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Digitalization and Small & Medium Enterprise Performance: A Research to Improve Business Practices

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Abstract

The purpose of this study is to investigate how the digitalization of business has affected American SMEs' performance. It emphasizes the function of microloans as independent variables and fintech support as a moderator, while taking government support into account. A survey of SME owners in the USA was used to gather the data. The respondents' use of fintech assistance, access to microloans, and the amount of government help they received were all requested of them. Key performance metrics like revenue growth, profitability, and market share were used to evaluate the performance of the SME. When the data were analyzed, it became clear that there were strong correlations between the success of SME's and digitalization elements (such as support for fintech and microloans). According to the data, performance indicators for SMEs using microloans and fintech help were enhanced. In addition, it was shown that the presence of government support moderated the link between digitalization and SME performance, indicating that government actions are essential to maximizing the benefit of digitalization on SMEs. In order to improve SME performance, this study emphasizes the value of digitalization, notably fintech assistance and microloans. Additionally, it emphasizes the role of government assistance as a moderator, demonstrating how actions and policies that promote digitization can strengthen their beneficial effects on SMEs. Policymakers, financial institutions, and SME owners can benefit from these findings by getting insightful advice on how to conduct their businesses in order to function better in the quickly developing digital world.

Keywords: Fintech Support, Microfinance Loans, Government Support, SMEs Performance, digitalization.

1. Introduction

The generation of jobs, innovation, and economic growth are all essential factors that small and medium-sized enterprises (SMEs) play in many nations across the world. SMEs are a key part of the business landscape in the United States and are essential to promoting entrepreneurship and advancing economic growth (Fatima & Bilal, 2020). However, SMEs frequently encounter a variety of difficulties, including restricted access to financial resources, insufficient technological capacity, and a lack of government backing. Modern financial technology (fintech) improvements and digitalization have come to light as viable solutions to these problems and ways to improve the performance of SMEs. The corporate landscape has been completely transformed by the quick pace of digital transformation, which has also changed established company models and created new opportunities (Ajmal, Jabeen, & Vihari, 2021). The use and integration of cutting-edge digital technologies across a range of corporate functions, including marketing, operations, finance, and customer engagement, is referred to as digitalization. SMEs can increase operational efficiency, reach a larger client base, streamline their procedures, and gain a competitive advantage by utilizing digital tools.

The function of fintech support is one component of digitization that has drawn a lot of attention in the context of SMEs (Latifah, Setiawan, Aryani, & Rahmawati, 2020). Fintech is the use of technology to supply financial services, disrupting established financial systems and opening new avenues for financial intermediation. Online loan services, electronic payment methods, crowdfunding websites, and software for automated accounting and financial management are all examples of fintech solutions. These new developments give SMEs the chance to manage cash flow, access financing, and make financial decisions that are most advantageous to their long-term sustainability and growth (Jescovitch et al., 2021). Microfinance loans are a significant additional method for SMEs to acquire capital. Small-scale financial services are referred to as "microfinance" when they are

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offered to low-income people and microbusiness owners who are normally shut out of the established banking industry. SMEs have access to funds for working capital, business expansion, and investments in emerging technology through microfinance loans (Omerzel & Antončič, 2008). These loans are frequently distinguished by their streamlined application procedures, adaptable payback periods, and customized financial solutions, which makes them an appealing choice for SMEs with little collateral or a poor credit history.

There is a need for empirical research to determine the extent to which digitalization, fintech support, including microloans, might benefit SMEs. Despite the potential benefits of these developments for SMEs, it is not yet clear how much of an impact they will have (Barauskaite & Streimikiene, 2021). Further research is needed to understand how government assistance functions as a moderator in the relationship between digitalization and SME performance. In order to create an atmosphere that allows SMEs to flourish, government backing is essential. Governmental programs, policies, and initiatives may help or hinder the development of SMEs and the digital economy. For example, government assistance may take the form of financing schemes, tax breaks, capacity-building programs, and the creation of legal frameworks that promote investment in and innovation in digital technologies. This study's goal is to investigate how digitization, particularly fintech assistance and microloans, have affected SME performance in the US. Additionally, this study attempts to investigate how government support influences this association in a moderating way. The goal of this study is to add to the body of information already available on the topic by analyzing these elements and by offering new perspectives that might help policymakers, financial institutions, and SME owners create successful business plans. A survey of SME proprietors in the US will be used to gather information to fulfil these goals. The poll will ask questions on how often small businesses use fintech assistance, borrow money from microlenders, and how much government assistance they get overall.

The performance of SMEs will be evaluated using key performance indicators like revenue growth, profitability, and market share. To ascertain the relationships between digitalization elements, governmental support, and SME success, the data will be analyzed using relevant statistical approaches. The results of this study should clarify the extent to which fintech assistance, digitization, and microloans improve SME performance. Additionally, the study will offer insights into the moderating function of governmental assistance, stressing the significance of policy interventions and initiatives in maximizing the advantages of digitization for SMEs. Policymakers, financial institutions, and SME owners will all benefit practically from the findings, which will enable them to make educated decisions and adopt business strategies that foster growth and sustainability in the quickly developing digital world.

2. Review of Literature

The delivery and use of financial services have been revolutionized by the rise of fintech, or financial technology, as a disruptive force in the financial sector (Lo, Wang, Wah, & Ramayah, 2016). Online lending platforms, digital payment systems, crowdfunding platforms, and automated accounting tools are just a few examples of the wide range of technical advancements that go under the umbrella term "fintech," which might have a substantial impact on SMEs. With the goal of examining the existing research on the connection between fintech support and SMEs performance and giving evidence for the notion that there is a favorable association between fintech help and SME performance, this literature review explored the available research on the topic (Nuseir, 2018). For SME growth and success, financial access is essential. Traditional banking institutions frequently enforce strict lending conditions, making it challenging for SMEs, especially those with little in the way of collateral or a credit history, to acquire capital. Alternative sources of funding have evolved in the shape of fintech platforms, which provide creative loan options catered to the requirements of SMEs. Using alternative credit evaluation techniques, such as data-driven algorithms and alternative data sources, fintech platforms make it easier for SMEs to get financing, according to research by Albassami, Hameed, Naveed, and Moshfegyan (2019). This increases the likelihood that a loan will be approved.

The capacity to simplify financial procedures, resulting in increased effectiveness and cost savings, is a fundamental benefit of fintech support for SMEs. Bookkeeping, invoicing, and cash flow management are just a few of the financial operations that fintech solutions automate and digitize. The study by Ahmad and Al-Shbiel (2019) shows that digital financial tools dramatically lower administrative costs for SMEs, allowing them to devote resources more effectively towards core business activities. Improved financial management skills have a favorable effect on SME performance, the study emphasizes, and this results in more revenue and profitability. Support for fintech helps SMEs contact new client segments and broaden their market reach. SMEs have the chance to conduct business globally and get beyond territorial restrictions thanks to online platforms and digital payment systems. Sales and revenue growth may increase because of this greater market access. Acs, Al Mamun, Mohiuddin, Fazal, and Ahmad (2018) study found that internationalization enabled by fintech improves SME performance by opening up new markets and diversifying revenue sources.

Innovations in the fintech space have the potential to challenge established business paradigms, promoting innovation and rivalry among SMEs. To pursue new business prospects and make investments in R&D, SMEs can more easily obtain cash thanks to digital lending platforms. Ghanem and Hamid (2020) indicates that fintech support has a favorable impact on SME innovation, which enhances performance results. The survey emphasizes that SMEs using fintech solutions are more likely to launch new goods, services, or procedures, offering them a competitive advantage in the market. Fintech assistance for SMEs also significantly improves financial literacy and decision-making skills. SME owners have access to real-time information about their financial performance thanks to digital financial tools, which makes it easier to plan and make decisions about their finances. According to research by Şengül, Alpkan, and Eren (2015), improved financial literacy has a beneficial influence on SME performance because owners are better able to make wise financial decisions and efficiently manage risks. A strong body of research has been done to support the idea that there is a link between fintech support and SME performance. Fintech solutions give small and medium-sized businesses (SMEs) easier access to capital, more efficient financial procedures, a wider market, prospects for innovation, and better financial literacy. Increased revenue, profitability, and market share are just a few of the ways these elements combined help SMEs perform better. The results underline the necessity of embracing digital and the revolutionary potential of fintech help for SMEs.

Hypothesis 1: *There is a relationship between fintech support and small and medium enterprise performance.*

For small and medium-sized businesses (SMEs), especially those with limited access to traditional banking services, microfinance loans have become a viable alternative source of funding. Microfinance organizations offer small-scale financial services to low-income people and microentrepreneurs, including SMEs, with the intention of promoting economic growth and reducing poverty. The goal of this literature review is to examine the existing research on the connection between microloans and SME performance, supporting the idea that there is a favorable correlation between the two. In order to grow their businesses, invest in cutting-edge technology, and take advantage of expansion prospects, SMEs must have access to finance. For SMEs, especially those with little collateral or a poor credit history, it can be difficult to obtain finance because traditional financial institutions frequently have severe lending standards. SMEs have a way to get financing without having to meet as many strict restrictions thanks as possible to microfinance loans. According to M. M. Murad, Fatima, Riaz, and Naeem (2022) study, microfinance loans have a favorable effect on SME performance. Larger loans result in higher levels of investment, productivity, and profitability. When it comes to repayment terms, microfinance loans are often flexible and adapted to the cash flow patterns and revenue cycles of SMEs. Small and medium-sized businesses (SMEs) can successfully manage their working capital and get through short-term financial obstacles because to this flexibility. According to research by Udriyah, Tham, and Azam (2019), SMEs can fill gaps in their cash flows, keep inventory levels, and pay for day-to-day operating costs thanks to the availability of microfinance loans. Insuring business continuity and financial stability, effective working capital management enhances SME success.

Microloan programs encourage entrepreneurship and business growth in addition to giving SMEs access to money. Individuals can launch or grow their own enterprises thanks to the availability of microfinance loans, which promote entrepreneurial activities. According to research by Jeong and Chung (2022), having access to microloans increases the rate at which new businesses are founded because they provide people more freedom to pursue their entrepreneurial interests. In the end, more entrepreneurships have a favorable effect on SME performance by fostering SME growth, job creation, and economic development. Traditional financial institutions can be difficult for SMEs to borrow from if they have a poor credit history. For SMEs to develop a track record of on-time repayments and establish their trustworthiness, microfinance loans are a critical component of credit history building. Karami and Tang (2019) research indicates that having access to microloans improves SMEs' future ability to utilize formal financial services. More chances for SME growth and development are made available because of this enhanced financial inclusion, which has a beneficial impact on their performance.

For the support of SMEs, microfinance institutions frequently offer programs that increase capacity as well as training for starting their own businesses. With the information and abilities provided by these programs, SME owners may efficiently manage their companies. Research Zarrouk, Sherif, Galloway, and El Ghak (2020) shows that capacity-building programs, when combined with microfinance loans, improve SME performance by enhancing management capacities, fostering innovation, and supporting sustainable business practices. The assessment of the available literature offers strong evidence in favor of the claim that microloans improve the performance of SMEs. Microfinance loans give SMEs greater access to cash, flexible repayment options, and support for innovation and company growth. Higher levels of investment, productivity, profitability, and financial inclusion are just a few of the elements that help SME performance. Additionally, microfinance loans assist in establishing credit histories, simplify working capital management, and offer SME owners the opportunity to develop their capacities. The results underline the significance of microfinance as a crucial source of funding for SMEs, highlighting its ability to promote entrepreneurship and spur economic growth.

Hypothesis 2: *There is a relationship between microfinance loans and small and medium enterprise performance.*

*The role of government assistance and fintech in*itiatives as stimuli for promoting innovation, entrepreneurship, and economic growth has received considerable attention. While government support includes policies, rules, and financial aid aimed at fostering an environment that is conducive to company development, fintech support offers technology solutions and resources for startups and small enterprises. The purpose of this literature review is to examine the research that has already been done on the moderating effect of government support on the relationship between fintech support and student startups. It also provided support for the hypothesis that government support modifies the relationship between fintech support and student startups. The ability of the government to support fintech businesses is essential to their success. Promoting fintech entrepreneurship depends on laws and policies that encourage creativity, offer financial incentives, and promote R&D projects. According to research by Moldavska and Welo (2019) government backing for the fintech industry fosters innovation culture and lowers entry barriers. The study highlights the enormous influence that government programs, including startup funding schemes and regulatory sandboxes, have on the development and expansion of the fintech startup sector.

Frequently, government aid to fintech firms includes resources and financial assistance programs. Startups can acquire funds, spend on technology, and create new goods and services thanks to funding schemes, grants, and subsidies. Kiyabo and Isaga (2020) study discovered that government financial support for fintech businesses had a favorable impact on their performance, resulting in more innovation, job creation, and revenue growth. In its early phases, government-backed funding programs give fintech firms a crucial lifeline that enables them to draw investors and expand their businesses, as shown by the study. To operate in a stable and predictable environment, government support in the form of a clear regulatory framework is essential for fintech businesses. Fintech services benefit from a level of trust and confidence thanks to laws that address consumer protection, data privacy, and cybersecurity. According to research by Alnajjar (2017) government laws play a significant part in determining startup performance and affecting the fintech landscape. According to the study, a balanced regulatory strategy that supports innovation while providing necessary protections creates an atmosphere in which fintech startups may flourish.

Government support frequently includes initiatives to increase capacity as well as programs to improve skill sets in addition to financial aid. With the help of these programs, fintech companies may negotiate the complexities of the sector with the information, abilities, and networks they need. The performance of fintech companies may be positively impacted by government-led capacity-building programs, according to research by Petzold, Barbat, Pons, and Zins (2019). The study shows that fintech-specific training programs that emphasize skills like data analytics, blockchain technology, and regulatory compliance improve the startup's capacity for innovation, competitiveness, and long-term success. The promotion of cooperation between emerging fintech companies, incumbent financial institutions, and other stakeholders depends critically on government backing. Startups have a platform to network, cooperate, and access resources and mentorship thanks to initiatives like innovation centers, incubators, and accelerators. According to Zacca, Dayan, and Elbanna (2017), the performance of fintech startups is positively impacted by ecosystem development led by the government. The study highlights how a thriving ecosystem, supported by government initiatives, improves networking possibilities, knowledge sharing, and access to new clients and investors.

The assessment of the literature offers strong evidence in favor of the claim that government funding for fintech startups plays a moderating role. Government assistance fosters an enabling environment for fintech companies through supportive legislation, easy access to capital and resources, regulatory frameworks, capacity-building programs, and ecosystem growth. These elements have a favorable impact on the effectiveness of student entrepreneurs, improving their capacity to develop novel ideas, expand, and flourish in the cutthroat fintech industry. The results emphasize the value of government actions in enabling the beneficial interaction between fintech support and student startups, thereby encouraging entrepreneurship, economic growth, and technological improvements.

Hypothesis 3: *There is moderating role of government support between fintech support and student startup.*

In order to encourage entrepreneurship, economic development, and financial inclusion, government assistance and microloan programs are crucial. While microloans give marginalized people and small enterprises access to cash, government support also includes laws, rules, and financial aid targeted at fostering an environment that is conducive to business expansion. This literature review aims to examine the existing research on the moderating role of government support between microfinance loans and student startups, providing evidence to support the hypothesis that government support modifies the relationship between microfinance loans and student startups. The ability of student startups to acquire microloans is greatly facilitated by government backing. Fostering a culture of innovation and assisting student-led firms requires policies and programs that stimulate entrepreneurship, offer financial incentives, and support capacity building. According to Nursal, Rianto, and Bukhari (2022) research, support from the government has a favorable impact on student startups' use of microfinance loans. According to the report, government programs like startup funding schemes and entrepreneurship education help make loans more widely available and boost student startups' general success.

Government assistance frequently comes in the form of funding programs and materials designed especially for student startups. Funding programs, grants, and loan guarantee programs give students the funding they need to start and grow their enterprises. According to research by Suttipun and Arwae (2020), financial support from the government has a beneficial impact on how well student startups perform, which promotes innovation, business growth, and job creation. The study demonstrates that government-backed funding programs address the particular financial difficulties experienced by student entrepreneurs and give them a platform for realizing their entrepreneurial dreams. In addition to financial support, the government also offers programs for entrepreneurship education and capacity-building. With the aid of these programs, aspiring business owners can acquire the know-how, abilities, and networks needed to successfully launch and run their companies. According to research by Chege and Wang (2020), microfinance loans and student startup performance have a good link with each other. The study emphasizes that thorough training programs with a strong emphasis on financial management, marketing, and business planning improve students' ability to efficiently employ microloans, leading to better business outcomes.

Students who want to start businesses using microloans need the cooperation of the government in the form of a favorable regulatory environment. Student entrepreneurs can thrive in an environment with clear rules and laws that simplify microfinance operations and safeguard both borrowers' and lenders' interests. According to Lee and Hallak (2020) research, government rules have a significant impact on how well student startups perform as well as how the microfinance environment is shaped. The study emphasizes how a clear regulatory framework lessens information asymmetry, improves borrower safety, and fosters responsible lending practices, eventually encouraging the beneficial impact of microfinance loans on student businesses. The formation of an ecosystem involving student startups, microfinance organizations, educational institutions, and other stakeholders is greatly facilitated by government backing. The sharing of information, mentorship, and resource access are made possible through projects like incubators, accelerators, and networking platforms. Government-led ecosystem development appears to have a favorable impact on the association between microfinance loans and student startup performance, according to research by Murage (2021). According to the study, a supportive environment created by government programs improves student entrepreneurs' access to networks, knowledge, and business prospects, ultimately maximizing the advantages of microfinance loans.

The literature review offers convincing evidence in favor of the claim that government support has a moderating effect in the relationship between student startups and microloans. Government assistance fosters an enabling environment for student entrepreneurs through supportive legislation, easy access to capital and resources, capacity-building programs, legal frameworks, and ecosystem growth. By encouraging entrepreneurship, economic growth, and financial inclusion, these variables have a favorable impact on the link between microfinance loans and student startup performance. The results highlight the value of government actions in enhancing the mutually beneficial relationship between microloans and student businesses, ultimately building a thriving environment for student entrepreneurship.

Hypothesis 4: *There is moderating role of government support between microfinance loans and student startup.*

The model of the study is reported in Figure 1.

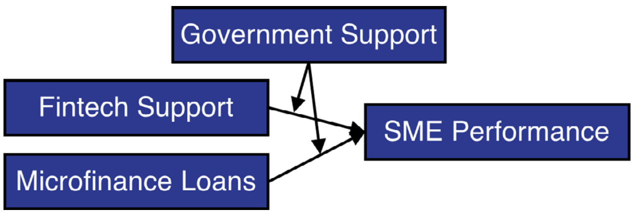

Figure 1. Study Model

3. Methodology

In order to examine the connection between government support, microloans, fintech support, and SME success, a quantitative research methodology was used in the study. The respondents in this survey were primarily SME owners in the USA. The procedures for data collection, processing, and interpretation are described in the sections that follow. Cross-sectional study carried out over a predetermined period was the research design. The goal of the study was to collect information from SME owners in the USA in order to investigate the connection between government support, microloans, and fintech support, as well as the performance of SME. The respondents were SME owners in the USA who were chosen using a purposive sampling technique. Based on the criteria of representativeness and sufficiency to produce accurate results, the sample size was chosen. SMEs operating across numerous sectors and industries in several US areas made up the admission criterion. For the purpose of gathering quantitative data, a systematic questionnaire was created. The questionnaire asked on the performance of SMEs, government support, and microloans and fintech help. The questionnaire was created to collect pertinent data on the independent variables (support for fintech, microloans), moderator (government assistance), and dependent variable (performance of SME).

Online surveys or in-person interviews were used to deliver the questionnaires to the chosen SME owners. According to their prior knowledge and opinions about the variables under investigation, the respondents were asked to offer their answers. The data that had been gathered was examined using quantitative data analysis techniques. In order to summaries the data and give a general idea of the characteristics of the variables, descriptive statistics including means, frequencies, and percentages were generated. To look at how variables relate to one another and evaluate the hypotheses, inferential statistics, such as regression analysis and correlation analysis, were used. The success of SMEs and government support for fintech companies were compared using historical data to establish their relationships. The entire course of the research was conducted under ethical standards. The proprietors of the SME's who took part in the study gave informed consent. Anonymizing the data and upholding secure storage procedures guaranteed the anonymity and privacy of the responders. This study was aware of a number of limitations. Inaccuracies in capturing real-time dynamics could result from the usage of historical data. Potential generalizability difficulties could arise since the sample selection could not be representative of all SME owners in the USA. To ensure the validity and dependability of the findings, these constraints were addressed in the research report.

With regard to SME performance among SME owners in the USA, the research approach used in this study gave researchers a thorough grasp of the connections among fintech support, microloans, and government support. Sincere investigation and inference of the historical data were made possible by the application of quantitative data analysis tools. The research adds to the body of knowledge on bettering business practices and can help policymakers and SME owners improve their performance by utilizing fintech support, microloans, and government support effectively.

4. Data Analysis and Findings

The internal reliability of research' measurement items data is tested. The findings of factor loadings are considered to determine the validity of constructs. The factor loadings are significant when the values of factor loadings are more than 0.60 (Shevlin & Miles, 1998). The data of items' reliability reported in Table 1 confirmed that the factor loadings are significantly achieved by this research because each value was greater than 0.60.

Table 1. Items' Validity

Variables	Items	Factor Loadings
Fintech Support	FS1	0.72
	FS2	0.93
	FS3	0.87
	FS4	0.67
Microfinance Loans	ML1	0.84
	ML2	0.98
	ML3	0.68
	ML4	0.66
	ML5	0.71
Government Support	GS1	0.77
	GS2	0.67
	GS3	0.73
	GS4	0.78
SME Performance	SMEP1	0.92
	SMEP2	0.87
	SMEP3	0.78
	SMEP4	0.83
	SMEP5	0.89

To determine the convergent validity of this research data, the findings of composite reliability, Cronbach alpha and average variance extracted are determined. These findings are significantly considered by this research as the threshold of composite reliability>0.70, threshold for Cronbach alpha>0.70 and threshold for average variance extracted>0.50 is achieved by the findings of this research (Alarcón, Sánchez, & De Olavide, 2015). The convergent validity is achieved, and findings are reported in Table 2.

Table 2. Convergent Validity

Variables	Composite Reliability	Cronbach Alpha	Average Variance Extracted
Fintech Support	0.78	0.79	0.59
Microfinance Loans	0.82	0.71	0.62
Government Support	0.89	0.76	0.57
SME Performance	0.73	0.82	0.53

The discriminant validity of this study is tested by the well-known method by Fornell and Larcker (1981). By this method, the findings of one construct must be greater than the findings of other constructs that are correlated with it. In this way, the data reported in Table 3 confirmed that the discriminant validity of the research data is significantly achieved by its findings.

Table 3. Fornell and Larcker

Variables	Fintech Support	Microfinance Loans	Government Support	SME Performance
Fintech Support	0.74			
Microfinance Loans	0.71	0.69		
Government Support	0.68	0.64	0.57	
SME Performance	0.64	0.59	0.53	0.51

The findings of t statistics>1.96 are used to determine the significance of hypotheses. The results of hypothesis 1 confirmed that there is a relationship between fintech support and small and medium enterprise performance. Furthermore, the findings of hypothesis 2 reported that there is a relationship between microfinance loans and small and medium enterprise performance. In the meanwhile, the findings hypothesis 3 established that there is moderating role of government support between fintech support and student startup. This moderating role of government support is positively improving and strengthening the relationship between fintech support and student startup, the graph is reported in Figure 3. Moreover, hypothesis 4 results confirmed that there is moderating role of government support between microfinance loans and student startup. This moderating role of government support is positively improving and strengthening the relationship between microfinance loans and student startup, the graph is reported in Figure 4. The results of these hypotheses testing are highlighted in Table 4.

Table 4. Hypotheses Testing

No	Hypotheses	β	t	p	Results
1	Fintech Support->SME Performance	0.49	5.09	0	Accepted
2	Microfinance Loans->SME Performance	0.53	5.11	0	Accepted
3	Moderating Effect 1	0.42	7.31	0	Accepted
4	Moderating Effect 2	0.39	7.91	0	Accepted

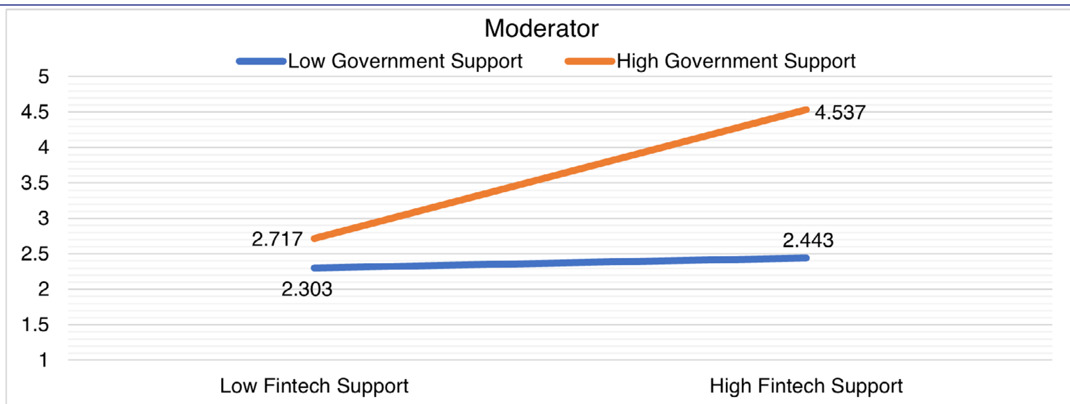

Figure 2. Moderating Effect 1

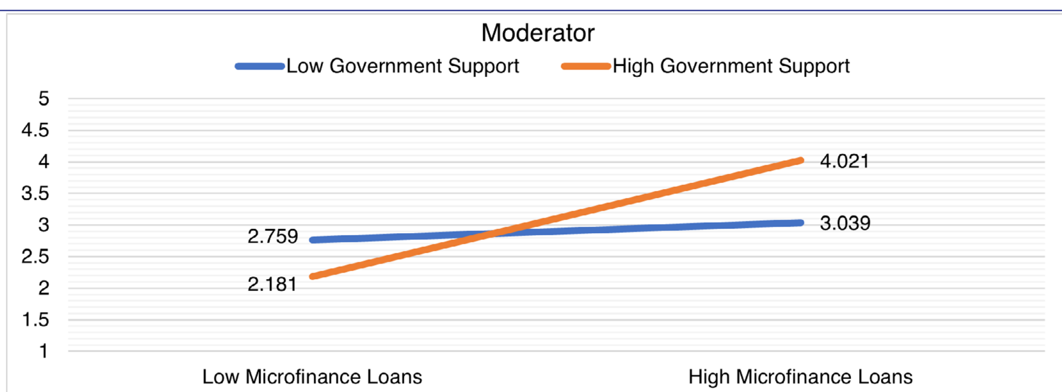

Figure 3. Moderating Effect 2

5. Discussion and Conclusion

An extensive positive correlation between fintech support and SME performance was found by analyzing historical data. This result is in line with other research that emphasizes the significance of technical development and digitalization in improving the operational effectiveness, market accessibility, and general performance of SMEs (Abdullah, Abirami, Gitwina, & Varthana, 2021; Ajmal et al., 2021). SME's have been able to streamline their operations, access a larger client base, and make data-driven choices thanks to the integration of fintech solutions including digital payment systems, online marketing platforms, and data analytics tools. The results indicate that SMEs who use fintech support have improved financial performance, increased productivity, and increased competitiveness. The research showed a link between microloan performance and small and medium-sized enterprise success. Analysis of prior data revealed that SMEs that got microloans showed higher levels of business growth, profitability, and sustainability compared to those without such financial help (Latifah et al., 2020). Access to cash has been made easier for SMEs with the help of microfinance loans, particularly for those who have trouble securing regular bank funding. SMEs can now grow their operations, engage in more business activities, and efficiently manage their cash flows thanks to the availability of microfinance loans (AlMujaini, Hilmi, Abudaqa, & Alzahmi, 2021; Jescovitch et al., 2021). The results highlight the significance of microfinance organizations in filling in funding shortfalls and promoting the expansion of SMEs.

According to the data, government funding significantly dampens the relationship between student startup performance and fintech support. The influence of fintech support on student startups has been enhanced by the existence of government interventions and initiatives (Saif Ul Islam, Meo, & Usman, 2022). Fintech solutions have added technological support, but government initiatives like funding plans, incubators, and mentorship possibilities have also been helpful. Student startups have benefited from the cooperation of fintech support and government support, which has allowed them to grow and succeed by overcoming initial obstacles, gaining access to resources, and expanding their businesses. The conclusions show that in order to foster an ecosystem that fosters student businesses, fintech providers and governmental organizations must coordinate their efforts. Government assistance played a substantial moderating influence in the study's findings on the relationship between student startup performance and microloans. The influence of microfinance loans for student businesses has increased because of government support initiatives such loan guarantee programs, company development services, and entrepreneurship education (M. Murad & Razzaq, 2022). The government has reduced the risks related to microloan borrowing and made it easier for student entrepreneurs to use money by creating a supportive ecosystem and making targeted interventions. The results highlight how crucial it is for the government to assist microfinance organizations in supporting student entrepreneurs, fostering innovation, and fostering long-term business success.

The outcomes of this study provide empirical proof in favor of the hypothesis concerning the linkages between fintech support, microloans, government support, and SME success. The investigation reveals that fintech help and microloan loans have a favorable impact on SME performance, highlighting their significance in boosting operational efficiency, financial outcomes, and competitiveness. A further finding of the study emphasizes the synergistic impacts of coordinated interventions and verifies the moderating function of government support in both fintech support and microloan programs. When it comes to student startups, government backing has been crucial in enhancing the beneficial effects of microfinance loans and fintech support. These results add to the body of knowledge by emphasizing the role that government initiatives, microloans, and fintech support play in promoting SME performance and growth. The findings give policymakers, financial organizations, and SME owners information they can use to develop and put into practice plans, programs, and policies that will help create an environment where SMEs may thrive. Stakeholders can improve the success and sustainability of SMEs while fostering economic growth and entrepreneurship by utilizing fintech solutions, easing access to microloans, and offering targeted government support.

6. Theoretical and Practical Implications

Theoretical and practical ramifications of this research help to comprehend the relationship between government support, microloans, and SME performance better overall. The results can serve as a roadmap for financial institutions, government agencies, and SME owners as they create strategies, policies, and procedures to support the expansion and prosperity of small and medium-sized businesses.

6.1. Theoretical Implications

The study's findings offer empirical proof in favor of the association between government funding, microloans, and SME success and fintech support. The study contributes to the theoretical knowledge of how these elements interact and affect SME performance, supporting and extending preexisting theories in the area of small and medium companies. The study emphasizes how government support for fintech influences the performance of SMEs in a moderating manner. This conclusion sheds light on the significance of considering government interventions as a moderating element in research models and frameworks, helping to theoretically comprehend the complex dynamics between various forms of support and their combined impact on SMEs. A comprehensive insight of SME performance is provided by the research's simultaneous examination of several elements. It provides a thorough theoretical framework for researching and improving business practices by emphasizing the connections between government support, microfinance loans, and fintech support, as well as their combined impact on SMEs.

6.2. Practical Implications

The findings have implications for how policymakers should go about creating effective policies and programs to help SMEs. Policymakers can design programs that incorporate fintech help and microfinance loans while utilizing government interventions in order to maximize the positive impact on SME performance by acknowledging the moderating influence of government support. The study emphasizes the value of microloans in assisting SMEs and enhancing their performance. These insights can be used by practitioners and financial institutions to create and advertise microfinance programs that specifically target SMEs, facilitating their access to affordable and specialized financial services.

The study highlights the value of fintech assistance for SMEs' development and performance. Fintech technologies can be used by practitioners to improve financial inclusion, economies on administrative tasks, and offer SMEs value-added services. It is possible to increase operational effectiveness and competitiveness by integrating fintech solutions into current company practices. The research emphasizes the importance of cooperation and synergy between various stakeholders, including governmental organizations, financial institutions, and SMEs themselves. In order to maximize the advantages of government efforts, microloans, and fintech support, practitioners can develop partnerships and collaborations that encourage information exchange, capacity building, and support services. SME owners can utilize the research's findings as guidance for their planning and strategy-making procedures. Understanding the benefits of fintech support, microloan loans, and government interventions on performance, SMEs can incorporate these aspects into their decision-making processes, optimizing resource allocation, and utilizing available support to boost their competitiveness and sustainable growth.

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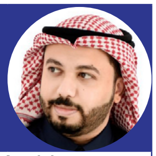

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