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Theory of Planned Behavior (TPB) Analysis: A Systematic Review of Key Factors of SMEs Financial Planning Behavior

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ABSTRACT

Economic challenges are closely linked to discussions about micro, small, and medium enterprises (SMEs) due to their vital role in GDP contribution and job creation. Despite this, the progress of small businesses evolving into sustainable entities has been sluggish over the last decade. Therefore, it is crucial to conduct research aimed at bolstering the capabilities of SMEs in Indonesia. This research examines the financial behavior of SMEs through a Systematic Literature Review (SLR) approach. The goal is to pinpoint the factors that affect SMEs' financial behavior and their implications for financial planning. The SLR process consists of three key stages: identification, selection, and synthesis, with this study analyzing 15 pertinent articles. The results indicate that financial behavior is shaped by various factors, such as financial literacy, financial satisfaction, financial socialization, and mental accounting. This research serves as a resource for stakeholders in the SME sector, including researchers, practitioners, and policymakers, to enhance the capabilities of SMEs in Indonesia. Additionally, the findings aim to contribute to the global financial literature by offering a more organized behavioral finance model.

Keywords: Behavior Finance, Literacy Finance, Satisfaction Finance, Socialization Finance, Mental Accounting, SMEs

1. Introduction

The economic problem of the people seems inseparable from discussions about micro, small, and medium enterprises (SMEs), as BPS data at the end of 2016 shows that 48.528 million, or 99.99%, of the business units in Indonesia are SMEs. From this data, it can be said that the movement of the people's economy is identical with empowering SMEs. This statement leads to the thesis that if we want to reduce poverty and unemployment, SMEs must be empowered.

The SME group is able to absorb more than 87% of the available productive workforce (www.bps.go.id). Meanwhile, its contribution to GDP reached 53.3%. Medium-sized businesses are relatively stable, and large businesses continue to show an increasing contribution (www.bps.go.id). The data above indicates that SMEs are a business group with great potential to overcome poverty and unemployment issues (Abisuga-Oyekunle et al., 2020). The macro performance of SMEs occurs due to the existence of specific characteristics within SMEs (Siswoyo et al., 2008). One of the main challenges they face is suboptimal financial behavior, often caused by a lack of financial literacy, limited access to financial resources, and limited managerial capacity (Stolper & Walter, 2017). Behavior finance is very important for success and sustainability SMEs business (Salim, 2023). Many factors are interrelated related and influencing taking decision finance SMEs actors, including literacy finance, satisfaction finance, socialization financial, and mental accounting (Mitchell & Lusardi, 2022). Literacy finance help SMEs actors understand concepts finance base like budgeting, management, and accounting (Lusardi & Mitchell, 2020). Attitude positive to planning finance is also component important in increase behavior finance. Attitude to behavior, subjective norms, and control perceived behavior is three component main influencing factors intention somebody For do action certain, such as planning finance, according to the Theory of Planned Behavior (TPB). In the industry small and medium enterprises (SMEs), attitude positive to management finance can push perpetrator business For participate in planning finance term longer length strategic. On the other hand, subjective norms, such as expectation social from family or environment business, also affects decision finance them (Ajzen, 1991).

In addition, mental accounting, introduced by Thaler (1999), explains how business owners allocate their financial resources into various mental categories, which impact the way they make investment and expenditure decisions. Mental accounting helps small and medium businesses make more logical and systematic financial decisions, especially in differentiating personal and business finances (Subash, 2012).

Using the Systematic Literature Review (SLR) approach, this research aims to further explore the behavioral finance of SME actors. This study will also identify the main factors influencing financial behavior and analyze how financial planning influences the sustainability of SME businesses, especially in developing markets. This research is expected to provide comprehensive and useful insights for researchers, practitioners, and policymakers on methods to support the growth and stability of SMEs, based on 15 relevant scientific articles.

2. Literature Review

Behavioral finance studies of SME use several relevant and fundamental theories to understand how financial behavior is formed and the factors that influence it. The two main theories underlying this discussion are the Theory of Planned Behavior (TPB) and the Theory of Mental Accounting. These theories help explain the connection between variables such as financial literacy, financial satisfaction, financial socialization, and mental accounting with the financial decisions and behavior of small and medium enterprise (SME) business owners.

2.1. Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) is a development of the previous Theory of Reasoned Action (TRA), developed by Fishbein and Ajzen (1977) In the research conducted by Ajzen (1991), it was stated that TPB explains that a person's behavior is especially influenced by the intention to perform a given behavior. The intention, in this context, captures motivational factors that influence behavior and serves as an indicator of how far a person is willing to go to perform an action, based on the planned efforts they will undertake. Therefore, the strength of a person's intention to engage in a behavior will determine the likelihood of its performance.

The intention to perform a behavior is influenced by three main components: (1) attitude toward behavior, which refers to the extent to which an individual evaluates the behavior as beneficial or not; (2) subjective norms, which refer to social pressures to perform or not perform a behavior; and (3) perceived behavioral control, which refers to the perception of ease or difficulty in performing the behavior (Ajzen, 1991).

2.2. Theory of Financial Capability Model

The Theory of Financial Capability (TFC) primarily focuses on an individual's ability to manage finances effectively. TFC includes an understanding of the social, economic, and environmental influences on financial decisions, as well as the ability to apply financial knowledge in everyday life (Sherraden, 2013). Sherraden (2013) also emphasizes that financial capability is a combination of an individual's ability and the opportunities to use financial knowledge in real-life contexts. A similar viewpoint was expressed by Lučić et al. (2023), who explained that financial capability encompasses various aspects related to knowledge and behavior in how individuals manage resources and make financial decisions.

3. Methodology

To study and analyze the behavioral finance of SME actors, this research uses the Systematic Literature Review (SLR) approach. SLR is a systematic and structured method for finding, evaluating, and interpreting relevant research on a specific topic. This method provides a comprehensive synthesis of ongoing research, helps identify patterns, trends, and differences in the literature. The standard SLR procedure consists of three stages: identification, selection, and synthesis, with 15 relevant articles identified. The SLR stages are based on an approach developed by Kitchenham and Charters (2007), as follows.

3.1. Stage Identification

The identification stage involves searching for relevant academic articles on the research theme, namely behavioral finance in SME actors. The search for keywords is conducted in various leading scientific databases, such as Scopus, Web of Science, Google Scholar, and ScienceDirect. The selected research consists of published articles in indexed journals, particularly in the fields of economic management, finance, and entrepreneurship. The literature search covers published articles from 2020 to 2024 to ensure that the data collected is relevant and reflects the latest trends in SME financial behavior.

3.2. Stage Selection

The selection process is carried out in two stages: initial selection based on the title and abstract, followed by a more detailed selection based on a full article review. Inclusion and exclusion criteria are used to filter the articles that will be included in the final analysis. After this selection process, 15 relevant articles were successfully identified for further analysis.

3.3. Stage Synthesis

At this stage, the selected articles are analyzed to identify the main influencing factors of financial behavior in SME actors, as well as how these factors impact financial planning. Each article is analyzed based on several relevant variables, namely financial literacy, financial satisfaction, financial socialization, and mental accounting. The data from these articles are then synthesized qualitatively to identify general patterns, research gaps, and areas that require further exploration.

4. Results and Discussion

Behavioral finance studies of SME actors from various articles that have been reviewed provide a deep description of how variables such as financial satisfaction, financial literacy, financial socialization, and mental accounting influence their financial behavior. Therefore, the following table outlines a summary of the relevant articles with the objective of writing an SLR article, using the Theory of Planned Behavior (TPB) and Financial Planning Behavior (FPB) approaches to understand the financial behavior of small and medium enterprise (SME) business owners.

Table 1. Article summary of the study behavior related to finances

No	References	Investigated Problem/Focus	Research Results
1	Buchdadi et al. (2020) "The Influence of Financial Literacy on SME's Performance Through Access to Finance and Financial Risk Attitde as Mediation Variables"	How does financial literacy affect on Small Business Performance and Medium Enterprises (SMEs) through access to financing and risk attitude finance as a variable mediation.	There is a positive influence of financial literacy on the performance of SMEs. Access to financing and financial risk attitude also have a positive influence on SME performance. Furthermore, access to financing and financial risk attitude play a mediating role in the relationship between financial literacy and SME performance..

2	Bernando et al. (2023) "SME's Financial Behavior; Access to Finance, Financial Literacy and Financial Experience"	How does Business finance behave? Micro, Small and Medium (SMEs) related to access finance, financial literacy, And experience finance.	Financial access has a significant influence on the financial behavior of SMEs. Financial literacy also has a significant impact on financial behavior. Financial experience shows a strong influence on the financial behavior of SMEs.
3.	Frimpong et al. (2022) "Financial Literacy, Access to Digital Finance and Performance of SMEs: Evidence From Central Region of Ghana"	How does iteration affect finance? and access to digital finance in improve the performance of SMEs in the Central region, Ghana	Research result show that financial literacy has positive impact on access finance digital. Access to finance digital enhance performance SMEs. Digital financial access Act as mediator between literacy finance and performance SMEs, shows that both are the same the importance of improve performance business.
4.	Singla and Mallik (2021) "Determinants of financial literacy: empirical evidence from micro and small enterprises in India"	This journal focuses on factors that influence the level of general financial literacy, specific, and overall among MSE entrepreneurs.	This study shows that the financial literacy of MSE entrepreneurs in Punjab, India, is influenced by age, education, and gross profit ratio. Entrepreneurs who are older, more highly educated, and have companies with a higher gross profit ratio tend to have better financial literacy.
5	Damayanti et al. (2023) "The Influence of Financial Knowledge, Financial Experience, and Income on Management Behavior Family Finance"	How financial behavior in families improves economic welfare.	Partially, financial knowledge has a positive and significant impact on family financial management behavior. In general, financial experience also has a positive and significant influence on family financial management behavior.
6	Nafitri and Wikartika (2023) "The Influence of Income, Lifestyle and Financial Literacy on Financial Behavior in Management Students of Universities National Development "Veteran" East Java"	How Financial Plan Behavior Variables Influence Students' Financial Decisions.	The result contributes to student financial behavior. Lifestyle also contributes to students' financial behavior. Financial literacy plays a significant role in financial behavior. As the level of financial literacy increases, individuals are more likely to exhibit positive financial behavior.
7.	Shintawati & Budidarma (2023) "The Effect Of Income And Financial Literacy On Investment Decisions With Financial Behavior As An Intervening Variable"	How do behavioral factors influence financial behavior of SMEs actors after Covid 19?	The higher the income of SME actors, the greater the tendency to invest. Financial literacy has a significant and beneficial effect on investment decisions. Financial behavior has a positive and significant influence on investment decisions. Income does not have an influence on financial behavior. Financial literacy has a significant and beneficial impact on financial behavior.
8.	Widyakto et al. (2022) "The Influence of Financial Literacy, Financial Attitudes, and Lifestyle on Financial Behavior"	Factors that influence understanding of perception finance in planning, financial literacy, and personal financing.	Financial attitudes have a positive and significant influence on financial behavior. Financial literacy and lifestyle have no effect on financial behavior
9.	Syaliha et al. (2022) "The Effect of Financial Literacy, Life Style, Financial Attitude and Locus of Control to Financial Management Behavior"	Knowledge about Management finances are very needed moment this, because manage finance is a reality that must passed someone in his life	Financial literacy has a positive and significant influence on the financial management behavior of accounting students. Lifestyle has no significant effect on financial management student behavior. Financial attitudes do not have a significant effect on students' financial management behavior. Locus of control has a positive and significant influence on financial management student behavior. Financial literacy, lifestyle, financial attitudes, and locus of

			control collectively influence financial management behavior.
10	Fathihani and Rosdiana (2024) "The Influence of Financial Literacy, Locus of Control, Lifestyle on Financial Behavior Management"	Factors that influence financial behavior in millennial generation to direct they Take more responsible financial behavior answer	Based on the research results on the Millennial Generation in East Jakarta, it can be concluded that the factors of financial literacy, locus of control, and lifestyle significantly influence their financial management behavior. A high level of financial literacy contributes positively to shaping their financial management behavior. Strong internal control (locus of control) also has a positive impact on how they manage their finances. A sustainable and responsible lifestyle also plays an important role in influencing their financial decisions.
11.	Adiputra et al. (2024) "The Influence of Financial Socialization, Overconfidence and Mental Accounting on Investment Decisions"	How do financial socialization, herding, over confidence and mental accounting influence investment decisions among stock investors.	Based on the results of testing and analysis, the following results were obtained: Overconfidence has a positive and significant effect on investment decisions. Financial socialization has a positive and significant influence on investment decisions. Mental accounting has a positive and significant influence on investment decisions
12	Kusumardiyani et al. (2023) "The Effect of Financial Literacy And Financial Technology On Micro-Business Performance Mediated By Financial Inclusion (Case Study Of Micro-Businesses In Muara Bulian District)"	In this journal, the focus the main thing is to assess the influence of financial literacy and financial technology on business performance, with financial inclusion as a mediating variable	This study confirms that although financial literacy and financial technology do not have a significant direct impact on business performance, both contribute to improving business performance through the mediation of financial inclusion.
13	Frimpong et al. (2022) "Financial literacy, access to digital finance and performance of SMEs: Evidence From Central region of Ghana"	The main issue studied in this paper is the relationship between financial literacy, access to digital finance, and the performance of SMEs in the Central region of Ghana.	This study concludes that financial literacy has a significant relationship with access to digital finance. Access to digital finance was also found to have a positive influence on SME performance. In addition, access to digital finance acts as a partial mediator between financial literacy and SME performance.
14	Risman et al. (2022) "The Behavioral Finance of SMEs in the Advancement of Financial Inclusion and Financial Technology (FinTech)"	This journal examines the influence of financial inclusion and financial technology (fintech) on the financial behavior of SMEs (Micro, Small, and Medium Enterprises).	This study shows that financial inclusion and fintech have a direct positive impact on the financial behavior of SMEs. Financial inclusion makes decision-making easier for SME managers by reducing the complexity of financial analysis.
15	Sari et al. (2023) "The effect of financial knowledge, financial behavior and digital financial capabilities on	Main issues studied in this journal is influence of knowledge finance, behavior finance, and capabilities digital finance towards	Overall, SMEs need to possess strong financial knowledge, positive financial behavior, and sufficient digital financial capabilities to enhance their financial inclusion and business performance

	financial inclusion, financial concerns and performance in SMEs in East Java"	financial inclusion, financial concerns, and performance of Micro, Small, and Medium Enterprises (SMEs)	

The Theory of Planned Behavior (TPB) is a theory developed by Ajzen (1991) which explains that a person's intention to behave in a certain way can be predicted by three main factors: attitude toward behavior, subjective norms, and perceived behavioral control. By using the TPB approach, it can be seen that the components of attitudes, subjective norms, and perceived behavioral control influence the intention to plan SMEs' finances. This finding aligns with results from various studies that show SMEs actors with a positive attitude toward finance, strong social support, and good financial literacy tend to have better financial planning. The results of previous studies can be used to establish connections between the variables influencing financial behavior as follows.

Figure 1. Behavioral model SMEs finance

Based on the model, it is known that financial behavior is influenced by factors including financial socialization, locus of control, attitude, financial experience, financial literacy, lifestyle, demographic factors, and access to financing. The financial behavior of SMEs in the above studies has a very significant impact on financial performance through investment decisions made. SMEs have unique financial characteristics influenced by limited access to financing, financial literacy levels, and business risk dynamics. SMEs with higher levels of financial literacy tend to manage their finances better. Financial literacy provides a foundational understanding of budget management, capital allocation, and investment. In the context of SMEs, this literacy helps business owners manage cash flow, prepare budgets, and analyze potentially profitable investments.

An approach that can be applied to studying financial behavior through the TPB model is the Financial Planning Behavior (FPB) theory. FPB theory focuses on the actions individuals take in managing and planning their finances. FPB is often used to analyze financial behavior, especially in the context of individuals and SMEs, influenced by various psychological and sociological factors. Both TPB and FPB methods offer a deeper perspective on how psychological and sociological components influence financial behavior in SME owners. SMEs are more likely to engage in better financial planning if they have a positive attitude toward finance, supportive social norms, financial literacy, and financial socialization, leading to effective financial management. On the other hand, mental accounting helps businesses manage finances in a more structured way, which results in better company performance. This study shows that SMEs actors must engage more in learning about finance and financial socialization.

5. Conclusion

This research uses a Systematic Literature Review (SLR) approach to examine behavioral finance in Micro, Small, and Medium Enterprises (SMEs). The study analyzes fifty relevant scientific articles and focuses on four main factors influencing the financial behavior of SMEs: financial literacy, financial satisfaction, financial socialization, and mental accounting. Additionally, it explores how these factors influence financial intention and action planning. Overall, the research emphasizes that improving financial literacy, financial satisfaction, effective socialization, and proper implementation of mental accounting can positively impact financial outcomes.

This study opens opportunities for further research on the relationship between behavioral finance and financial performance in SMEs across different geographical and economic contexts. The findings also highlight the importance of financial literacy improvement programs and community-based financial training for SMEs to enhance financial planning, leading to more stable and sustainable business outcomes.

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