Financial Literacy Beyond Numbers: Human Capital Intervention for Micro-enterprise Sustainability

Sharifah Rahama Amirul, Sharifah Milda Amirul, Rasid Mail, Mohd Allif Anwar Abu Bakar

Faculty of Business, Economic and Accountancy, Universiti Malaysia Sabah

DOI: https://dx.doi.org/10.47772/IJRISS.2024.8120162

Received: 30 November 2024; Accepted: 05 December 2024; Published: 08 January 2025

ABSTRACT

Human capital (HC) plays a crucial role in financial literacy by influencing individuals' ability to make informed financial decisions. However, the phrase "Beyond Numbers" suggests that the focus of the study goes beyond mere financial figures or traditional accounting metrics. It implies a deeper exploration into how human capital intervention contribute to the sustainability of micro-enterprises in ways that are not captured by numbers alone. Financial literacy encompasses the understanding of financial principles such as budgeting, investing, and risk management, while accounting literacy involves knowledge of financial reporting, bookkeeping, and compliance. However, achieving long-term sustainability involves more than just managing finances effectively. Thus, this study aims to propose a comprehensive framework that delineates how human capital contributes to the overall resilience of micro-enterprises. We conducted a systematic review approach based on at least 49 articles to synthesise existing literatures and provide a comprehensive understanding on the roles of HC in shaping the financial literacy of individuals. Based on the analysis findings, hundred and nine (109) codes were generated out of which eight (8) main themes which are then aggregated into four (4) higher level themes Behavioral factors, Economic factors, Cognitive factors and Social factors.

Keywords: Financial literacy, microenterprise, human capital, socio-economic well-being.

INTRODUCTION

Financial literacy is increasingly recognized as a form of human capital that significantly influences various aspects of individuals' financial behaviors and decisions. Studies have revealed that financial knowledge is not only a result of formal education but rather a distinct sort of human capital that can be gained and increased independently (Lusardi & Mitchell, 2014). Diptyana et al. (2022) define financial literacy for micro and small enterprises as a combination of awareness, knowledge, skills, attitudes, and behavior necessary for effective financial decision-making. This is essential for starting, running, and ensuring the growth and sustainability of micro-enterprises. Financial literacy is a critical human capital factor, enabling individuals to effectively manage economic resources and achieve financial well-being through informed decision-making (Wang et al., 2022). Thus, financial literacy is essential for developing human capital since it improves individuals' understanding and abilities in making financial decisions. Financial literacy empowers microenterprises to establish sound capital structures, minimizing costs and enhancing sustainability, which is essential for long-term success (Ye & Kulathunga, 2019). Financial literacy plays an indispensable part in improving organisational performance by promoting effective management of funds, which is essential for both development and survival (Anshika & Singla, 2022). Nonetheless, it is discovered that a significant number of emerging micro-entrepreneurs had limited financial literacy, which therefore hampers their ability to engage in effective formal financial planning and budgeting (Habsah et al., 2018). The absence of financial literacy can impede growth and progress, constraining the capacity of micro-enterprises to compete efficiently (Batista et al., 2022; Berrone et al., 2013; Habsah et al., 2018). While conventional wisdom holds that numerical proficiency in financial matters, a comprehensive understanding of human capital development necessitates a deeper exploration of the intricate interplay between financial literacy, human factors, and behavioral insights. Lusardi & Mitchell (2014) propose that investment in financial knowledge represents a distinct form of human capital, separate from traditional education. This indicates that individuals with financial literacy possess an additional skill set that contributes to their overall human capital. The financial behaviours and decisions of microenterprise owners are profoundly influenced by human elements that extend beyond the domain of numbers. Therefore, this paper offers a systematic review of human aspects in financial literacy literature to conceptualize a multidimensional model of financial literacy that emphasize the interplay of human capital values within the realm of microenterprise.

HUMAN CAPITAL AND FINANCIAL LITERACY

Human capital specifically focussed on the knowledge, skills, and abilities of individuals that can be developed and increased through various mechanisms (Ployhart et al., 2013). Human capital encompasses the accumulated knowledge, skills, and competencies acquired by individuals, which enhance their productivity and economic value. This notion highlights the significance of allocating resources towards education, training, and experience in order to improve the skills and capacities of individuals and stimulate performance (Coff & Kryscynski, 2011; Guiso et al., 2010). In the context of microenterprises, human capital plays a critical role in driving business success, innovation, and staying ahead of the competition. The knowledge, skills, and abilities of microenterprise owners and employees are essential for effective decision-making, resource management, and overall performance (Wright & McMahan, 2011; Huston, 2012).

Numerous scholars (Delić et al, 2016; Moch et al., 2021) revealed that human capital and financial literacy positively impact company financial performance, in which human capital, along with intellectual capital, significantly influences ROA, ROI, and ROE, enhancing strategic financial management decisions (Moch et al., 2021). Another study (Pavel et al., 2018) also showed that highlights the positive impact of financial literacy on human capital development through practical education, emphasizing the importance of entrepreneurship and financial skills for professional success. Understanding the relationship between financial literacy and human capital investment can lead to improved economic growth and development within the microenterprise sector (Sujono et al., 2023). In this context, financial literacy serves as a key component of human capital, enabling microenterprise owners to effectively manage their finances, make informed decisions, and navigate the complexities of business operations. Berrone et al. (2013) and Beck et al. (2015) underscore the critical significance of financial literacy as a constituent of human capital, innovation, and educational attainment in determining the performance of microenterprises.

Prathap & Sreelakshmi (2020) suggest that human capital interventions, such as business training, are essential for transforming financial capital into productive investments in microenterprises. Financial literacy training is a crucial aspect of such interventions, as it equips microenterprise owners with the knowledge and skills necessary to manage their finances efficiently and make strategic decisions to drive business sustainable and growth. (Yuniarta et al., 2021). Furthermore, providing training on financial literacy can have a crucial impact on enhancing the ability of microenterprises to get financial resources. Sujono et al. (2023) found that microenterprise economic growth and development could potentially be enhanced by better understanding the link between financial literacy and human capital investment.

RESEARCH METHODOLOGY

This study utilized an innovative artificial intelligence platform of SciSpace which primarily draws from a diverse range of open-access journals to support researchers in conducting thorough literature reviews without subscription barriers (Jain, 2023). Table 1 explains the systematic reviews conducted in this paper.

INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue XII December 2024

TABLE 1 Systematic Review of Study

<table>
<tr><td>SSCR Phase(s)</td><td>Descriptions</td></tr>
<tr><td>First Phase: Develop reviews conditions</td><td>In this initial stage, we define search boundary that involves responding to certain requirement
a. Document/literature reviewed must be peer reviewed Journal, books, articles, thesis and books or chapter in book. SciSpace primarily indexes academic and research-oriented contents. Thus, it does not encompass magazines, newspapers and other non-scholarly media unless they are cited in scholarly publications.
b. This study will use data from the last fifteen years (2009-2024). A 15-year time frame is deemed reasonable because it allows a balance between capturing relevant developments and maintaining contemporary relevance.</td></tr>
<tr><td>Second Phase: Review Questions and Keyword(s) Identification</td><td>To have more thorough insight on how human capital interventions enhance financial literacy and advance micro-enterprise sustainability beyond mere numbers of financial literacy it is crucial to look at the financial behaviour. Financial behavior reveals how entrepreneurs apply their financial knowledge in practice, showing whether they make informed decisions and manage their resources effectively. It helps identify gaps between what entrepreneurs know and how they act, providing insights into the real-world impact of financial literacy.
Formulated Review Questions
1. “How does financial literacy beyond numbers contribute to the sustainability of micro-enterprises”
2. “How do human capital interventions affect financial literacy in micro-enterprises sustainability?”
The search keywords used in this paper are financial literacy, financial behavior, human capital, micro-enterprise, sustainability.</td></tr>
<tr><td>Phase 3: Keywords Contextual Chains</td><td>In this phase, the selected keywords are thoroughly searched and expanded into more comprehensive chain sentences or contextual terms.
Expanding Keyword Chains:
<table>
<tr><td>Financial Literacy</td><td>What are the financial literacy beyond numbers?</td></tr>
<tr><td>Financial Behavior</td><td>Financial behavior patterns in micro-enterprises</td></tr>
<tr><td>Human Capital</td><td>Role of human capital in micro-enterprise development</td></tr>
<tr><td>Micro-enterprise</td><td>Small Business, Microbusiness, Startup Business, Small Enterprise, Small-Scale Business</td></tr>
<tr><td>Sustainability</td><td>How financial literacy and human capital intervention support micro-enterprise survival, viability and provide value to socio-economic development.</td></tr>
</table>
By entering the expanding keywords chain into SciSPace search engine, relevant studies can be identified more precisely. In addition, SciSpace artificially intelligent features capable to summarizing the content of research papers, noting call attention to key points and recommend other content on the subject.</td></tr>
<tr><td>Fourth Phase: Evaluating and Selecting Studies</td><td>The summarization provided by SciSpace will be re-assessed in order to ensure the quality and relevance of selected papers to determine its inclusion in the review.</td></tr>
<tr><td>Fifth Phase: Coding and Theming (Thematic Analysis)</td><td>In this phase, the selected literature from the previous phase is categorically merged through coding and theming. To accomplish this goal, major concepts, patterns, and findings associated with FL in microenterprises are initially recognized and are given unique codes. These codes, which are the embodiment of reoccurring ideas are next compiled into categories which is known as theming.</td></tr>
</table>

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue XII December 2024

Sixth Phase: Reaching Saturation Point	Once the themes have been identified and categorized, the saturation point is defined. This is accomplished by reviewing the literature up to the point that the reviewer is not able to uncover any new themes or profound assimilation of previous findings. There is no point of adding more source of literature if data has become saturated, which means the review has sufficiently covered all relevant areas. Therefore, the numbers of reviewed papers in this study will be based on saturation points of the selected source of data.
Seventh: Reporting Systematic Review Findings	This phase entails condensation of concepts discovered in the previous phase, formulation of ideas of the implication of the analysis and conclusion regarding the research objectives. Further, suggestions for the direction of further research or the implementation of the research findings under the conditions of financial literacy and the existence of microenterprises are given. The reporting phase makes sure that the findings of the literature review are communicated effectively and where necessary make a positive contribution to the knowledge base.

ANALYSIS FINDINGS OF SYSTEMATIC REVIEWS

Table 2 indicates the list of 49 papers selected for this study.

TABLE 2 Articles Reviewed in the Study

Title	Author	Year
Is there a link between financial literacy and financial behaviour?	Kwame Mireku	2023
Is financial literacy Dangerous? Financial literacy, behavioural factors and financial choices of households	Tetsuya Kawamura	2020
Financial literacy and motivation to stimulate saving behaviour intention in form of Bank Customer Deposits	Yuningsih Yuningsih	2022
Financial behaviour as a result of people's interaction in the socio-economic space	Svetlana V. Makar	2022
Do economic factors and financial behaviour influence financial literacy performance among rural women in Uganda?	Helen Namawejje	2023
The behavioural aspects of Financial Literacy	Florian Gerth	2021
Financial behaviour and financial wellbeing of MSMEs actors: the role of financial literacy and cognitive factors	Abdur Rafik	2020
Financial behaviour of households in the context of the development of behavioural finance	Tetyana Kizyma	2022
Analysis of the Financial Literacy Behaviour Model	K. Kartini	2020
Financial literacy programs and financial behaviour: Why don't people become “financial literate”?	Kislitsyn Dmitry Viktorovich	2020
Effects of Behavioural factors on human financial decision	Camelia Oprean	2014
Financial literacy education and behaviour unhinged: Combating Bias and Poor product design	Jason West	2012
Contribution of financial literacy on Behaviour: A Nepali Perspective	Ramesh Prasad Chaulagain	2018
The effect of financial literacy and attitude on financial management behaviour and satisfaction	Prateek Pathak	2020
Impact of Financial literacy on the behavioural biases of individual stock investors: Evidence from Borsa Istanbul	Sinem Ates	2016
The behavioural finance, the financial literacy and its impact on decision making financial, economic well-being and happiness	Gonzalo Garay Anaya	2015

The influence of financial literacy, social environment factors and cultural factors to consumption behaviour (Survey on faculty of Economics students, Manado State University Indonesia)	Sjeddie Riannes Watung	2018
Financial literacy: The influencing factors among youth	Hazlaili Hashim	2021
Psychosocial factors and financial literacy	John L. Murphy	2013
Financial literacy, financial education and Downstream Financial behaviours	Daniel Fernandes	2014
Financial literacy and investment behaviour of IT professional in India	Mahabub Basha Shaik	2022
Determining the factors affecting individual factors affecting individual investors behaviours	Sevilay Uslu Divanoglu	2018
Psychosocial factors and financial literacy	John L. Murphy	2013
Does financial literacy affect household financial behaviour? The role of Limited Attention	Shullin Xu	2022
The influence of parental financial socialisation and financial literacy on university students financial behaviour	Hanin Khalisharani	2022
Pengaruh Financial Literacy, Financial Behavior dan Financial Experience Terhadap Keputusan Investasi Generasi Milenial di Batam	Neelati Tubastuvi	2022
Behavioral Finance and Financial Literacy: Educational Implications of Biases in Financial Decision Making	Dirk Loerwald	2016
The Study of Behavioral Financial Effect on Individual Investment	Zeinab Rezaei	2013
Factors that influence Malaysian-based financial literacy model among teenagers	Khoo Yin Yin	2022
Understanding undergraduates' money management behaviour: a study beyond financial literacy	Jill Bamforth	2018
The Influences of Financial Literacy Toward Financial Behavior and its Implication on Financial Decisions: A survey of President University Students in Cikarang- Bekasi	Suresh Kumar	2017
Behavioural Finance	Ranjit Singh	2009
Impact of Financial Knowledge, Financial Attitude and Financial Behaviour on Financial Literacy: Structural Equitation Modeling Approach	Dhananjay Banthia	2022
Behavioural Finance: Providing a Helping Hand in Understanding Individuals Financial Behavioural	Dana Mihaela Anastasiu	2017
Financial Literacy and French Behaviour on the stock market	Luc Arrondel	2020
Apakah menjadi kekinian merubaah perilaku keuangan generasi millenial di universitas siliwangi	Deasy Lestary Kusnandar	2018
Analyzing Factors Affecting Financial Literacy and its Impact on Investment Behavior among Adults in India	Rachna Gangwar	2018
Mining and Linguistically Interpreting Data from Questionnaires- Influence of Financial Literacy to Behaviour	Miroslav Hudec	2017
Financial Literacy and Financial Behaviour in Four Different Age Groups in Malaysia	Joseph Yau	2022
Pengaruh Financial Literacy, Financial Inclusion dan Financial Behaviour terhadap Minat Berinvestasi Mahasiswa	Nicholas Jonathan	2022
Financial Literacy, Financial Behaviour and Financial Anxiety: Implication for Financial Well Being of Top Management Level Employeees	Lidwina Friska Adriana Pijoh	2020
Past Behaviour, Financial Literacy and investment decision-making process of individual investors	Rajdeep Kumar Raut	2020
The Interrelationship between Financial Attitude, Financial Behavior and Financial Knowledge	Dorjana Nano	2015

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue XII December 2024

The Influence of Behavioral Biases on Financial Managers Decision Making	Nadiaa Davydenko	2023
Analysis of Factors Determining Financial Literacy using Structural Equation Modelling	Thilak Venkatesan	2018
Financial Literacy and Investment Behaviour of IT Professional With Reference To Bangalore City	Mahabub Basha Shaik	2022
Bibliometric Analysis: Financial Literacy and Financial Behavior	Sri Wahyuni	2022
Financial Literacy And Financial Behaviour: An Overview of Key Drivers	Nurhazrina Mat Rahim	2022
The impact of financial literacy and financial behavior in entrepreneurial motivation – evidence from Indonesia	Rapina Rapina	2023

A. Thematic Full Rank Order Analysis

There were 109 codes generated from 49 articles as can be seen from Table 3. Based on the 109 codes, six main themes are captured after categorizing the codes into specific groups. These themes comprise of (1) financial literacy and financial behaviour, (2) financial behavior recklessness, (3) financial biases and financial decision making, (4) socio-economic and environment influences on financial behavior, (5) Financial anxiety and well-being, (6) Entrepreneurial motivation and financial behavior, (7) Human capital and education financial program, (8) Cultural and Social Influence on Financial Literacy. All these are then aggregated into four (4) higher level themes as shown in the following table. 3

TABLE 3 Systematic Review of Study

First Rank Order:Coding	**Second Rank Order: Theming**	**Higher Level Themes**
Overborrowing, Risky behaviour, Daring & Reckless towards financial aspects, disregard for prudent financial management, Irrational Financial behaviour	Financial behavioural recklessness (FBR)	**Behavioral factors:** pertain to the actions and tendencies of individuals that influence their financial decisions. This includes practical financial behaviors, patterns of decision-making, and the role of motivations in shaping financial practices.
Financial Knowledge, Financial Attitudes, Financial Education, Financial Literacy, Investment Knowledge, Literacy Impact on Decision-Making, Economic Decision-Making, Financial Management Behavior, Financial Behavior, Record-Keeping, Consumption Behavior, Saving Behavior, Impacting Financial Behavior, Financial Behavior across Different Age Groups, Money Management Behavior, Financial Decision-Making, Financial Security, Small Business Financial Management	Financial literacy and financial behaviour	
Entrepreneurial Motivation, Financial Strategies, Business Ownership, Enterprise Financial Behavior, Financial Decision Impact on Enterprises, Motivation to Save, Economic Decision-Making, Financial Literacy in Micro-Enterprises, Financial Knowledge and Behavior in Entrepreneurs, Financial Decision Impact on Micro-Enterprises	Entrepreneurial motivation and financial behavior	

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue XII December 2024

Social Environment, Economic Resources, Social Influences, Social Relations, Familial Influence, Environmental Factors, Financial Socialization, Community Impact on Financial Behavior, Economic Factors, Social Environmental, Urban/Rural, Gender, and Education Levels, Social Networks, Human Factors, Financial Inclusion, Socio-demographic Factors	Socio-economic and environment influences on financial behavior	**Economic factors:** encompass the external financial and economic conditions that influence financial behavior and decision-making. This includes macroeconomic conditions, access to resources, and the impact of educational programs on economic outcomes
Human Capital Development, Financial Education, Educational Programs, Training and Development, Educational Interventions, Financial Literacy Programs, Financial Behavior Improvement, Impact of Human Capital on Financial Behavior, Skills and Knowledge Building, Education Impact on Financial Attitudes, Human Factors in Financial Literacy, Educational Programs for Micro-Enterprises, Literacy and Business Sustainability, Training and Financial Literacy, Program Effectiveness, Financial Education Interventions	Human Capital and Financial Literacy Education	
Behavioral Biases, Overconfidence, Loss Aversion, Cognitive Biases, Psychological Traits, Hindsight Bias, Biases Behavioral Factors in Decision Making, Trading Behavior on Rational Expectations, Illusion of Control, Financial Decision-Making, Behavioral Characteristics, Self-Serving Bias, Psychological & Emotional Facets of Human Decisions, Behavioral Errors, Emotional Influences, Attitudes & Knowledge, Naive Financial Attitudes	Financial biases and financial decision making	**Cognitive factors:** involve mental processes, biases, and psychological aspects that affect financial decision-making. These factors include how cognitive biases and emotional states impact financial choices and overall financial well-being.
Financial Anxiety, Financial Security, Mental Health and Financial Decisions, Emotional Impact on Financial Behavior, Psychosocial Factors, Financial Satisfaction, Emotions in Financial Decisions, Psychological Traits, Low Literacy Leading to Anxiety, Religiosity, Limitations to Improve Financial Behavior, Financial Well-Being of Employees	Financial anxiety and well-being:	
Cultural Factors, Social Environment, Social Influences, Familial Influence, Financial Socialization, Community Impact on Financial Behavior, Social Relations, Social Environmental, Cultural Attitudes Towards Money, Social Networks, Financial Literacy, Cultural Factors, Financial Decision-Making in Different Cultural Contexts, Social Norms and Financial Behavior, Family	Cultural and Social Influence on Financial Literacy	**Social factors:** involve the influence of societal norms, cultural values, and social interactions on financial behavior. These factors shape how individuals perceive and engage with financial information based on their social environment and cultural context.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue XII December 2024

Characteristics, Parental Influence, Cultural Context in Financial Decision-Making, Cultural Factors in Micro-Enterprises		

DISCUSSIONS

To lay a foundation for financial literacy that goes "beyond numbers," the findings of this paper presents the nuanced perspective of four main themes from high level of thematic analysis findings (Behavioral Factors, Economic Factors, Cognitive Factors, Social Factors) into the underlying psychological, cultural, and contextual factors that shape financial behavior, moving beyond a purely quantitative understanding of financial knowledge.

A. Behavioral Factor

While numerical financial literacy focuses on understanding percentages, interest rates, and budgets, behavioral factors highlight how individuals use this knowledge in real-life contexts. This emphasizes the application of financial literacy in decision-making, rather than just the knowledge itself. Human capital interventions, such as tailored training programs, equip individuals with not only knowledge of financial concepts but also actionable strategies to apply these in day-to-day decision-making. By addressing behavioral factors, these interventions ensure that individuals can act on their financial knowledge effectively, leading to improved financial stability, reduced economic vulnerability, and enhanced personal and professional growth.

Behavioral factors pertain to the actions and tendencies of individuals that influence their financial decisions. This includes practical financial behaviors, patterns of decision-making, and the role of motivations in shaping financial practices. There are three themes included in the behavioural factors. First is financial literacy and financial behaviour, understanding individuals have about managing their finances, which in turn influences their financial behaviour. This theme encompasses financial literacy (personal financial knowledge) and personal financial behaviour (how microenterprise manage and use their finance), as well as how the two interrelate. It comprises of research done on the effect of financial literacy on financial actions, savings and risk taking, and the influence of financial literacy programme to money management behaviour and decision making. A study indicates that individuals with elevated financial literacy demonstrate improved financial management behaviours, especially regarding investing (Syahwildan, 2023). Raise individual levels of financial knowledge, which will lead to better money management behavior (Wardani, 2024).

Another behavioural factor is financial behaviour recklessness (FBR) that highlights risky or irrational behaviors mainly concerning spending, which are commonly associated with temperamental and impulsive decisions or overspend without consideration of future consequences. Financial behavioural recklessness (FBR) in the context of microenterprises relates to a consistent tendency or pattern of imprudent financial decisions and action taken by owners or manager of micro-enterprises. This behaviour often entails acts that diverge from prudent financial management practices and can lead to adverse financial consequences for the organisation. Microenterprises often face a substantial problem of overborrowing, which can have a detrimental impact on their financial stability and capacity to maintain themselves. Microenterprises may engage in overborrowing due to several circumstances, such as the availability of financing, the level of financial literacy, and the socio-economic context in which they operate. Kassim & Rahman (2018) emphasise the difficulty of effectively handling default risks in microfinance, which can be intensified by actions such as loan defaulting, delayed payments, or misuse of funds for non-productive uses. These practices can lead to excessive borrowing and elevate the credit risk for microenterprises. According to Bylander & Hamilton (2015), rural households frequently utilise microcredit for essential household expenses rather than for investments that generate income. This can result in a scenario where microenterprises face difficulties in generating profits and repaying loans, signalling a possible problem of excessive borrowing for non-productive endeavours.

Another FBR highlighted in existing literature us that microenterprise owners may make impulsive or emotionally driven financial decision-making, sometimes without adequately considering the potential implications. This might result in investments in unsuccessful enterprises, superfluous expenditures, or speculative activities that endanger the financial well-being and stability of the business in question. A study that can relate to FBR was conducted by Hamilton & Potenza (2012) who analyse the association between impulsivity with harmful behaviors, including financial mismanagement, which can result in negative financial consequences. This study (Hamilton & Potenza, 2012) explores the implications of impulsivity on delay discounting, addictive behaviors, and substance-related disorders, which can extend to impulsive financial behavior. One study that looks at the link between procrastination and personal finances is Gamst-Klaussen et al. (2019). They found that those who are impulsive also tend to procrastinate when it comes to financial decision making. Additionally, Tahir examines (2021) examine the impact of financial literacy, impulsivity, and financial competence on financial well-being using a moderated mediation model. This study highlights the influence of impulsivity on financial results and the burden of debt, demonstrating a substantial correlation between impulsivity and excessive indebtedness.

Neglecting cashflow management is another common FBR among microenterprises. Despite the acknowledged importance of cash budgets for making informed decisions, numerous micro-enterprise leaders fail to fully utilise them, contributing to their struggles (Ainon et al, 2018; Almaree et al, 2015; Fabricio at al, 2018). Ineffective administration of cash flow may lead to challenges in fulfilling financial commitments, including those to suppliers, employees, or creditors, thereby endangering the operations and reputation of the microenterprises.

Entrepreneurial motivation and financial behaviour, the third theme under behavioural factor which defined as the drive or desire that influences individuals to start or sustain a business. This motivation has a major impact in influencing financial choices, especially at the investment and resources decision making and risk taking. Research indicates that this motivation significantly impacts financial choices, as entrepreneurs often face high levels of uncertainty and risk in their decision-making processes (Zichella & Reichstein, 2022; Zhang et al., 2022).

B. Economic Factor

Second factor to be discussed is Economic factor that encompass a diverse array of elements that impact on financial literacy and its consequences in peoples' lives and the economy. Such factors include income, occupation, education, socio-economic status, which act as the leading factors affecting financial literacy knowledge, behaviour and decisions (Huston, 2010; Kadoya and Khan, 2019). In addition, Helen et al (2023) delineated economic factors in many ways which include education, company ownership, financial literacy training, and membership in savings groups, impacts the financial literacy and financial performance. In this study, economic factor was derived from two themes identified in the second rank order of thematic analysis: Socio-economic and Environmental Influences on Financial Behavior (1), Human Capital and Education Financial Program (2). These factors define how the various microenterprises think when making financial decisions and running their enterprises. It is through the contact point that human capital interventions; financial literacy and capacity, informs and prepares micro-entrepreneurs for these economic realities. These interventions, therefore, increase the sustainability and business resilience of the micro-enterprise by developing their understanding of market signals, financial capital, and educational instruments. Financial literacy and capacity building support initiatives, among others, permit micro-entrepreneurs to respond more effectively to these and associated economic factors. These interventions, therefore, increase the sustainability and business resilience of the micro-enterprise by developing their understanding of market signals, financial capital, and educational instruments. Microenterprises with higher income levels tend to have enhanced access to resources, such as financial education and consulting services. Individuals with higher earnings are more likely to have more access to financial education programmes, the ability to engage financial advisers, and the opportunity to utilise advanced financial products. Financial literacy is typically an input to model the need for financial education and explain variation in financial outcomes (Huston, 2010). In the seminal work of Xiao and Porto (2017), financial education has the potential to influence financial satisfaction for individuals through the variables of financial literacy, financial behaviour, and financial competence. Socio-economic status (SES) is another economic factor which is related with the financial literacy. SES is a status of an individual or a family in a given society in terms of income, education level, and job. Research conducted in the past have revealed that SES has a positive effect on the aspects of financial literacy, financial socialization and financial experiences (Garg and Singh, 2018; Tuffour et al, 2020). Higher socioeconomic status is associated with more opportunities, resources, and social networks, all of which can confer advantages in multiple domains. Conversely, lower SES may confront impediments to social mobility, economic progress, and well-being.

Human Capital Intervention is a part of economic factor that pertains to the importance of the knowledge, skills, experience and capabilities that individuals have within an organisation. It extends beyond the simple existence of human resources to encompass their influence on organisational performance, competitiveness, and total value generation (Beattie & Smith (2010). The value of human capital is strongly linked to individuals' ability to contribute to the success and expansion of a business through expertise, experience, and capabilities (Mamun, 2016). Human capital value is of utmost importance in the context of microenterprises, which are defined as small organisations with limited resources, rely greatly on the skills and abilities of their owners and workers in order to be successful (Berrone et al., 2013). The concept suggests that individuals with higher levels of human capital, such as better education, skills, and experience, are more adept at establishing and growing their microenterprises (Mamun, 2016). This is consistent with the human capital theory, which highlights the significant connection between economic success and investments in education and experience, resulting in the acquisition of specialised human capital (Mamun, 2016). Nawi et al. (2020) emphasise the substantial impact of human capital, financial socialisation agents, and motivation on financial literacy. By implementing interventions that bolster human capital and motivation, specifically aimed at enhancing financial literacy, microenterprise proprietors may cultivate a more comprehensive comprehension of financial principles and make well-informed financial choices. Another seminal work done by Zainol et al. (2018), they emphasize the importance of human capital and entrepreneurial competencies in enhancing the performance of informal microenterprises. By focusing on entrepreneurship development programs tailored towards improving entrepreneurial competencies among microentrepreneurs, this intervention can enhance financial literacy within microenterprises.

C. Cognitive Factor

Cognitive pertains to the intellectual processes encompassing thinking, comprehension, acquisition of knowledge, and solution of problems (Finadatul, 2022; Tzuriel, 2021). Cognitive alludes to the mental processes and abilities that form the basis of human cognition and decision-making. These elements are essential in several facets of human cognition, encompassing memory, attention, problem-solving, and reasoning. Cognitive elements have a vital role in defining an individual's level of financial literacy and their decision-making processes. Studies suggest that cognitive talents have a significant effect on individuals' understanding of financial ideas and situations, which in turn affects their capacity to make well-informed financial decisions (James et al., 2012). Research has indicated that cognitive characteristics are linked to enhanced financial literacy in older individuals. Specifically, greater levels of cognitive activity and better health status are connected with increased financial literacy (Bennett et al., 2012). Furthermore, cognitive functioning influences the acquisition and use of financial literacy, hence changing individuals' financial knowledge and decision-making processes (Gerrans et al., 2021). Cognitive ability, when paired with financial literacy, can aid individuals, especially those with restricted financial means, in making prudent financial decisions and choices (Bongomin et al., 2018). The cognitive factors in financial literacy are crucial for the development of human capital in microenterprises. They provide entrepreneurs with the necessary cognitive skills, knowledge, and attitudes to make well-informed financial decisions, effectively manage risks, and adapt to changing business environments. Microenterprise owners may achieve sustained development, resilience, and success in the competitive marketplace by improving their cognitive abilities via financial education and training. This will help them create strong human capital foundations.

D. Social Factor

Cultural and Social Influence on Financial Literacy is the main theme of social factor that involve the influence of societal norms, cultural values, and social interactions on financial behavior. These factors shape how individuals perceive and engage with financial information based on their social environment and cultural context. The generated codes (refer Table 3) under this social factor can be generalised into four key areas: social environement, cultural context, family and parental, social interaction. Cultural factors impact financial perceptions and behaviours through values, beliefs, and practices that are specific to a particular culture such as cultural beliefs about money and financial management in micro businesses. The social context and culture consist of the society within which people live and undertake their financial activities, the trends that are socially acceptable and the network of social relations. Another critical source is family and parents due to the fact that family and parental modeling, inter generational financial socialization and family financial socialization all have influence on financial behavior. Finally, social aspects and interactions focus on the role of peers, role models, and community members in enabling access to financial information and learning from other people's experience.

Cultural context consists of its distinctive norms of behaviour, including its beliefs, values, and customs. There is a great deal of cultural variation in how people view money. There is a great deal of cultural attitudes towards financial management. Certain communities place a premium on thrift and saving, while others place a premium on spending and social standing (Sharma et al., 2010). In micro-business settings, where cultural norms determine acceptable financial practices, these attitudes impact how individuals perceive financial management and how they make decisions (Baker & McKenzie, 2018). The findings of this paper indicating how financial literacy beyond number is applicable through human capital intervention. For instance, Human capital interventions focus on translating financial knowledge into practical behaviors. These interventions go beyond imparting knowledge to cultivating habits and decision-making skills that align with financial well-being.

In some cultures, debt is viewed as a necessary tool for achieving financial goals, while in others, it is stigmatized and avoided. This cultural perspective on debt can influence individuals' willingness to engage in borrowing and their overall financial health (Mason & Harrison, 2006). Saleem et al. (2021) found that societal expectations can shape investment behavior, indicating that social capital influences financial participation in markets. Moreover, Heriyati (2024) discusses how financial behavior mediates the relationship between financial knowledge and financial literacy, suggesting that societal norms around financial behavior can either encourage or hinder financial literacy development. This highlights the importance of understanding the social context in which individuals operate when designing financial literacy programs.

CONCLUSION AND RECOMMENDATION

As conclusions to the discussions that have been made so far, we would like to re-highlight the main focus of this study which is to investigate the role of human capital (HC) in enhancing financial literacy and decision-making. Far beyond the key economic and financial figures, the focus is beyond numerical and financial figures. The focus was made on behavioural, psychological, social, and even cognitive factors that affect people's financial decisions. By categorizing 109 codes into eight main themes and further into higher-level categories like Economic, Social, Behavioral, and Cognitive Factors, we offer a comprehensive and nuanced understanding of the factors at play. By adopting a more multi-dimensional approach, not only does it enlighten one on the various elements of influence and how they relate with each other, but it also offers tangible tips and recommendations on issues like financial literacy and FBR for examples. This study features an ideal reference tool for scholars, policy makers and educators who re interested in the enhancement of the financial literacy levels. For future research, this study suggests that cross-sectional studies can be performed on subsequent periods to study the changes in financial behaviours and financial entrepreneurs occurred over a period of time and the effects of those changes on the financial metric beyond numbers.

ACKNOWLEDGMENT

The heading of the Acknowledgment section and the References section must not be numbered.

REFERENCES

1. Jamilah, Ramli., Liafisu, Sina, Yekini. (2022). Cash Flow Management among Micro-Traders: Responses to the COVID-19 Pandemic. Sustainability, doi: 10.3390/su141710931
2. Almaree, Kemp., Anthea, Bowman., Berenice, Blom., Charl, Visser., Danelle, Bergoer., Dominique, Fullard., Geraldine, Moses., Sheri-Lee, Brown., Johan, Bornman., Juan-Pierré, Bruwer. (2015). The Usefulness of Cash Budgets in Micro, Very Small and Small Retail Enterprises Operating in the Cape Metropolis. Journal of business management,
3. Angeles, I. T., Calara, M. S. P., & Guzman, A. B. d. (2019). The mediating effect of microfinancing on access to finance and growth of microenterprises: evidence from the philippines. Journal of Global Entrepreneurship Research, 9(1). https://doi.org/10.1186/s40497-019-0150-x
4. Anshika, A. and Singla, A. (2022). Financial literacy of entrepreneurs: a systematic review. Managerial Finance, 48(9/10), 1352-1371. https://doi.org/10.1108/mf-06-2021-0260
5. Baker, H. K., & McKenzie, S. B. (2018). *Financial literacy: A comprehensive review of the literature*. In H. K. Baker & S. B. McKenzie (Eds.), *Financial Literacy: Implications for the Future* (pp. 1-25). Emerald Publishing Limited. https://doi.org/10.1108/9781786352269-001
6. Batista, C., Sequeira, S. and Vicente, P.C. (2022), "Closing the gender profit gap?", Management Science, Vol. 68 No. 12, pp. 8553-8567
7. Beattie, V. and Smith, S. (2010). Human capital, value creation and disclosure. Journal of Human Resource Costing &Amp; Accounting, 14(4), 262-285. https://doi.org/10.1108/14013381011105957
8. Beck, J.J., & Garris, R. O. (2019). Managing Personal Finance Literacy in the United States: A Case Study. Education Sciences, 9 (129), 1-11. doi: 10.3390/educsci9020129
9. Bennett, J. S., Boyle, P. A., James, B. D., & Bennett, D. A. (2012). Correlates of health and financial literacy in older adults without dementia. BMC Geriatrics, 12(1). https://doi.org/10.1186/1471-2318-12-30
10. Berrone, P., Gertel, H. R., Giuliodori, R. F., Bernard, L., & Meiners, E. (2013). Determinants of performance in microenterprises: preliminary evidence from argentina. Journal of Small Business Management, 52(3), 477-500. https://doi.org/10.1111/jsbm.12045
11. Bongomin, G. O. C., Munene, J. C., Ntayi, J. M., & Malinga, C. A. (2018). Nexus between financial literacy and financial inclusion. International Journal of Bank Marketing, 36(7), 1190-1212. https://doi.org/10.1108/ijbm-08-2017-0175
12. Bylander, M. and Hamilton, E. R. (2015). Loans and leaving: migration and the expansion of microcredit in cambodia. Population Research and Policy Review, 34(5), 687-708. https://doi.org/10.1007/s11113-015-9367-8
13. Coff, Russell & Kryscynski, David. (2011). Invited Editorial: Drilling for Micro-Foundations of Human Capital–Based Competitive Advantages. Journal of Management - J MANAGE. 37. 1429-1443. 10.1177/0149206310397772.
14. Delić, A., Kurtović, I., & Oberman Peterka, S. (2016). Is There a Relationship Between Financial Literacy, Capital Structure And Competitiveness Of SMEs? Ekonomski Vjesnik, 29(1), 37–50.
15. Diptyana, P., Rokhmania, N., & Herlina, E. (2022). Financial literacy, digital literacy and financing preferences role to micro and small enterprises' performance. IJEBD (International Journal of Entrepreneurship and Business Development), 5(2), 346-358. https://doi.org/10.29138/ijebd.v5i2.1785
16. Fabrício, Jose, de, Amorim, Braga., Fabiano, de, Souza, Silvestre., Ualison, Rébula, de, Oliveira. (2018). Analysis of individual micro-entrepreneur vision from the perspective of financial management. Brazilian journal of operations & production management, doi: 10.14488/BJOPM.2018.V15.N2.A2

17. Finadatul, Wahidah. (2022). Eskalasi Kemampuan Kognitif Melalui Imaginative Thingking dan Experience Directly. doi: 10.53515/cji.2022.3.2.18-28
18. Gamst-Klaussen, T., Steel, P., & Svartdal, F. (2019). Procrastination and Personal Finances: Exploring the Roles of Planning and Financial Self-Efficacy. Frontiers in psychology, 10, 775. https://doi.org/10.3389/fpsyg.2019.00775
19. Garg, N. and Singh, S. (2018). Financial literacy among youth. International Journal of Social Economics, 45(1), 173-186. https://doi.org/10.1108/ijse-11-2016-0303
20. Gerrans, P., Asher, A. L., & Earl, J. K. (2021). Cognitive functioning, financial literacy, and judgment in older age. Accounting &Amp; Finance, 62(S1), 1637-1674. https://doi.org/10.1111/acfi.12835
21. Habsah, B. H. M. S., Hamrila, B. A. L., & Fardillah, B. W. M. (2018). Review on factors affecting micro entrepreneur performance in malaysia: a conceptual model. International Journal of Academic Research in Progressive Education and Development, 7(3). https://doi.org/10.6007/ijarped/v7-i3/4572
22. Hamilton, K.R., Potenza, M. N. (2012). Relations among Delay Discounting, Addictions, and Money Mismanagement: Implications and Future Direction. The American Journal of Drug and Alcohol Abuse, 38, 30-42. doi: 10.3109/00952990.2011.643978
23. HUSTON, S.J. (2010), Measuring Financial Literacy. Journal of Consumer Affairs, 44: 296-316. https://doi.org/10.1111/j.1745-6606.2010.01170.x
24. Huston, S.J. (2012), Financial literacy and the cost of borrowing. International Journal of Consumer Studies, 36: 566-572. https://doi.org/10.1111/j.1470-6431.2012.01122.x
25. James, B. D., Boyle, P. A., Bennett, J. S., & Bennett, D. A. (2012). The impact of health and financial literacy on decision making in community-based older adults. Gerontology, 58(6), 531-539. https://doi.org/10.1159/000339094
26. Kadoya, Yoshihiko & Khan, Mostafa. (2019). What determines financial literacy in Japan?. Journal of Pension Economics and Finance. 19. 1-19. 10.1017/S1474747218000379
27. Kassim, S. and Rahman, M. (2018). Handling default risks in microfinance: the case of bangladesh. Qualitative Research in Financial Markets, 10(4), 363-380. https://doi.org/10.1108/qrfm-03-2017-0018
28. Kozmenkova, S. and Крупинова, E. C. (2017). Accounting principles for microenterprises: composition and content. Международный Бухгалтерский Учет, 20(8), 460-476. https://doi.org/10.24891/ia.20.8.460
29. Lusardi, A., & Mitchell, O. S. (2014). The Economic Importance of Financial Literacy and Evidence. Journal of Economic Literature, 52(1), 5-44. doi:http://dx.doi.org/10.1257/jel.52.1.5
30. Mamun, A. A. (2016). Access to credit, education and entrepreneurial competencies: a study among women micro-entrepreneurs in malaysia. Vision: The Journal of Business Perspective, 20(3), 159-168. https://doi.org/10.1177/0972262916651510
31. Mat Nawi, Hafizah & Siong, Ong & Nee, Chen. (2020). The Effects of Human Capital, Financial Socialisation Agents, and Motivation on Financial Literacy Among Private University Students In Malaysia. 159-168. 10.6007/IJARBSS/v10-i10/7737
32. Moch., Kalam, Mollah., Suhartini, Suhartini., Gatot, Basuki, H, M., Fatkhu, Nasrudin, Khamimi., Bangkit, Dwi, Wahyu, Prabowo. (2021). Company financial performance improvement through financial literacy and intellectual capital perspective. doi: 10.31284/J.JASMET.2021.V2I1.1468
33. Pavel, Krpalek., Katarina, Krpalkova-Krelova. (2018). The Factor of Finance and Entrepreneurship in Terms of Human Capital Development. Rural Environment, Education and Personality. Vol 11,379-386. doi: 10.22616/REEP.2018.046
34. Pavithra, B. and M, S. G. V. (2023). Role of mudra yojana in financing women entrepreneurs in india. BOHR International Journal of Social Science and Humanities Research, 2(1), 97-103. https://doi.org/10.54646/bijsshr.2023.31
35. Ployhart, Robert & Nyberg, Anthony & Reilly, Greg & Maltarich, Mark. (2014). Human Capital Is Dead; Long Live Human Capital Resources! Journal of Management. 40. 371-398. 10.1177/0149206313512152.

36. Prathap, Sangeetha & C C, Sreelakshmi. (2021). Entrepreneurial Learning and Microcredit as Triggers of Micro- entrepreneurship in India. International Journal of Small and Medium Enterprises. 47. 1-19. 10.1177/09708464211037533.
37. Rafik, A., & Rahayu, A. S. (2020). Financial behaviour and financial wellbeing of MSMEs actors: The role of financial literacy and cognitive factors. Jurnal Siasat Bisnis, 24(1), 72–86. https://doi.org/10.20885/jsb.vol24.iss1.art6
38. Sharma, S., Kaur, R., & Singh, S. (2010). Cultural influences on financial behavior: A study of Indian consumers. *International Journal of Consumer Studies*, 34(5), 569-577. https://doi.org/10.1111/j.1470-6431.2010.00893.x
39. Tahir, Muhammad & Ahmed, Abdullahi & Richards, Daniel. (2021). Financial literacy and financial well-being of Australian consumers: a moderated mediation model of impulsivity and financial capability. International Journal of Bank Marketing. ahead-of-print. 10.1108/IJBM-09-2020-0490.
40. Tuffour, J. K., Amoako, A. A., & Amartey, E. O. (2020). Assessing the effect of financial literacy among managers on the performance of small-scale enterprises. Global Business Review, 23(5), 1200-1217. https://doi.org/10.1177/0972150919899753
41. Tzuriel, D. (2021). Cognitive Education Programs. In Mediated Learning and Cognitive Modifiability. Springer International Publishing AG.
42. Wang, S., Cao, P., & Shao, H. (2022). Household financial literacy and relative poverty: an analysis of the psychology of poverty and market participation. Frontiers in Psychology, 13. https://doi.org/10.3389/fpsyg.2022.898486
43. Wright, P.M. and McMahan, G.C. (2011), Exploring human capital: putting 'human' back into strategic human resource management. Human Resource Management Journal, 21: 93-104. https://doi.org/10.1111/j.1748-8583.2010.00165.x
44. Xiao, J. J. and Porto, N. (2017). Financial education and financial satisfaction. International Journal of Bank Marketing, 35(5), 805-817. https://doi.org/10.1108/ijbm-01-2016-0009
45. Ye, J., & Kulathunga, K. (2019). How Does Financial Literacy Promote Sustainability in SMEs? A Developing Country Perspective. Sustainability, MDPI, 11(10), 1-21. doi:10.3390/su11102990
46. Yuniarta, G. A., Purnamawati, I. G. A., & Diatmika, I. P. G. (2021). Determinants analysis of smes sustainable competitive advantage in go digital efforts in buleleng regency. Advances in Economics, Business and Management Research. https://doi.org/10.2991/aebmr.k.211124.008
47. Zainol, Noor & Mamun, Abdullah & Ahmad, Ghazali & derweanna, Simpong. (2018). Human Capital and Entrepreneurial Competencies towards Performance of Informal Microenterprises in Kelantan, Malaysia. Economics and Sociology. 11. 31-50. 10.14254/2071-789X.2018/11-4/2.