

The Effect of Cash Flow Management Capability, Digital Payment Adoption, and Financial Resilience on Business Growth among Retail MSMEs in Bandung City

Amelia Trisavinaningdiah¹, Arohman², Asriani Susiati³, Mardiyah Soraya⁴, Lailatul Inayah⁵

¹⁻⁴ Universitas Muhammadiyah Tangerang

⁵ Institut Asyifa Indonesia

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ABSTRACT

This study examines the effects of cash flow management capability, digital payment adoption, and financial resilience on the business growth of retail micro, small, and medium enterprises (MSMEs) in Bandung. A quantitative explanatory research design was employed using primary data collected from 155 retail MSME owners and managers selected through purposive sampling. Data were collected using a structured questionnaire measured on a five-point Likert scale and analyzed using IBM SPSS Statistics version 25. The analytical procedures included validity and reliability tests, classical assumption tests, multiple linear regression, partial t-tests, simultaneous F-tests, and coefficient of determination analysis. The results indicate that cash flow management capability has a positive and significant effect on business growth. Digital payment adoption also positively and significantly affects business growth, while financial resilience demonstrates the strongest positive effect. Simultaneously, the three variables significantly influence business growth ($F = 81.113$; $p < 0.001$) and explain 61.7% of its variation ($R^2 = 0.617$). These findings indicate that sustainable retail MSME growth requires not only technological adoption but also effective cash flow management and strong financial resilience. Strengthening these capabilities can improve MSMEs' ability to maintain liquidity, facilitate transactions, adapt to financial uncertainty, and support sustainable business expansion.

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Corresponding Author:

Name: Amelia Trisavinaningdiah

Institution: Universitas Muhammadiyah Tangerang

Email: amelia.trisa87@gmail.com

1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) constitute a fundamental component of emerging economies through their contributions to employment creation, income generation, entrepreneurial activity, and local market development. Their relatively flexible organizational structures allow them to respond rapidly to changing

consumer preferences and emerging market opportunities; nevertheless, sustainable business growth increasingly depends on more than entrepreneurial initiative or market demand. MSMEs must also possess sufficient financial and technological capabilities to manage resources, respond to environmental changes, and withstand financial disturbances [1], [2]. This challenge is

particularly relevant in Bandung, one of the major commercial centers in West Java, where gross regional domestic product (GRDP) reached approximately IDR 371.85 trillion at current prices in 2024 and grew by 4.99% from the previous year. Wholesale and retail trade, including motor vehicle and motorcycle repair, accounted for approximately 26.32% of the city's GRDP, highlighting the strategic importance of retail businesses to Bandung's economy. Because retail MSMEs typically handle a high volume of relatively small transactions while simultaneously managing inventories, supplier payments, operating expenses, and short-term liquidity, their capacity to grow is closely associated with their ability to manage the financial processes underlying everyday business activities.

Business growth reflects an MSME's ability to transform available resources and organizational capabilities into stronger economic outcomes, including higher sales, broader market coverage, increased customer bases, greater operating capacity, and expansion in overall business scale. However, increasing sales do not necessarily translate into sustainable growth when liquidity is inadequately managed. Firms may generate higher revenue while experiencing cash shortages because financial resources remain tied up in inventories, receivables, or other working-capital requirements [3], [4]. This condition makes cash flow management capability particularly important for MSMEs, which generally possess smaller financial reserves and more restricted access to external financing than larger enterprises. Cash flow management capability refers to the ability of owners or managers to plan, monitor, control, and allocate cash inflows and outflows so that sufficient liquidity is available for current operations and future business activities. Evidence indicates that cash availability influences the effectiveness of working-capital strategies [2], [3], [5], while efficient working-capital management can strengthen SME performance by improving the deployment of financial resources. Recent research further suggests that financial management capabilities generate business value when translated into effective cash flow

control [6], [7], indicating that systematic cash management should be viewed not merely as an administrative activity but as a strategic capability supporting operational continuity and growth.

Alongside internal financial capability, the rapid diffusion of financial technology has substantially transformed how MSMEs conduct and record transactions. Digital payment adoption, including QR-based payments, mobile banking, and electronic wallets, has become increasingly relevant to Indonesian retail businesses as consumers increasingly prefer cashless transaction channels. By June 2026, the Quick Response Code Indonesian Standard (QRIS) had reached approximately 65.77 million users and 44.86 million merchants, 96.68% of whom were MSMEs, while transactions during the first half of 2026 reached approximately 12.55 billion with a nominal value of IDR 1.12 quadrillion. For retail MSMEs, digital payment systems may reduce dependence on physical cash, accelerate transaction processing, improve customer convenience, facilitate transaction recording, and generate more structured financial information for monitoring and decision-making. [8] identified a positive association between digital adoption and business performance, including sales growth, while evidence from West Java suggests that e-commerce and QRIS usage can support sales performance, market expansion, and operational efficiency [9]. However, digital payment infrastructure itself does not guarantee improved business outcomes because the value derived from technological adoption ultimately depends on how effectively it is integrated into broader business and financial practices.

The ability to translate financial and technological resources into sustained growth is also influenced by financial resilience, particularly because MSMEs frequently operate with limited liquidity buffers, concentrated sources of revenue, restricted financing alternatives, and substantial dependence on owner-managed resources. Financial resilience represents a firm's capacity to prepare for, absorb, respond to,

and recover from financial pressures or unexpected market changes without jeopardizing long-term operational continuity. Such capability becomes critical when MSMEs encounter declining demand, rising operating costs, delayed customer payments, changes in supplier terms, or intensified competition. Rather than being interpreted exclusively as an ability to survive severe crises, financial resilience can be regarded as a dynamic capability that enables firms to preserve financial flexibility and reallocate resources as business conditions change. [3], [10], [11] conceptualize SME financial resilience through financial-management capabilities related to profitability, working-capital management, asset management, and financing across proactive, responsive-adaptive, and reactive stages of disturbances. Similarly, [7], [12] demonstrate that financial resilience is positively associated with SME financial performance and can serve as an important mechanism through which financial management capability creates business value. Therefore, MSMEs capable of maintaining financial reserves, controlling obligations, adjusting expenditures, and responding effectively to uncertainty may be better positioned to exploit growth opportunities without exposing their operations to excessive financial risk.

Despite growing interest in these issues, the literature remains fragmented in explaining how financial management, technological adoption, and adaptive financial capacity jointly shape MSME growth. Research on SME finance has predominantly emphasized working capital, access to financing, profitability, or financial performance [10], [13], whereas studies on digital transformation have typically examined digital adoption, e-commerce, QRIS use, financial literacy, or sales performance [13]–[15]. In parallel, the emerging literature on financial resilience has primarily focused on firms' abilities to withstand disruption and preserve financial performance [13], [14]. Moreover, empirical evidence concerning digital payment adoption is not entirely consistent, suggesting that technological

adoption alone may be insufficient to explain differences in MSME growth. A retailer may adopt digital payments and generate higher transaction volumes but remain unable to expand because its cash flows are poorly managed; similarly, sound financial management may not sustain growth when a firm lacks sufficient resilience to unexpected financial pressures. Accordingly, cash flow management capability, digital payment adoption, and financial resilience represent conceptually distinct yet complementary capabilities reflecting, respectively, the ability to manage financial resources operationally, utilize transaction technology effectively, and preserve financial adaptability under changing conditions. However, empirical research integrating these three capabilities as simultaneous predictors of business growth, particularly among retail MSMEs in Bandung, remains limited.

To address this gap, this study examines the effects of cash flow management capability, digital payment adoption, and financial resilience on the business growth of retail MSMEs in Bandung. By integrating operational financial capability, technological adoption, and adaptive financial capacity within a single empirical framework, the study advances the MSME growth literature beyond explanations centered primarily on access to finance, working-capital efficiency, or digitalization in isolation. The study therefore contributes by providing an integrated perspective on how complementary internal capabilities enable retail MSMEs to convert financial and technological resources into business growth within an increasingly digitalized commercial environment. From a managerial perspective, the findings are expected to identify the financial and technological capabilities that retail MSME owners should prioritize to support sustainable expansion. From a policy perspective, the study may inform the development of MSME support programs that integrate digital transformation with cash flow management and financial-resilience development, rather than treating technological, financial-management, and

resilience interventions as separate policy domains.

2. LITERATURE REVIEW

2.1 Theoretical Foundation

The Resource-Based View (RBV) provides a relevant theoretical foundation for explaining differences in MSME business growth by emphasizing that firm performance is determined by the resources and capabilities controlled and effectively organized by the firm (Barney, 1991). For MSMEs, strategic resources extend beyond financial and physical assets to include managerial knowledge, cash flow management, technological capability, financial discipline, and organizational adaptability. In this study, cash flow management capability, digital payment adoption, and financial resilience are viewed as complementary organizational resources [16]–[18]. Cash flow management reflects the firm's competence in allocating financial resources, digital payment adoption represents its ability to integrate financial technology into transaction processes, and financial resilience reflects its capacity to maintain financial stability. Stronger combinations of these capabilities may enable MSMEs to achieve superior business growth.

The Dynamic Capability Perspective complements RBV by explaining how firms integrate, adapt, and reconfigure their resources in response to changing business environments (Teece et al., 1997). This perspective is particularly relevant for retail MSMEs facing

rapid changes in consumer payment preferences, technology, competition, input costs, and economic conditions. Cash flow management enables firms to adjust financial inflows and outflows, digital payment adoption facilitates adaptation to evolving transaction behavior, while financial resilience supports the absorption of disruptions and reallocation of financial resources. Financial resilience can therefore be understood as a dynamic capability involving proactive preparation, adaptive responses, and recovery from disturbances [19], [20]. Accordingly, RBV and the Dynamic Capability Perspective jointly explain how financial, technological, and adaptive capabilities can contribute to sustainable MSME business growth.

2.2 Business Growth of Retail MSMEs

Business growth refers to the expansion of a firm's economic and operational scale over time, commonly reflected in increases in sales, customers, profitability, market coverage, employment, and operating capacity. Because growth is multidimensional, prior studies recommend using several indicators rather than relying on a single financial measure [2], [21]–[23]. Recent evidence also identifies sales, profits, customers, market share, and employment as common measures of SME growth [21], [24]. In this study, the business growth of retail MSMEs is conceptualized through perceived increases in sales, customers, market coverage, profitability, and operating capacity, measured using structured Likert-scale items,

which are appropriate when detailed historical financial data are limited.

2.3 Cash Flow Management Capabilities

Cash flow management capability refers to a firm's ability to plan, monitor, control, and allocate cash inflows and outflows to maintain liquidity and support business development. Unlike profit, cash flow emphasizes the timing and availability of funds required for operational activities, making it particularly important for retail MSMEs with continuous transactions, inventory purchases, supplier payments, and other short-term expenses. Effective cash management enables firms to anticipate shortages, control expenditures, maintain reserves, and allocate funds to productive activities. Empirical evidence shows that cash availability and efficient working-capital management contribute to SME performance [2], [25], [26], while recent research indicates that financial management capability creates value through effective cash flow control [27], [28]. From the Resource-Based View, this capability represents a valuable managerial resource that enables MSMEs to use financial resources more efficiently and support business growth. Therefore, MSMEs with stronger cash flow management capabilities are expected to achieve higher business growth.

H1: Cash flow management capability has a positive and significant effect on the business growth of retail MSMEs in Bandung.

2.4 Digital Payment Adoption

Digital payment adoption refers to the acceptance and use of electronic payment technologies, including mobile banking, electronic wallets, bank transfers, cards, and QR-based systems such as QRIS, to support business transactions. For retail MSMEs, digital payments can improve transaction efficiency, reduce dependence on physical cash, enhance customer convenience, and generate digital transaction records that support financial monitoring. From the Resource-Based View, digital payment adoption represents a technological capability that creates value when effectively integrated into business processes rather than merely adopted formally. Empirical studies indicate that digital adoption is associated with improved MSME performance, sales, operational efficiency, and competitive advantage [29], [30]. Although its benefits depend on actual utilization, customer acceptance, digital literacy, and technological infrastructure, effective digital payment adoption can strengthen transaction efficiency and market responsiveness, thereby supporting the business growth of retail MSMEs.

H2: Digital payment adoption has a positive and significant effect on the business growth of retail MSMEs in Bandung.

2.5 Financial Resilience

Financial resilience refers to a firm's ability to anticipate, absorb, adapt to, and recover from financial disturbances while maintaining essential operations. For MSMEs, this

capability is particularly important because limited liquidity buffers and financing alternatives can quickly disrupt inventory purchases, supplier payments, and other operating activities. Financial resilience extends beyond maintaining emergency funds and includes liquidity management, cost flexibility, financial planning, debt management, access to alternative financing, and the ability to reallocate resources when conditions change [25], [31]. From the Dynamic Capability Perspective, financial resilience represents an adaptive capability that enables firms to reconfigure financial resources in response to uncertainty (Teece et al., 1997). Recent studies also conceptualize resilience as a dynamic process involving proactive preparation, adaptive responses, and recovery from disruptions, and show its positive contribution to SME performance [10], [25], [31], [32]. Therefore, financially resilient MSMEs are better positioned not only to withstand financial pressures but also to pursue expansion opportunities and support sustainable business growth.

H3: Financial resilience has a positive and significant effect on the business growth of retail MSMEs in Bandung.

2.6 Cash Flow Management Capabilities, Digital Payment Adoption, Financial Resilience, and Business Growth

Although cash flow management capability, digital payment adoption, and financial resilience may individually influence business growth, their combined effects provide a more

comprehensive explanation of MSME development because they represent complementary organizational capabilities. Cash flow management capability provides financial control, digital payment adoption strengthens technological and transactional capability, and financial resilience provides adaptive financial capacity [3], [10], [11]. From the Resource-Based View, superior performance is more likely to emerge from combinations of resources and capabilities that are effectively organized within the firm rather than from a single resource alone (Barney, 1991). For retail MSMEs, digital transactions may increase sales opportunities, but sustainable growth still depends on effective cash management and the ability to withstand financial disruptions. Therefore, the integration of these three capabilities is expected to strengthen sales, customer growth, market expansion, profitability, and operating capacity.

H4: Cash flow management capability, digital payment adoption, and financial resilience simultaneously have a positive and significant effect on the business growth of retail MSMEs in Bandung.

3. RESEARCH METHODS

This study employed a quantitative explanatory research design to examine the effects of cash flow management capability, digital payment adoption, and financial resilience on the business growth of retail MSMEs in Bandung, Indonesia. The unit of analysis was the retail MSME, while respondents were business owners or managers directly involved in operational

and financial decision-making. A non-probability purposive sampling technique was applied, with criteria including MSME status, operation in the retail sector in Bandung, a minimum business age of one year, direct transactions with customers, and respondent involvement in business management. Based on these criteria, 155 valid respondents were included in the final analysis.

Primary data were collected through a structured questionnaire distributed both directly and electronically. The questionnaire measured four constructs: cash flow management capability, digital payment adoption, financial resilience, and business growth, using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Cash flow management capability was measured through cash planning, monitoring, expenditure control, payment management, cash reserves, and allocation; digital payment adoption through usage, transaction frequency, ease of use, efficiency, customer convenience, and integration; financial resilience through liquidity preparedness, emergency reserves, cost adaptability, financial obligations, alternative financing, and recovery capability; and business growth through sales, revenue, customers, market expansion, profit, and operational expansion.

Data were analyzed using IBM SPSS Statistics 25 [33]. The analysis included descriptive statistics, validity testing using Pearson Product-Moment correlation, reliability testing using Cronbach's Alpha with a threshold of ≥ 0.70 , and classical assumption tests covering normality, multicollinearity, and heteroscedasticity. Multiple linear regression was then employed to estimate the effects of the three independent variables on business growth, expressed as $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$. Partial effects were evaluated using the t-test, simultaneous effects using the F-test, both at a significance level of 0.05, while R^2 and Adjusted R^2 were used to assess the explanatory power of the model.

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristic

A total of 155 questionnaires from owners or managers of retail MSMEs in Bandung were included in the final analysis. All respondents met the predetermined research criteria and were directly involved in business operations and financial decision-making. Respondent characteristics were examined based on gender, length of business operation, and number of employees.

Table 1. Characteristics of Respondents

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	87	56.1
	Female	68	43.9
Business Duration	1–3 years	54	34.8
	4–6 years	63	40.6
	More than 6 years	38	24.5
Number of Employees	1–4 employees	96	61.9
	5–19 employees	49	31.6
	20 employees or more	10	6.5

Table 1 shows that the study involved 155 retail MSME respondents. Most respondents were male (56.1%), while 43.9% were female. In terms of business duration, the largest proportion had operated for 4–6 years (40.6%), followed by 1–3 years (34.8%) and more than 6 years (24.5%). Regarding

business size, most respondents employed 1–4 workers (61.9%), while 31.6% employed 5–19 workers and only 6.5% had 20 or more employees.

4.2 Descriptive Statistical Analysis

Descriptive statistical analysis was conducted to identify the general tendency of respondents' perceptions regarding cash flow

management capability, digital payment adoption, financial resilience, and business growth. The results are presented in Table 2

Table 2. Descriptive Statistics of Research Variables

Variable	N	Min	Max	Mean	Std. Deviation
Cash Flow Management Capability (X1)	155	2.67	5.00	4.06	0.48
Digital Payment Adoption (X2)	155	2.50	5.00	3.94	0.54
Financial Resilience (X3)	155	2.67	5.00	4.01	0.50
Business Growth (Y)	155	2.83	5.00	4.08	0.47

Table 2 indicates that all research variables were assessed based on 155 respondents and generally showed relatively high mean scores. Business growth recorded the highest mean value ($M = 4.08$, $SD = 0.47$), followed by cash flow management capability ($M = 4.06$, $SD = 0.48$), financial resilience ($M = 4.01$, $SD = 0.50$), and digital payment adoption ($M = 3.94$, $SD = 0.54$). The minimum scores ranged from 2.50 to 2.83, while all variables reached a maximum score of 5.00.

4.3 Validity Test

The validity of each questionnaire item was evaluated using Pearson Product-Moment correlation. With 155 respondents, the degrees of freedom were calculated as $df = 153$. At a significance level of 5%, the critical r-value was approximately 0.158. All questionnaire items generated correlation coefficients greater than the critical value and significance values below 0.05. Therefore, all items were considered valid.

Table 3. Validity Test Results

Variable	Items	Range of r-count	r-table	Sig.	Result
Cash Flow Management Capability (X1)	6	0.634–0.824	0.158	<0.001	Valid
Digital Payment Adoption (X2)	6	0.612–0.851	0.158	<0.001	Valid
Financial Resilience (X3)	6	0.658–0.838	0.158	<0.001	Valid
Business Growth (Y)	6	0.671–0.862	0.158	<0.001	Valid

Table 3 shows that all questionnaire items used to measure cash flow management capability, digital payment adoption, financial resilience, and business growth were valid. The r-count values ranged from 0.612 to 0.862, all exceeding the r-table value of 0.158, with significance levels below 0.001. These results indicate that all 24 measurement items were sufficiently correlated with their

respective constructs and were therefore retained for further statistical analysis.

4.4 Reliability Test

Reliability testing was conducted using Cronbach's Alpha. A construct was considered reliable when the Cronbach's Alpha coefficient exceeded 0.70.

Table 4. Reliability Test Results

Variable	Items	Cronbach's Alpha	Criterion	Result
Cash Flow Management Capability (X1)	6	0.864	>0.70	Reliable
Digital Payment Adoption (X2)	6	0.882	>0.70	Reliable
Financial Resilience (X3)	6	0.873	>0.70	Reliable
Business Growth (Y)	6	0.891	>0.70	Reliable

Table 4 shows that all research variables demonstrated satisfactory reliability, with Cronbach's Alpha values exceeding the minimum threshold of 0.70.

Cash flow management capability recorded an alpha value of 0.864, digital payment adoption 0.882, financial resilience 0.873, and business growth 0.891. These results indicate

that all 24 questionnaire items had strong internal consistency and were reliable for subsequent statistical analysis.

4.5 Classical Assumption Tests

4.5.1 Normality Test

The normality test using the One-Sample Kolmogorov-Smirnov method showed a test statistic of 0.057 with an Asymp. Sig. (2-tailed) value of 0.200 for 155 observations. Because the significance value

exceeded the 0.05 threshold, the residuals were considered normally distributed. Therefore, the regression model satisfied the normality assumption and was appropriate for subsequent multiple linear regression analysis.

4.5.2 Multicollinearity Test

Multicollinearity was evaluated using Tolerance and Variance Inflation Factor (VIF) values.

Table 5. Multicollinearity Test

Independent Variable	Tolerance	VIF	Result
Cash Flow Management Capability	0.704	1.420	No multicollinearity
Digital Payment Adoption	0.742	1.348	No multicollinearity
Financial Resilience	0.658	1.520	No multicollinearity

Table 5 indicates that all independent variables were free from multicollinearity problems. Cash flow management capability had a tolerance value of 0.704 and a VIF of 1.420, digital payment adoption recorded a tolerance value of 0.742 and a VIF of 1.348, while financial resilience had a tolerance value of 0.658 and a VIF of 1.520. Since all

tolerance values exceeded 0.10 and all VIF values were below 10, the regression model satisfied the multicollinearity assumption.

4.5.3 Heteroscedasticity Test

The Glejser test was used to examine heteroscedasticity.

Table 6. Glejser Heteroscedasticity Test

Independent Variable	Sig.	Criterion	Result
Cash Flow Management Capability	0.468	>0.05	No heteroscedasticity
Digital Payment Adoption	0.291	>0.05	No heteroscedasticity
Financial Resilience	0.537	>0.05	No heteroscedasticity

Table 6 shows that the Glejser test produced significance values of 0.468 for cash flow management capability, 0.291 for digital payment adoption, and 0.537 for financial resilience. Since all significance values were greater than 0.05, no heteroscedasticity was detected in the regression model. Therefore, the variance of the residuals was considered

constant, indicating that the homoscedasticity assumption was satisfied.

4.6 Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to determine the effect of cash flow management capability, digital payment adoption, and financial resilience on business growth.

Table 7. Multiple Linear Regression Results

Variable	B	Std. Error	Standardized Beta	t	Sig.
Constant	0.542	0.263	—	2.061	0.041
Cash Flow Management Capability (X1)	0.289	0.061	0.305	4.738	<0.001
Digital Payment Adoption (X2)	0.223	0.067	0.218	3.328	0.001
Financial Resilience (X3)	0.354	0.058	0.412	6.103	<0.001

Based on Table 7, the regression model is expressed as $Y = 0.542 + 0.289X_1 + 0.223X_2 + 0.354X_3 + \varepsilon$, indicating that all three independent variables positively influence business growth. Cash flow management capability had a coefficient of 0.289 ($t = 4.738$; $p < 0.001$), digital payment adoption had a coefficient of 0.223 ($t = 3.328$; $p = 0.001$), and financial resilience had a coefficient of 0.354 ($t = 6.103$; $p < 0.001$), confirming that H1, H2, and H3 were supported. Financial resilience was the strongest predictor of business growth, with the highest standardized Beta coefficient ($\beta = 0.412$), followed by cash flow

management capability ($\beta = 0.305$) and digital payment adoption ($\beta = 0.218$). Overall, the results show that stronger financial management, greater digital payment adoption, and higher financial resilience are associated with higher business growth among retail MSMEs.

4.7 Simultaneous F-Test

The simultaneous F-test was conducted to determine whether the three independent variables collectively influenced business growth

Table 8. ANOVA and Simultaneous F-Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	20.819	3	6.940	79.392	<0.001
Residual	13.199	151	0.087		
Total	34.019	154			

The simultaneous test produced an F-value of 79.392 with a significance value below 0.001, indicating that cash flow management capability, digital payment adoption, and financial resilience jointly had a statistically significant effect on business growth; therefore, H4 was supported. This finding confirms that the growth of retail MSMEs is influenced by the combined capacity to manage liquidity, utilize digital payment technologies, and maintain financial adaptability, rather than by a single financial or technological capability alone.

4.8 Coefficient of Determination

The model summary shows an R value of 0.782, indicating a strong relationship between the independent variables and business growth. The R Square value of 0.612 indicates that 61.2% of the variation in business growth among retail MSMEs was explained by cash flow management capability, digital payment adoption, and financial resilience, while the Adjusted R Square of 0.604 confirms that approximately 60.4% of the variation remained explained after adjustment for the number of predictors and sample size. The remaining 38.8% was attributable to other factors outside the model, such as access to financing, entrepreneurial

orientation, marketing capability, innovation, competitive intensity, digital marketing, owner experience, and external economic conditions.

Discussion

The findings indicate that cash flow management capability contributes positively to the business growth of retail MSMEs in Bandung. This relationship can be explained by the operational characteristics of retail businesses, which experience continuous cash movements through sales, inventory purchases, supplier payments, and routine expenditures. Effective cash flow management enables business owners to anticipate liquidity shortages, control unnecessary expenses, manage payment schedules, and allocate financial resources toward more productive activities. From the Resource-Based View, cash flow management represents an internal managerial capability that allows firms to use available financial resources more efficiently. This interpretation is consistent with [3], [5], [10], who emphasize the importance of cash availability and efficient working-capital management in supporting SME performance. Thus, retail MSMEs should consider liquidity monitoring and cash allocation as integral components of

their growth strategies rather than focusing solely on sales or revenue.

The results also demonstrate that digital payment adoption supports business growth by improving transaction convenience, efficiency, and financial information availability. For retail MSMEs that interact directly with consumers, the availability of QRIS, electronic wallets, bank transfers, and other digital payment channels can reduce transaction barriers and accommodate changing customer preferences. Digital transactions can also generate more systematic records that assist business owners in monitoring sales and cash movements. In line with the Resource-Based View, digital payment technology creates greater value when it is effectively integrated into business processes rather than merely adopted as a technological feature. This finding is consistent with [9], [10] and previous evidence from West Java showing that digital adoption can strengthen sales performance, operational efficiency, and market participation. Nevertheless, digitalization alone may not ensure sustainable growth when it is not supported by adequate financial management and organizational capability.

Financial resilience also plays a central role in supporting MSME growth, particularly because small businesses are more vulnerable to declining sales, rising supplier costs, unexpected expenses, and limited access to external financing. Financially resilient MSMEs are better able to maintain liquidity, control expenditures, meet financial obligations, and obtain alternative funding when business conditions deteriorate. Beyond protecting firms from disruption, financial resilience can also encourage expansion by giving business owners greater confidence to invest in inventory, technology, product development, and market opportunities. This finding supports the Dynamic Capability Perspective, in which firms create value through their ability to reconfigure resources and adjust financial priorities as environmental conditions change. It is also consistent with [34]–[36], who conceptualize financial

resilience as a combination of proactive, adaptive, and reactive financial capabilities. Accordingly, resilience should be understood not merely as maintaining emergency funds, but as the broader capacity to manage financial resources dynamically under changing business conditions.

Taken together, the findings show that business growth is strengthened through the complementary roles of financial control, technological adaptation, and financial resilience. Cash flow management enables firms to organize and allocate financial resources, digital payment adoption strengthens transaction processes and customer accessibility, while financial resilience allows businesses to maintain stability and adapt to uncertainty. These capabilities are interconnected because technological adoption may generate limited long-term benefits when transaction-related cash flows are poorly managed, while effective financial management may also fail to support sustainable expansion when the firm lacks the capacity to withstand financial disruption. This integrated interpretation reinforces the Resource-Based View by showing that organizational performance is generated not only by possessing individual resources but also by coordinating complementary capabilities effectively. From a practical perspective, MSME development programs should therefore integrate cash flow management, digital transaction utilization, financial recordkeeping, emergency financial preparation, and business continuity strategies rather than treating financial management, digitalization, and resilience as separate interventions.

5. CONCLUSION

This study concludes that cash flow management capability, digital payment adoption, and financial resilience are important drivers of business growth among retail MSMEs in Bandung. Effective cash flow management helps businesses maintain liquidity, fulfill operational obligations, and

allocate financial resources more efficiently, while digital payment adoption improves transaction efficiency, customer convenience, and financial recordkeeping. Financial resilience plays a particularly important role by enabling MSMEs to withstand financial pressures, adjust expenditures, maintain obligations, and continue pursuing growth opportunities under uncertain conditions. Overall, sustainable MSME growth depends on the integration of financial control,

technological adaptation, and financial resilience, indicating that business owners and MSME support programs should strengthen these capabilities simultaneously. Future studies may extend the model by incorporating factors such as access to finance, entrepreneurial orientation, digital marketing capability, innovation, financial literacy, and competitive intensity, as well as examining different sectors, regions, and longitudinal settings.

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