

The importance of financing for MSE, factors that influence the performance and success of SMEs in Jordan

Farah Masoud

Master in finance, Yarmouk University, Jordan

E-mail: Farah.mas@gmail.com

Abstract

Micro and small enterprises in Jordan are still developing sector but they are so many and offer opportunity for employment in the country. Even though the government is trying to encourage most individuals to venture in entrepreneurship by joining micro and small enterprises the sector faces a lot of challenges. One of the challenges that the sector faces is the financing sector. Most of this micro and small enterprises are looking for ways they can finance their business and develop them in higher levels but very few financial institution agree to finance them. The first option that MSE has is self-financing, which is a great challenge since this option requires saving and yet one of the constraints that MSE is facing is low saving capability. The interest rates charged by money lenders are also very high, in most instances, leads to the business struggling to pay and further may cause the sale of the business to clear the remaining debt from the loans taken. Majority of the owners of the micro and small enterprise finance their business through personal savings, soft loans from friends and family or the rotational savings. Apart from financing this Micro and small enterprises also face management problems that affect performance. Management of the MSE is essential for them to gain competitive advantage; therefore, the owners or administration of the MSE require training in various skills. The multiple abilities offer a competitive advantage to these MSE. The study gives more insight into the micro and small enterprises in Jordan concerning the challenges that

business enterprises face for them to be successful, their performance in the market, and what is required to protect their businesses from failing.

Keywords: SME, performance, Competitive advantage, business.

ملخص

لا يزال قطاع الشركات الصغيرة ومتناهية الصغر في الأردن ناشئاً وقيده التطوير ولكنها كثيرة وتوفر فرصة للعمل في البلاد، وعلى الرغم من محاولة الحكومة لتشجيع معظم الأفراد على المغامرة في ريادة الأعمال من خلال الانضمام إلى الشركات الصغيرة ومتناهية الصغر، فإن هذا القطاع يواجه الكثير من التحديات. إن أحد التحديات التي تواجه هذا القطاع هو قطاع التمويل، فمعظم هذه الشركات الصغيرة ومتناهية الصغر تبحث عن طرق تمكنها من تمويل أعمالها وتطويرها بمستويات مرتفعة ولكن القليل من المؤسسات المالية توافق على تمويلها. الخيار الأول الذي تملكه هذه الشركات هو التمويل الذاتي، وهو تحدٍ كبير حيث أن هذا الخيار يتطلب القيام بالادخار ومع ذلك فإن أحد القيود التي تواجهها الشركات هو القدرة المنخفضة على الادخار. إضافة إلى أن أسعار الفائدة التي يفرضها مقدمو القروض مرتفعة جداً، وفي معظم الحالات، تؤدي إلى معاناة الشركة للقيام بالدفع وقد تؤدي أيضاً إلى بيع الشركة لتسوية الديون المتبقية من القروض المأخوذة، ويقوم غالبية أصحاب الشركات الصغيرة ومتناهية الصغر بتمويل أعمالهم من خلال المدخرات الشخصية، أو القروض الميسرة من الأصدقاء والعائلة أو المدخرات الدورية. وبصرف النظر عن تمويل هذه الشركات الصغيرة ومتناهية الصغر، فإنها تواجه أيضاً مشكلات إدارية تؤثر على الأداء، فإدارة الشركات الصغيرة ومتناهية الصغر هي أمر ضروري لهم لاكتساب ميزة تنافسية؛ لذلك، فإن أصحاب أو إدارة هذه الشركات يطلبون التدريب على المهارات المختلفة، والقدرات المتعددة توفر ميزة تنافسية لهذه الشركات الصغيرة ومتناهية الصغر. تقدم الدراسة نظرة أكثر عمقاً للشركات الصغيرة ومتناهية الصغر في الأردن فيما يتعلق بالتحديات التي تواجهها مؤسسات الأعمال لتحقيق النجاح، وأدائها في السوق، وما هو مطلوب لحماية أعمالهم من الفشل.

الكلمات المفتاحية: الشركات الصغيرة ومتناهية الصغر، الأداء، الميزة التنافسية، الأعمال.

Introduction

Background of the study

In comparison with large enterprises, MSME are more in countries that are developing economies. In countries such as Jordan, micro, and small enterprise (MSE) is much higher in the marketplace. Jordan has one of the smallest economies in the Middle East that heavily depend on micro, small, and medium enterprises (MSMEs) to drive their economic growth and create jobs. This MSE is both found in the urban and rural setups. They are responsible for the provision of affordable goods and services to their population. Due to the factor that they are responsible for creating employment in the economy and the provision of affordable products and services, their contribution cannot be ignored. These institutions contribute to the growth of the developing countries' economy through the enhancement of the level of income of both the middle and lower class. The lack of financing has made the SMEs not be able to reach their full potential, thus contributing to a shortage of employment opportunities. Several financial institutions offer to finance, but tiny micro, small-medium enterprises do not meet the demand to access financing (Asad, Shariff, and Alekam, 2016).

Banks are the lending options the MSME have to seek financing from, of which banks require collateral that MSE, in most cases, does not have or cannot access (Kausar, 2013). Another challenge these MSE face from getting financing from the bank is that banks offer loans at high-interest rates which the MSE struggling to repay thus banks prefer giving their credit to large business enterprises with low risk of defaulting and advantage to the banks in terms of making profits (Shahbaz, Javed, Dar, & Sattar, 2014). Banks also require length documentation while applying for financing, which also poses a challenge for MSE.

Apart from the banks and the financial institution MSE is left with the option of acquiring resources from personal finance, money lenders (local, friends, family)



Saving and Credit Associations . The first option that MSE has is self-financing, which is a great challenge since this option requires saving and yet one of the constraints that MSE is facing is low saving capability. The interest rates charged by money lenders are also very high, in most instances, leads to the business struggling to pay and further may cause the sale of the business to clear the remaining debt from the loans taken (Asad, Shariff, and Alekam, 2016). Rotating credit Associations are functional in the real sense for MSE. Still, the challenge these organizations face is that because they are informal, they usually end up with a high default rate. In the funding options, micro-finance institutions seem to be the best option, which is a viable and sustainable option for accessing finance for MSE (Bembenutty, White, & Vélez, 2016).

Apart from financing, these MSE also face the challenge of management. Management of the MSE is essential for them to gain competitive advantage; therefore, the owners or administration of the MSE require training in various skills. The multiple abilities offer a competitive advantage to these MSE.

Statement of the problem

There is a big difference in an MSE that has been financed by a financial institution, and the owner has adequate business skills to manage it. Therefore from the above discussion, it is evident that financing is not the only requirement for MSE to grow in the economy but also some business skills that can be acquired through learning to develop and grow the MSE. Therefore this study is conducted to find evidence about the importance of financing for MSE, factors that influence the performance and success of SMEs in Jordan.

Literature Review



The economy of Jordan is mostly comprised of micro and small enterprises .According to JOD10k micro and small business comprises about 136,000 establishment which is about 96.9 % accounting a significant percentage of the private sector activity (Bawaneh and Al-Abbadi, 2017).This is because MSE s play an important role in the economy of Jordan and therefore for this reason it has become important to assess the performance and reinforce this role. The performance factor of MSEs accumulate from both non-financial factors and financial factors and a number of obstacles. Several theories of economist defined MSEs as closed systems which has caused the weakening of networks to support the performance of the MSEs.

Definition of MSEs in Jordan

Business size	Number of employees			
	US	EU	JORDAN /CENTRAL BANK OF JORDAN	JORDAN /MIT/INDUSTRIAL SECTOR
Micro	1-6	<10	-	1-9
Small	<250	<50	5-20	10-49
Medium	<500	<250	21-100	50-249

A majority of micro small and medium enterprises in Jordan work within the formal sector and are registered as per the law requirements. The micro and small enterprise play an essential role in the economy of Jordan as they create employment opportunities. Even though a number of these businesses are registered, there is a sizeable number that is in the informal sector delivering legal and lawful services and products but is just not registered enterprises in the Kingdom (Ministry of Planning and International Cooperation, 2011). There are hurdles that these MSE (Micro and small enterprises) face in Jordan, such as accessing financing. The Challenge that most of these MSE in Jordan's



face is that they do not have proper accounting skills and records (Haider, Asad, and Fatima, 2018).

Management of micro and small enterprises in Jordan

Training is one of the methods in which the MSEs Owners can be given knowledge of how to manage their businesses for them to achieve success. Training brings behavioral change in the way an owner will perceive opportunities and threats in the market place .In Jordan, most financial institutions provide financing to these MSEs but they do not provide training on how to utilize nor manage the resources (Islam, Khan, Obaidullah & Alan, 2016).Business training influence management performance (Cruz,Justo & Castro ,2012).The micro and small enterprises in Jordan face challenges and hurdles in the management of the business. The entrepreneurs are facing challenges in management such as administrative challenges and system inefficiencies that sometimes are causing the delay in creation of start-ups and discourage investment. The financial system has also failed to meet the needs of the MSEs through process such as low response of commercial banks, offering limited capital venture which is affecting the management of these businesses. A report that was done by Haddadin, 2016 found out that a high percentage of MSEs in Jordanian are family owned and the vast majority of the owners lack management, financial and strategic skills .Several of the entrepreneurs are starting business because of need and with very limited entrepreneurial knowledge on how to manage these business and therefore it has been seen that less than 3% of the business startup in Jordan make it to success and potential growth.

Savings Management

The savings ratio was a positive measure when measuring the annual saving portion for discretionary income in the accomplishment of the financial goals. In an annual savings ratio, all capital inflows and profitable sales will be calculated in a particular year. If the MSEs will not save any money all year round, the savings ratio is zero; therefore, the savings ratio implies measurement of the net income rates for future purposes, not the present one according to (Lytton, Garman, & and Porter, 1991).



Grenninger, Hampton, Kitt, & Achacoso (1996) suggested that the amount be at least 10 percent or better.

Low-income earning MSE are finding ways to save their surplus earnings in preparation for future investment (CGAP, 2006). In Wright & Mutesasira (2011) research, it was shown that low-Income earning MSEs were hiding money under mattresses and had a high potential for mobilizing savings. Studies found that some NGOs have taught most entrepreneurs to keep their money in boxes. Brounen, Koedijk, & Pownall (2016) concluded that in order to finance the next MSEs needs, we move into a world where more savings are required.

Loan Management

A number of financial institution that offer financing to MSE s do not offer financial training on how to utilize the capital that is acquired. The proper investment of capital acquired as loan will enable the MSEs to be able to pay its loan with an easy.

Risk management

Evaluating financial risk management is becoming an essential factor in MSEs and approach to the process of making financial decisions rapidly. This is especially true because of the economic uncertainties of the business environment. Nevertheless, the function and significance of financial risk tolerance evaluations are often viewed differently by various parties interested in the MSEs sector (LRN-RAND, 2008).

Human capital

Human capital can be referred to as an investment in human beings (Berry, Karlan, & Pradhan, 2018; Austrian, 2011). A business needs expertise on the side of the workforce, which can be obtained through education and training in areas such as management of information systems, accounting procedures, human resources, and operations. According to the explanation given by ERBUI, 2002, human capital arises from the activities that make an employee or employer productive. Anzola and Guzman, 2016 identified that education could be proper investment in human capital. Coaching can even be in the form of training that is done to develop the employees in the business to increase their understanding of duties allocated to them. A conducive environment for



cooperation can also be created by training. It helps employees collaborate with other employees during working hours. Ricciardi, 2008 encourages that a business owner should invest in human capital by training their employees on areas the business operates on to improve productivity. Training develops employees, motivates them, and is one of the significant drives of business performance. Pepin, 2018 explains further that when an employer invests in the human capital of their employees, then they empower their employees with management skills they require to run the business, such as planning, organizing, providing leadership, and the power to make a sound decision when needed.

Factors impacting MSEs Performance in Jordan

Government policy and intervention

The government has a huge role to play in supporting and encouraging the MSEs sector. The sector generates revenue and creates employment in the market, thus helps in alleviating poverty, hence the government commitment. The government has the role of establishing the rules, laws, and policies that these MSEs operate within. The regulations include taxes expected to be remitted by the owners of the MSEs, licenses for operation, and the protection of the local MSEs against international markets (World Bank, 2014). A report that was done by the World Bank showed how local MSEs in Jordan operate within government intervention compared with other economies. The report showed how the responses and government support had encouraged the growth of MSEs. Issues such as high taxation rates and high cost of licensing are facts that discourage the start-up and growth of MSEs.

Financial Attitude

Attitudes, in theory, apply to the thoughts, beliefs, and attitudes of a person or object in general (Funder, 2001) Contrary to the individual, behaviors were often affected by circumstantial and environmental influences and were therefore deemed less consistent than personal characteristics (Armstrong, Su, & Rounds, 2011).

Developing a confident financial attitude is considered extremely important for successful entrepreneurs, people who are minute record keepers and better loan manager, have better chances of success as record keeping and its subsequent analysis gives a clear picture of past trends. At the same time, efficient loan management is essential for its



optimum utilization and better output which in turn also facilitates execution of loan repayment plan, individuals who opt for saving plans can maximize their wealth and sustain any reversal as they have a saving stock readily available to withstand the shock. Therefore, entrepreneurs who possess above mentioned financial attitude succeed in business. In contrast, those who don't possess such an attitude and leave various loose ends untied may succeed in the short term but are eventually doomed to fail (Archuleta, Dale, & Spann, 2013).

The actions and temperament of entrepreneur's often play a significant part of taking any type of decision. Because an entrepreneur's temperament has developed over time, relying on various factors (family, schooling, personal experience, etc.), his overall conduct has therefore been firmly established. It is less prone to deviate from these patterns (Weber, Blais, & Betz, 2002). A balanced personality with a clam approach towards life will take balanced and well thought out decisions as the sheer flow of emotions does not overtake him or her. These people avoid urges, consider pros and cons before choosing, and have a higher chance of success.

On the contrary, entrepreneurs with impulsive attitude take hasty decisions without much analysis. Their personalities are also reflected in subsequent decisions and therefore are more prone to losses (Hira & Mugenda, 2000). Individual entrepreneurs are said to be influenced by some psychological biases. These biases tend to affect their behavior in financial decision making and, subsequently, their choices for business. The most important influences of human behavior must, therefore, be established. Another such bias is the attitude influence that can impact entrepreneur's ' income (Odean, 1998) . Frydman & Rangel (2014) demonstrate that the effects of disposition are low when the stock's purchase price tends to be shown.

Financial Knowledge & Decision Making



Past research typically studies the connections between social wellbeing and financial capacities or activities of individuals — some researchers consider 'financial literacy'—and specific predictors or precedents at individual levels. Consequently, there has been created a strictly relevant 'financial power' definition aimed at recognizing the interdependencies between financial literacy, access to structured financial goods "financial inclusion," and the nature of value outcomes. Natural ability to behave for one's best financial interest in social and environmental circumstances (Perotti, Zottel, Iarossi, & Bolaji-Adio, 2013).

The aim of Maria (2013) paper was to supplement this evolving research by researching how people interpret and process information in financial decision-making. There are two main principles of traditional financial market literature: firstly, that people collect and use all available information in decision-making to seek the most significant benefit, well-being, and/or income. And secondly, the limitless processing capacity of individuals enables them to continually refresh their convictions based on newly acquired knowledge (Maria, 2013).

Although the perception in the financial system prevails over the past two decades, more recent studies on behavioral economics suggest that knowledge plays little or no part at all in many financial decision-making processes (Barberis & Thaler, 2003; Rabin, 1998; Shiller, 2000; Holzmann, Mulaj, & Perotti, 2013)

Shefrin (2007) classified behavioral financial aspects, such as division, heuristic, and framing influence, as factors that play their role in the decision-making of investments. Once conduct, funding is turned into a general feature (Shefrin, 2007). This includes many variables that a person can use to assess, for example, the organization, over the trust, anchorage, mistake on the part of the team, aversion to loss, frustration, mental accounting, etc. (Ranjbar, Abedini, & Jamali, 2014).

Anchoring is a practice that applies to decision making, where the objective appraisal is needed, and this determination is based on the specific suggestions made by investors (Johnsson, Lindblom, & Platan, 2002). Shefrin (2007) noted that anchoring was



a necessity in which an investor began by creating a quantitative forecast. De Bondt, Mayoral, & Vallelado (2013) notes that anchoring is a kind of partiality that is focused only on a type of information in order to inform the investment decision (De Bondt, Mayoral, & Vallelado, 2013).

Researchers in social and healthcare have collected a large amount of experimental evidence that resilience in temperament, with an optimistic vision of the future, affects physical and psychological well-being. Optimism is also known to be the origin of many economic phenomena: for financial intermediation, optimism is critical (Coval & Thakor, 2005). It can impact financial and accounting decisions taken in MSEs. Nevertheless, the role of confidence in individual decision-making in the economic sector in the financial market has comparatively little direct evidence.

Puri & Robinson's (2007) goal was to investigate how confidence empirically contributes to significant economic decision-making by entrepreneurs. Ironically, mild optimism links with relatively reactive economic decisions, whereas strong optimism links with clearly irrational decisions (Puri & Robinson, 2007).

Motivation

Motivation is also other factor that influences the performance of the MSEs .This is related to social and physiological motivates of the owner of the business which can significantly influence the growth of the Mses. According to Maslow theory of motivation the owner's motivation will determine the growth and the performance of the business. The needs can be socially motivated, sustained and changed (Maslow, 1943).Motivation determines if the MSEs business will perform well in the market even with or without availability of financing or even if the owner of the business is facing challenges and shortage in financing but is motivated then the business can still perform well. This clarifies that factor that any MSE owner with an ambition and argue to succeed usually perform better they only need to motivate themselves to meet their goals (Haider, Asad and Fatima, 2018).

Conclusion



Some of the critical factors that influence the performance and success of SMEs in Jordan are individual factors, business characteristics, management factors, business support, capital availability, and the business environment. Financing is essential for MSE, especially in a start-up. It enables one to set up their business and be able to employ others in the industry. Even though MSE is avenues for creating employment, some factors affect the success of these enterprises. Factors such as financial literacy that helps the entrepreneur to make informed decisions in the market. Factors such as motivation of The Owner of the MSESs and its employees affect their performance. The financial attitude of the owner of the MSE s also changes how the business operates. The actions and temperament of an entrepreneur often play a significant part in making any decision. Because an entrepreneur's attitude has developed over time, relying on various factors (family, schooling, personal experience, etc.), his overall conduct has therefore been firmly established. It is less prone to deviate from this pattern. The government has a huge role to play in supporting and encouraging the MSEs sector. Other factors are related to the management of loans, how to mitigate risk, and financial management, which all affect the performance of these MSEs.

References

- Agarwal, S., Driscoll, J. C., Gabaix, X., & Laibson, D. (2009). The age of reason: Financial decisions over the lifecycle with implications for regulation. *Brookings Papers on Economic Activity*.
- Ahmad, Z., Simun, M., & Masuod, S. (2014). Determinants of Financial Behaviours among Malaysians. *Indonesian Capital Market Review*.
- AICPA. (2018). Retrieved from American Institute of Certified Public Accountants: <https://www.aicpa.org/>
- Anzola, D. M., & Guzman, G. R. (2016). Socio-Economic Determinants of Financial Education, Evidence for Bolivia, Colombia, Ecuador and Peru. Corporación Andina de Fomento. *Banco De Desarrollo De America Latina*.
- Archuleta, K. L., Dale, A., & Spann, S. M. (2013). College Students and Financial Distress: Exploring Debt, Financial Satisfaction, and Financial Anxiety. *Journal of Financial Counseling and Planning*, 24(2), 50-62.
- Armstrong, I., Su, R., & Rounds, J. (2011). Vocational interests: The road less traveled. In T. Chamorro-Premuzic, S. v. Stumm, & A. Furnham, *Handbook of individual differences* (pp. 608–631). Oxford: Wiley-Blackwell.
- Asad, M., Shariff, M. N., & AlEkam, J. . (2016). Moderating effect of entrepreneurial networking on the relationship between access to finance and performance of MSEs. *Paradigms*, 1-16.
- Atkinson, A., & Messy, F. (2012). Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study. *Journal of Pension Economics & Finance*, 657-665.
- Austrian, K. (2011). Expanding safe spaces, financial education, and savings for adolescent girls in Kenya. *Promoting healthy, safe, and productive transitions to adulthood*.
- Babajide, A. (2012). Effects of microfinance on micro and small enterprises (MSEs) growth in Nigeria. *Asian Economic and Financial Review*, 463-477.
- Barber, B. M., & Odean, T. (2001). Boys will be boys: Gender, overconfidence, and common stock investment. *Quarterly Journal of Economics*, 261-292.
- Barberis, N., & Thaler, R. (2003). A survey of behavioral finance. In G. Constantinides, R. Stulz, & M. Harris. Amsterdam: North Holland.
- Barberis, Nicholas, & Richards. (2003). A survey of behavioral finance. *Handbook of economics of finance*, 1105-1128.



- Bembenutty, H., White . C., & Vélez. R. (2016). Developing self-regulation of learning and teaching skills among teacher candidates self-regulated learning and development in teacher preparation training. *Developing Self-regulation of Learning and Teaching Skills Among Teacher Candidates*, 9-28.
- Berry, J., Karlan, D., & Pradhan, M. (2018). The impact of financial education for youth in Ghana. *World Development*, 71-89.
- Browning, M., & Crossley, T. F. (2001). The Life-Cycle Model of Consumption and Saving. *The Journal of Economic Perspectives*.
- Bruin, B. d., Parker, A. M., & Fischhoff, B. (2007). Individual differences in adult decision-making competence. *Journal of Personality and Social Psychology*.
- Bruin, B. d., Wallin, A., Parker, A. M., Strough, J., & Hanmer, J. (2017). Effects of anti- vs. pro-vaccine narratives on responses by recipients varying in numeracy: A cross-sectional survey-based experiment. *Medical Decision Making*.
- Carlin, B. I., & Robinson, D. T. (2012). Financial Education and Timely Decision Support : Lessons from Junior Achievement. *American Economic Review*.
- Carstensen, L. L., Pasupathi, M., Mayr, U., & Nesselroade, J. R. (2010). Emotional experience in everyday life across the adult life span. *Journal of Personality and Social Psychology*.
- CGAP. (2006, December). *CGAP Annual Report 2006*. Retrieved from Consultative Group to Assist the Poor: <https://www.cgap.org/about/key-documents/cgap-annual-report-2006>
- Chan, B., Masud, J., Hamid, T., & Paim, L. (2010). Financial wellbeing of older Peninsula Malaysians; A gender comparison. *Asian Social Science*, 58-63.
- Chan, Y., Masud, J., Hamid, T., & Paim, L. (2010). Financial wellbeing of older peninsular Malaysians: A gender comparison. *Asian Social Science*, 58-71.
- Charles, S. T., Reynolds, C. A., & Gatz, M. (2001). Age-related differences and change in positive and negative affect over 23 years. *Journal of Personality and Social Psychology*.
- Chen, H., & Volpe, R. (2002). Gender differences in personal financial literacy among college students. *Financial Services Review*, 289-307.
- Chwala et al . (2010). Are small business critical success factors same in different countries. *SIES Journal of Management*, 3(7), 1-12.
- Clark, S., Paul, M., Aryeetey, R., & Marquis, G. (2018). An assets-based approach to promoting girls' financial literacy, savings, and education. *Journal of Adolescence*, 94-104.
- Compton, J., & Pollack, R. A. (2004). Why are Power Couples Increasingly Concentrated in Large Metropolitan Areas? *National Bureau of Economic Research*.



- Costa, D. L., & Kahn, M. E. (1999). Power Couples: Changes in the Locational Choice of the College Educated. *National Bureau of Economic Research*, 1940–1990.
- Coval, J., & Thakor, A. (2005). Financial intermediation as a beliefs-bridge between optimists and pessimists. *Journal of Financial Economics*, 535-569.
- Cronqvist, H., & Siegel, S. (2015). The origins of savings behavior. *journal of political economy*.
- Cruz, C., Justo, R., & Castro, J. O. (2012). Does family employment enhance MSEs performance?: Integrating socioemotional wealth and family embeddedness perceptive. *Journal of Business Venturing*, 62-76.
- De Bondt, W., Mayoral, R., & Vallelado, E. (2013). Behavioral decision-making in finance: An overview and assessment of selected research. *Spanish Journal of Finance and Accounting*.
- Del Missier, F., Mäntylä, T., Hansson, P., Bruin, B. d., Parker, A. M., & Nilsson, L. G. (2013). The multifold relationship between memory and decision making: An individual-differences study. *Journal of Experimental Psychology: Learning, Memory, and Cognition*.
- ERBI. (2002). The 2002 Retirement Confidence Survey: Summary of Findings. *Employee Benefit Research Institute*.
- Funder, D. (2001). Personality. *Annual Review of Psychology*, 197-221.
- Funfgeld, B., & Wang, M. (2009). Attitudes and behaviour in everyday finance: evidence from Switzerland. *International Journal of Bank Marketing*.
- Gustafson, C. R., Nielsen, E., & Morehart, M. J. (1990). Comparison of the financial results of record-keeping and average farms in North Dakota. *North Central Journal of Agricultural Economics*, 165-172.
- Haddadin, M. (2016). *Economic opportunities in Jordan Access to Finance, Entrepreneurship and Education*. Jordan: Spark Ingites ambition.
- Hilgert, M. A., & Hogarth, J. M. (2003). Household Financial Management : The Connection between Knowledge and Behavior. *Federal Reserve Bulletin*.
- Hira, T. K., & Mugenda, O. (2000). Gender differences in financial perceptions, behaviors and satisfaction. *Journal of Financial Planning-Denver*, 13(2), 86-93.
- Holzmann, R., Mulaj, F., & Perotti, V. (2013). Financial capability in low-and middleincome countries measurement and evaluation. *Washington DC: International Bank for Reconstruction and Development*.
- Jariah, M., Husna, S., Tengku Aizan, T. H., & Rahimah, I. (2012). Financial practices and problems amongst elderly in Malaysia. *Pertanika. Journal of Social Sciences and Humanities*, 1065-1084.



- Johnsson, M., Lindblom, H., & Platan, P. (2002). Behavioral Finance and the Change of Investor Behavior during and After the Speculative Bubble at the End of the 1990s. *Tesis Universitas Lund*.
- Jorg, P. (2005). "Geschlechts- und ausbildungsspezifische Unterschiede im finanziellen Risikoverhalten". *Inaugural Dissertation*.
- Kausar, A. (2013). Factors effect microcredit's demand in Pakistan. *International journal of Academic Research in Accounting, Finance and Management Sciences*, 11-17.
- Keller, C., & Siegrist, M. (2004). Money attitudes, demographics, and money behaviors: development of a new money attitude scale. *Journal of Financial Therapy*.
- Keller, C., & Siegrist, M. (2006). "Money attitude typology and stock investment". *The Journal of Behavioral Finance*, 88-96.
- Låg, T., Bauger, L., Lindberg, M., & Friberg, O. (2014). The role of numeracy and intelligence in health-risk estimation and medical data interpretation. *Journal of Behavioral Decision Making*.
- Lampadarios, E. (2017). Towards a new framework for SMEs success: A literature review. *International Journal of Business Management* 5, 63-69.
- Li, Y., Baldassi, M., Johnson, E. J., & Weber, E. U. (2013). Complementary cognitive capabilities, economic decision making, and aging. *Psychology and Aging*.
- Li, Y., Gao, J., Enkavi, A. Z., Zaval, L., Weber, E. U., & Johnson, E. J. (2015). Sound credit scores and financial decisions despite cognitive aging. *Proceedings of the National Academy of Sciences*.
- Loix, E. P., Goedee, M., & Jegers, M. (2005). Orientation toward finances: development of a measurement scale. *The Journal of Behavioral Finance*, 192-201.
- Loke, Y.-J. (2017). The Influence Of Socio-Demographic And Financial Knowledge Factors On Financial Management Practices Of Malaysians. *International Journal of Business and Society*, 33-50.
- LRN-RAND. (2008). *LRN-RAND Center for Corporate Ethics, Law and Governance*. Retrieved from Clinton Foundation: <https://www.clintonfoundation.org/clinton-global-initiative/commitments/lrn-rand-center-corporate-ethics-law-and-governance>
- Lusardi, A. (2008). Household Saving Behavior: The Role of Financial Literacy, Information, and Financial Education Programs. In Implications of Behavioral Economics for Economic Policy. *National Bureau of Economic Research*.
- Lusardi, A. and Mitchell . S. (2011). Financial literacy around the world: An overview. *Journal of Pension Economics and Finance*.



- Lusardi, A., & Mitchell, O. S. (2007). Financial literacy and retirement preparedness: Evidence and implications for financial education programs. *Q Business Economics*.
- Lusardi, A., & Mitchell, O. S. (2009). How ordinary consumers make complex economic decisions : financial literacy and retirement readiness. *National Bureau of Economic Research*.
- Lusardi, A., & Mitchell, O. S. (2008). Planning and Financial Literacy; How women Fare. *American Economic Review*, 413-417.
- Lytton, R. H., Garman, E. T., & Porter, N. M. (1991). How to use financial ratios when advising clients. *Financial Counseling and Planning*, 3-23.
- M. Islam, M. Khan, M. Obaidullah & S. Alam. (2011). Effects of entrepreneur and firm characteristics on the business success of small and medium enterprises(SME) in Bangladesh. *International Journal of Business and Management*, 289-299.
- Maria, J. . (2013). Financial Education And Behavioral finance: New Insights Into The Role Of information In Financial Decisions. *Journal of Economic Surveys*, 297–315.
- Maylor, H. (2010). *Project Management 4th edition*. Englewood Cliffs: Prentice Hall.
- McNair, S., Okan, Y., Hadjichristidis, K., & Bruin, B. d. (2019). Age differences in moral judgment: Older adults are more deontological than younger adults. *Journal of Behavioral Decision Making*.
- Ministry of Planning and International Cooperation. (2011). *Jordan Human Development Report*. Jordan: Amman.
- N. Rosenbusch, J. Brinckmann and A. Bausch . (2010). Innovation always beneficial? A meta analysis of the relationship between innovation and performance in SMEs. *Journal of Business Venturing*, 441-457.
- Nelson, T., & Constantinidis, C. (2017). Sex and Gender in Family Business Succession Research: A Review and Forward Agenda From a Social Construction Perspective. *Family Business Review*.
- Ng et al. (2012). The issues and development of critical success factors for the SME success in a developing country. *International Business Management*, 91-680.
- Nikolić et al. (2009). An analysis of factors affecting failure of SMEs. *Paper presented at 11th International May Conference on Strategic Management*, 80-160.
- Odean, T. (1998). Are investors reluctant to realize their losses? *The Journal of Finance*.
- OECD-INF. (2016). Adult Financial Literacy Competencies. *OECD*. Retrieved from <https://www.oecd.org/daf/fin/financial-education/OECD-INFE-International-Survey-of-Adult-Financial-Literacy-Competencies.pdf>



- Park, D. C., Lautenschlager, G., Hedden, T., Davidson, N. S., Smith, A. D., & Smith, P. K. (2002). Models of visuospatial and verbal memory across the adult life span. *Psychology and Aging*.
- Pepin, J. (2018, January 17). *Is Family Decision-making Power?* Retrieved from SocArXiv Papers: <https://osf.io/preprints/socarxiv/4dynh/>
- Perotti, V., Zottel, S., Iarossi, G., & Bolaji-Adio, A. (2013). Making sense of financial capability surveys around the world: A review of existing financial capability and literacy measurement instruments. *Washington DC: World Bank*.
- Pompian, M. M. (2008). Using Behavioral Investor Types to Build Better Relationships with Your Clients. *Journal of Financial Planning*.
- Puri, M., & Robinson, a. D. (2007). Optimism and economic choice. *Journal of Financial Economics* , 71–99.
- Quick, H., & Moen, P. (1998). 'Gender, employment and retirement quality: A life course approach to the differential experiences of men and women. *Journal of Occupational Health Psychology*, 44-64.
- Rabin, M. (1998). Psychology and economics. *Journal of Economic Literature*, 11–46.
- Ranjbar, M. H., Abedini, B., & Jamali, M. (2014). Analyzing The Effective Behavioral Factors On The Investor' Performance In Tehran Stock Exchange (THE). *International Journal of Art & Humanity Science*, 80-86.
- Ricciardi, V. (2008). The Financial Psychology of Worry and Women. *Social Science Research Network*.
- S. Bawaneh and H. Al-Abbadi. (2017). Challenges Facing Entrepreneurship and MSME sector in Jordan:An Overview. *International Journal of Business and Social Science*, 56-57.
- S. Haider, M. Asad and M. Fatima. (2018). Microfinance and performance of Micro small enterprises:Does Training has an impact. *International Journal of Small Business and Entrepreneurship Research*, 40-49.
- S. Yusuf and E. Aspinwall. (1999). Critical success factors for total quality management implementation in small and medium enterprises. *Total Quality Management*, 1-108.
- Salthouse, T. A. (2004). What and when of cognitive aging. . *Current Directions in Cognitive Science*.
- Sánchez, C. (2011). University training for entrepreneurial competencies: Its impact onUniversity training for entrepreneurial competencies: Its impact on. *International Entrepreneurship and Management Journal*, 239-254.
- Shahbaz, M. A., Javed, A., Dar, A., & Sattar, T. . (2014). Performance measurement of Small and Medium Enterprises (SMEs) in Pakistan. *Aechives of Business Research*.



- Shiller, R. J. (2000). *Irrational Exuberance*. Princeton University Press.
- Shivapour, S. K., Nguyen, C. M., Cole, C. A., & Denburg, N. L. (2012). Effects of age, sex, and neuropsychological performance on financial decision-making. *Frontiers in neuroscience*, 82.
- Sinayev, A., Peters, E., Tusler, M., & Fraenkel, L. (2015). Presenting numeric information with percentages and descriptive labels: A randomized trial. *Medical Decision Making*.
- Singh, S. (2010, January 11). Part-time Farm Operators and Supply of Off-Farm Labor by Farm Operators in Rural Areas. *Journal of Community Development Society*. Retrieved from World Health Organisation: <http://apps.who.int/gho/data/node.country.country-PAK>
- Son, J., & Park, J. (2016). Effects of Keeping Financial Records on Financial Soundness of Households. *Journal of Korean Home Management Association*, 113-128.
- Strough, J., Mehta, C. M., McFall, J. P., & Schuller, K. L. (2008). Are older adults less subject to the sunk-cost fallacy than younger adults? *Psychological Science*.
- Strough, J., Schlosnagle, L., Karns, T., Lemaster, P., & Pichayayothin, N. (2014). No time to waste: Restricting life-span temporal horizons decreases the sunk-cost fallacy. *Journal of Behavioral Decision Making*.
- Thio, R., Megananda, and Maulana, A. (2006). The impact of microfinance on micro and small enterprise's performance and the improvement of their business opportunity.
- UNICEF. (2019, January 11). *Child Marriage*. Retrieved from UNICEF Data: <https://data.unicef.org/topic/child-protection/child-marriage/>
- Volpe, R., Kotel, J., & Chen, H. (2002). A survey of investment literacy among online investors. *Association for Financial Counseling and Planning Education*, 1-13.
- Weber, E. U., Blais, A. R., & Betz, N. E. (2002). A domain-specific risk-attitude scale: Measuring risk perceptions and risk behaviors. *Journal of Behavioral Decision Making*, 263-290.
- Weller, J. A., Dieckmann, N. F., Tusler, M., Mertz, C. K., Burns, W. J., & Peters, E. (2013). Development and testing of an abbreviated numeracy scale: A Rasch analysis approach. *Journal of Behavioral Decision Making*.
- World Bank. (2014). *The World Bank's Doing Business Indicators Annual*. World Bank.
- Wright, G., & Mutesasira, L. (2011). The relative risk to the Savings of Poor People. *MicroSave – Market-led solutions for financial services*.
- Xarba, B., Peta, E., & Bejko, A. (2015). Savings ratio, the impact of reading information. *European Scientific Journal*, 11(9).

