial behavior—especially in areas such as product, process, marketing, and organizational innovation. Financial management decisions regarding investment, funding, and dividends significantly affect financial performance. Investments related to working capital, business expansion, and production capacity are especially important. The study highlights the need for stronger financial management knowledge among female MSMEs and a deeper understanding of how entrepreneurial orientation and ethnicity influence decision-making.

This research offers new insights into gender mainstreaming policies aimed at empowering women economically. However, the study is limited to three ethnic groups—Javanese, Madurese, and Osing—making the findings less generalizable to other ethnicities or regions. It also focuses only on selected entrepreneurial and managerial factors, excluding external influences like macroeconomic conditions or government policies. Additionally, reliance on surveys and interviews introduces the risk of respondent bias. Future research should expand to include more ethnic groups, incorporate external variables, and use varied research methods. Longitudinal studies and sector-specific analyses could further clarify the long-term effects of managerial decisions on financial performance.

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