



# The Influence of Financial Management Practices on Women-Owned Boutique Business Performance in Dodoma City

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**Abstract:** *Although women's participation in boutique enterprises across the world has continued to increase, many still face challenges in maintaining stable business performance. Weak financial management practices have been observed to constrain their operational efficiency, profitability, and overall growth. This study investigates how financial management practices, keeping, access to credit, and compliance affect the performance of women-owned boutique businesses in Dodoma City, Tanzania. A mixed-methods approach and descriptive research design were employed, involving 96 boutique owners selected through simple random sampling. Quantitative data from structured questionnaires were analyzed using descriptive statistics analysis to obtain a summary of findings in mean and standard deviations, while qualitative data obtained from 12 women-owned boutique businesses through semi-structured interviews and thematically analyzed using constant comparison analysis. Results from descriptive statistics showed financial management practices influence women-owned boutique business performance particularly the two financial management sub variables, indicated that record keeping had the highest (Mean=4.021, S.D=0.438) and compliance having the second (Mean = 3.061, S.D=0.586) positively increased and influenced the likelihood of high performance, while access to credit had the lowest (Mean=2.053, S.D=0.306) showing that most of women-owned boutique faced significant challenges in obtaining external financing to support their business operations. Qualitative insights revealed that effective record keeping promotes financial planning and investor trust, and compliance ensures operational stability, but credit access remains a major growth constraint. The study recommends enhancing financial literacy, promoting regulatory adherence, and improving access to affordable credit to strengthen women-owned boutique performance.*

**Keywords:** *Financial management, Record keeping, Compliance, Women entrepreneurs, women-owned boutique.*

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## 1. Introduction

Women-owned businesses have become an increasingly important driver of global economic development, contributing significantly to job creation, innovation, and

poverty reduction. In the United States, women-owned enterprises contribute over USD 1.8 trillion in annual economic output and employ approximately nine million people, with steady growth fueled by improved access to finance, supportive policy frameworks, and

entrepreneurial training (Mastercard Index of Women Entrepreneurs (MIWE), 2020). Similarly, in Europe, women own about one-third of all businesses, with countries such as France and Germany showing high levels of female entrepreneurship, particularly in the retail and fashion sectors (Brush, 2020). In Asia, economies such as China and India have seen a rapid rise in women-owned micro, small, and medium enterprises (MSMEs), driven by digital platforms and targeted financial inclusion programs (World Bank, 2021). Despite these advances, barriers such as limited access to affordable credit, inadequate financial literacy, and regulatory constraints continue to hinder optimal performance in women-led ventures globally.

In Africa, women entrepreneurs account for nearly 27% of business ownership, the highest regional share in the world (Global Entrepreneurship Monitor [GEM], 2021). Countries such as Nigeria, Kenya, and South Africa have seen notable growth in women-owned MSMEs, yet access to formal financing remains limited, often forcing entrepreneurs to rely on personal savings or informal lending sources (Carter et al., 2007; Muriithi, 2017). Structural challenges such as high collateral requirements, gender biases in lending institutions, and limited business training hinder growth and competitiveness (Kira, 2012). The fashion industry, a major employer of women across African cities, is particularly affected by financing barriers that constrain investment in quality production, marketing, and expansion.

In Tanzania, women are emerging as a strong entrepreneurial force, with the National Bureau of Statistics (NBS, 2020) reporting that over 35% of MSEs are owned by women. Within urban centers like Dodoma City, the fashion sector, particularly boutique businesses, has shown growth potential due to rising consumer demand and urbanization trends. However, persistent limitations in financial management practices have been linked to low business survival rates, constrained scalability, and inconsistent profitability (Aikaeli & Mkenda, 2021; Mori & Richard, 2019). Many women-owned boutiques operate without formal record-keeping systems, lack access to affordable credit, and face challenges in maintaining compliance with business regulations, all of which limit competitiveness in an increasingly dynamic market.

Against this backdrop, this study investigates the influence of financial management practices, record keeping, access to credit, and compliance on the performance of women-owned boutique businesses in Dodoma City. By integrating quantitative and qualitative evidence, the study seeks to provide empirical insights

that can guide policy interventions, financial product design, and entrepreneurial capacity-building programs to strengthen women's contributions to the urban fashion economy.

## 1.1 Statement of the Problem

Despite the growing participation of women in boutique enterprises across Dodoma City, many still struggle to achieve consistent business performance due to weak financial management practices. Evidence shows that inadequate record keeping, limited access to credit, and inconsistent compliance with business regulations hinder operational efficiency, profitability, and growth (Aikaeli & Mkenda, 2021; Mori & Richard, 2019). While women-owned boutiques contribute significantly to employment and urban development, their potential remains underexploited because of systemic barriers such as severe collateral requirements, low financial literacy, and bureaucratic business formalization processes. Consequently, these challenges constrain women entrepreneurs from scaling up, accessing institutional finance, and competing effectively in the market. This study, therefore, seeks to examine how record keeping, access to credit, and compliance practices influence the performance of women-owned boutique businesses in Dodoma City.

## 2. Literature Review

### 2.1 Theoretical Literature Review

This study is underpinned by Social Capital Theory (Bourdieu, 1986) and Entrepreneurial Orientation Theory (Lumpkin & Dess, 1996), both of which provide complementary perspectives on how financial management practices influence business performance.

Social Capital Theory posits that social networks and relationships act as valuable resources that can facilitate access to financial capital, knowledge, and business opportunities. Bourdieu (1986) emphasizes that entrepreneurs with strong community ties and professional connections are better positioned to secure credit, attract investment, and maintain compliance through shared information and collaborative support. In the context of women-owned boutiques, social capital can enable owners to access informal financing, receive guidance on regulatory requirements, and share best practices in financial record keeping. However, the theory also acknowledges that the quality and stability of networks can vary, limiting their long-term utility.

Entrepreneurial Orientation Theory explains business performance through dimensions such as proactiveness, risk-taking, and innovativeness (Lumpkin & Dess, 1996). Financial management practices are closely related to these dimensions, as effective record keeping reflects proactiveness in monitoring business health, access to credit indicates risk-taking in growth investments, and compliance demonstrates strategic discipline in maintaining operational legitimacy. The theory suggests that women entrepreneurs with stronger entrepreneurial orientation are more likely to adopt sound financial practices, enabling them to navigate market uncertainties and achieve sustained performance.

Together, these theories provide a framework for understanding how financial management practices rooted in both resource access (Social Capital Theory) and strategic behavior (Entrepreneurial Orientation Theory) contribute to the performance of women-owned boutique enterprises.

## 2.2 Empirical Literature Review

Globally, financial management has been consistently identified as a critical determinant of small business performance. Brigham and Ehrhardt (2022) argue that record keeping allows entrepreneurs to track cash flows, assess profitability, and make informed investment decisions. In the United States and Europe, access to credit has been linked to improved business scalability, but disparities persist, with women entrepreneurs often facing stricter lending conditions.

In Africa, limited access to affordable credit remains a major barrier to women-owned business growth. Kira (2012) found that Tanzanian women entrepreneurs frequently face high collateral requirements, pushing them toward informal financing sources. Muriithi (2017) similarly reported that undercapitalization is common among women-led MSMEs, reducing their ability to invest in technology, skilled labor, or marketing. Compliance with financial regulations has also been shown to enhance stability and investor confidence, yet many small businesses struggle with bureaucratic processes and inconsistent enforcement (Mwangomo & Kibusi, 2021).

In Tanzania, studies specifically addressing women-owned boutique businesses in the fashion sector are scarce. However, Aikaeli and Mkenda (2021) observed that boutiques with formal record-keeping systems and adherence to tax regulations were more resilient to market shocks. Mori and Richard (2019) noted that while access

to credit has the potential to boost growth, high interest rates and limited loan products tailored to women entrepreneurs have dampened its impact. In Tanzania, studies specifically addressing women-owned boutique businesses in the fashion sector are scarce. However, Aikaeli and Mkenda (2021) observed that boutiques with formal record-keeping systems and adherence to tax regulations were more resilient to market shocks. Mori and Richard (2019) noted that while access to credit has the potential to boost growth, high interest rates and limited loan products tailored to women entrepreneurs have dampened its impact. Therefore, the literature underscores the importance of strengthening financial management capacity and improving access to affordable, gender-responsive financing to support the sustainable growth of women-owned boutiques.

## 3. Methodology

This section presents the research methodology, which includes research design, study area, target population, sample selection and sampling procedure, data collection method and data analysis techniques, validity and reliability, and ethical consideration.

### 3.1 Research Approach

This study adopts a mixed-method approach, which combines both quantitative and qualitative techniques to provide a holistic understanding of the determinants influencing women-owned boutique business performance. The quantitative approach is reflected in the use of structured questionnaires and statistical analysis to measure relationships among financial management and women-owned boutique business performance. The qualitative approach is reflected in the use of interviews to capture respondents' experiences and contextual insights. A mixed approach is considered suitable because it balances the strengths of both methods, allows triangulation of findings, and provides a richer and more reliable understanding of the research problem (Creswell, 2018).

### 3.2 Research Design

This study employs a descriptive research design, which is appropriate for collecting both qualitative and quantitative data from a defined population within a specific timeframe. The design enables the researcher to describe and analyse the influence of financial management on women-owned boutique businesses'

performance. Using structured questionnaires and interviews, the design allows the collection of numerical data for statistical analysis while also capturing respondents' views and experiences. A descriptive survey is suitable for this study because it provides a snapshot of existing conditions, identifies patterns and relationships among variables, and generates findings that can be generalised to women-owned fashion enterprises in Dodoma City (Creswell, 2018).

### 3.3 Study Area

The study was conducted in Dodoma city, targeting women-owned businesses in the fashion industry. The selection of Dodoma City for the survey of women-owned fashion businesses is justified due to its rapid urbanisation and economic growth, which provide a dynamic environment for business performance. Dodoma's growing population and development create a unique context for examining entrepreneurial challenges and opportunities. Additionally, focusing on the fashion industry aligns with global trends, highlighting the increasing importance of women's contributions to this sector. The city's specific socio-economic characteristics will offer valuable insights into regional business dynamics. Thus, Dodoma serves as a relevant and contextually rich setting for the study.

### 3.4 Study population

A target population refers to the entire group of individuals or entities to which a researcher intends to generalise the study findings (Dawadi et al., 2021). In this study, the target population comprised women who own and operate boutique businesses within the fashion industry in Dodoma City, including clothing, footwear, and accessories enterprises. The focus on women-owned boutiques was based on their increasing contribution to urban entrepreneurship and household income. Yet, they continue to face financial, managerial, and market-related challenges that affect their business performance.

According to data obtained from the Dodoma City Council Business Registry (2024) and verified through local trade associations, there are approximately 126 registered women-owned boutique enterprises operating within key commercial areas such as Nyerere Square, Majengo, and Sabasaba. This population was considered appropriate and manageable for the study because it represents the total number of formal and semi-formal women boutique entrepreneurs actively engaged in the fashion sector within the city. Moreover, selecting this defined group ensured that the study findings would be

statistically reliable, contextually specific, and generalizable to similar urban centres across Tanzania, where women's participation in small-scale fashion entrepreneurship is growing.

## 3.5 Sampling Procedure and Sample Size Determinations

### 3.5.1 Sampling procedure

This study employed Probability sampling and non-probability sampling procedures. For quantitative information, using a questionnaire to gather information, the study employed simple random sampling. This method ensures that every woman-owned business in the fashion sector has an equal and fair opportunity of being included. Simple random sampling is good for reducing selection bias and ensuring that the sample is representative of the population, hence increasing the generalizability of the findings (Creswell & Creswell, 2018). This strategy allows for fair respondent selection and contributes to the statistical validity of the study. By using this strategy, the study assures that all women-owned fashion businesses have an equal chance of being chosen, increasing the credibility of the results.

For qualitative information that was collected using the interview method, convenience sampling was used. Convenience sampling is a type of non-probability sampling method in which participants are selected based on their accessibility and willingness to take part, rather than through random procedures. It is often used when quick and inexpensive data collection is required, although the results may lack generalizability because the sample may not represent the broader population (Creswell, 2018)

### 3.5.2 Sample size determination

A sample is a part of the study population that is drawn to show that the rest is alike. The information obtained from the sample is used to characterise the whole population. Thus, the sample is a representative of the entire population of the study. Sampling helps to reduce the costs of the study, manage time as well, and simplify the research process's logistical issues (Creswell, 2018). The sample size for this study is 96 respondents. In this study, the number of women-owned businesses in the fashion industry is not known. Thus, the sample size was obtained by using the formula for finding a known population (Yamane, 1969) as calculated below;

Where, N (Population)=126, n (sample size) =? e (Marginal error) = 5%  
$$n = N/1+N(e)^2 = 126/1+126(0,05)^2 = 96$$

## 3.6 Data type and collection methods

### 3.6.1 Primary data

Primary data was used in this study, which refers to information collected first-hand by the researcher for a specific research purpose. It is original data that has not been previously published. This type of data is often gathered through surveys, interviews, or experiments. According to Creswell (2018), primary data is data that is collected for the first time, directly from sources. The primary data was collected directly from participants through surveys and interviews. This data allowed the researcher to collect and obtain first-hand data from the respondents. Primary data is useful as it provides real-time insights. Quantitative data and qualitative data were used in this study.

### 3.6.2 Secondary data

Secondary data is information that has already been collected, processed, and made available by other researchers, organisations, or institutions. It is used in research for comparative purposes or to build upon existing data (Dawadi et al., 2021). The secondary data was obtained from existing sources such as reports, academic literature from Google Scholar, and organisational documents. This data complements primary data by offering background information, context, and a broader perspective on the research topic. Secondary data was obtained from various literature related to the study.

## 3.7 Data Collection Methods

### 3.7.1 Questionnaire

This method was used to capture quantitative data from women-owned businesses in the fashion industry in Dodoma city. This method was used because it is generally less expensive and does not consume a lot of time in the administration, which enables the researcher to reach all respondents at the same time. This method used structured questionnaires as a tool of data collection. The questionnaire contained closed-ended questions and was designed to capture information based on each specific objective (Creswell & Creswell, 2028).

### 3.7.2 Interviews

An interview is a method of data collection that involves direct communication between the researcher and the respondent. It can be structured, semi-structured, or unstructured depending on the research objectives (Creswell, 2018). The Semi-structured interviews were conducted with key stakeholders to gain qualitative data. These interviews provide a deeper understanding of participants' views, experiences, and challenges related to the research topic.

## 3.8 Data Analysis Methods

Data analysis refers to the systematic process of managing, sorting, and interpreting information to draw conclusions that address the research questions. This process is crucial to ensure the validity and reliability of research findings. "The Influence of Financial Management Practices on Women-Owned Boutique Business Performance in Dodoma City." The study employed both quantitative and qualitative data analysis methods. Quantitative data, collected through structured questionnaires, were entered into the Computer Software SPSS version 25. Data was analysed through descriptive statistics such as frequencies, percentages, means, and standard deviations to summarise responses.

The Qualitative data was gathered from interviews. Thematically using constant comparison analysis to uncover major themes and sub-themes related to women-owned boutique businesses, and understanding the program insights regarding business performance as per the counterpart analysis principle. The collected qualitative data through the interview guide tool and open-ended questions were organised, coded, and categorised into themes. The raw data was made meaningful into patterns, themes, and interpretations. Data analysis involved several steps, such as transcribing the interviews, coding the transcripts to identify key themes, and grouping similar codes into broader categories or themes. Thematic analysis was employed to analyse data segments such as codes, themes, and categories to identify patterns, similarities, and differences employed to identify patterns and insights related to the influence of financial management on women-owned boutique business performance in Dodoma City (Creswell, 2018).

### 3.10 Data Validity and Reliability of Data

#### 3.10.1 Data validity

Validity is the degree to which a study accurately reflects the specific concept that the instruments are intended to measure (Creswell, 2018). The validity of the instruments for data collection in this study was established through expert review and pilot testing. The pilot study was done, and adjustments were made accordingly. The result of the pilot study was included in the final research findings.

#### 3.10.2 Data reliability

Data Reliability refers to the consistency and dependability of the data collection instruments and procedures used in the study (Kothari, 2004). To ensure reliability, the research instruments, including surveys and interview guides, are subjected to a pilot testing phase. This involves administering the instruments to a small sample of respondents before the main data collection to identify any issues related to question clarity or format and to make necessary adjustments. In this study, reliability analysis was conducted to assess the internal consistency of questionnaire items by using Cronbach's alpha. According to Chihambaya & Juma (2025), a widely acceptable range of Cronbach's alpha is 0.70 and above.

### 3.11 Ethical Consideration

Ethical consideration was a priority in this research; ethical issues were one of the main concerns. Therefore, before collecting information from respondents, the researcher clarified the purpose of the study to the respondents. To assure this, the researcher received an introductory letter from the College of Business Education to the Dodoma City Director. In the process of collecting data, the researcher assured respondents that a high level of confidentiality for the information provided by respondents through questionnaires was maintained (Chihambaya & Juma, 2025).

## 4. Results and Discussion

This section presents the results and discussion of both descriptive and inferential statistics, including reliability test, demographic characteristics, diagnosis test, chi-squared test, and binary logistic regression.

### 4.1 Demographic Findings

Demographic findings present the age group, education level, marital status, and years of experience of respondents, as explained in Table 1.

**Table 1: Demographic Findings**

Variable	Category	Frequency	Per cent (%)
Age Group	18-22	00	00%
	23-29	18	18.75%
	30-36	30	31.25%
	37-43	26	27.08%
	44-50	22	22.92%
	50 Above	00	00%
	Total	96	100.00%
Education	Primary/Secondary	22	22.92%
	Certificate/Diploma	25	26.04%
	Degree	29	30.21%
	Others	20	20.83%
	Total	96	100.00%
Marital Status	Single	31	32.29%
	Married	58	60.42%
	Divorced	4	4.17%
	Widow/er	3	3.12%
	Total	96	100.00%
Years of experience	Below 1 year	13	13.54%

Variable	Category	Frequency	Per cent (%)
	1-5 years	25	26.04%
	5-10years	36	37.5%
	Above 10 years	22	22.92%
	Total	96	100.00%

Source: Field data (2025)

#### 4.1.1 Age Group

The age demographic of the respondents, Table 1, indicates that most of the highest percentage of respondents were aged 30–36 years, taking up 31.25% of the population. The next highest was aged 27.08% for 37–43 years, followed by 22.92% for 44–50 years. The age group 23–29 years was the youngest and had the lowest proportion at 18.75%. This implies that the study had a majority of participants who were in their early to mid-career stages, which can influence their opinions and experiences related to the study.

#### 4.1.2 Education Level

As far as education qualifications go, the most significant percentage of respondents were holders of a degree at 30.21%. Following closely were certificate/diploma holders, which made up 26.04% of the sample, and the primary/secondary holders, who made up 22.92%. The remaining 20.83% of respondents would fall into the 'other' category, where informal education, short courses, or professional training fall, as Table 1 indicates.

#### 4.1.3 Marital Status

Most of the respondents in Table 1 were married at 60.42%, followed by being single at 32.29%, being divorced at 4.17%, and being widowed at 3.12%. This

shows that most of the participants had family ties, which may influence their financial decisions, performance of business, or entrepreneurial activity level.

#### 4.1.4 Years of Experience

In response to the question of having work or business experience, most respondents (37.5%) reported having 5–10 years of experience. This was succeeded by 26.04% with 1–5 years of experience, followed by 22.92% with 10 years or above experience. The lowest proportion, 13.54%, had experience of less than one year. From the Table 1 findings, it can be concluded that most of the participants were highly educated and were very experienced in practice, which can ultimately affect the validity of the observations recorded in this study.

### 4.2 Descriptive Statistical Findings on Financial Management Practices and Business Performance

The study examined how financial management practices, record-keeping, access to credit, and compliance affect the performance of women-owned boutique businesses in Dodoma City. Descriptive Statistics analysis in Table 2 revealed varying levels of adoption and effectiveness among these practices.

Table 2: Summary statistics of factors influencing women-owned boutique and business performance

Variable	Mean	Std. Dev.	Min	Max	Skewness	Kurtosis
<b>Financial Management</b>						
Record keeping	4.021	0.438	2	5	-0.84	2.45
Access to credit	2.053	0.306	1	4	0.52	3.12
Compliance	3.061	0.586	1	5	-0.13	2.91
<b>Women-Owned Business Performance</b>						
Sales growth	3.050	0.243	1	5	-0.30	2.77

Source: Field data (2025)

#### 4.2.1 Record Keeping

Record keeping emerged as the strongest component, with a high mean score of 4.021 (SD = 0.438), indicating that

most respondents maintained systematic financial records. This finding aligns with Mwangomo and Kibusi (2021), who noted that consistent record keeping improves operational efficiency and supports strategic decision-making by enabling businesses to track income and

expenditures accurately, evaluate performance trends, and ensure compliance with financial regulations. Proper documentation also facilitates transparency and accountability, which are essential for accessing credit and attracting investors (Mwakibete & Lwesya, 2022). Therefore, the high mean score suggests that effective record-keeping practices significantly contribute to enhanced business performance through improved financial control and informed decision-making.

#### **4.2.2 Access to Credit**

Access to credit, however, recorded a considerably lower mean score of 2.053 (SD = 0.306), reflecting the limited availability of external financing options for boutique owners. The relatively low mean scores of 2.053 (SD = 0.306) indicate that most boutique owners faced significant challenges in obtaining external financing to support their business operations. This suggests that the majority relied primarily on personal savings or informal borrowing rather than institutional credit facilities. Limited access to credit might stem from severe collateral requirements, high interest rates, and inadequate financial literacy among small business owners, which hinder their ability to meet formal lending criteria (Kipesha & Msigwa, 2020).

This finding implies that restricted access to financial capital constrains business growth, innovation, and competitiveness. Without adequate credit, boutique owners may struggle to replenish stock, expand operations, or adopt modern technologies necessary for efficiency and customer satisfaction. Consequently, the limited access to credit may negatively affect their overall business performance and sustainability. This highlights the need for financial institutions and policymakers to design inclusive financing mechanisms such as microcredit schemes and flexible loan conditions to empower small-scale entrepreneurs and enhance their contribution to local economic development.

#### **4.2.3 The Compliance**

The compliance variable registered a moderate mean score of 3.061 (SD = 0.586), suggesting uneven adherence to business regulations and formal financial requirements, which implies that while some business owners made efforts to meet licensing, tax, and regulatory obligations, others operated informally or inconsistently followed financial rules. This variation in compliance could be attributed to factors such as limited awareness of regulatory requirements, perceived high costs of

formalization, and bureaucratic challenges in registration and reporting procedures (Ngalawa & Massawe, 2022).

The implication of this finding is twofold. First, partial compliance may expose businesses to legal risks and penalties, thereby affecting their reputation and long-term sustainability. Second, operating outside formal frameworks restricts access to financial services, government support, and potential markets. Consistent compliance, therefore, not only strengthens business legitimacy but also enhances trust among customers and investors. Encouraging training on business formalization, simplifying regulatory processes, and providing incentives for compliance could improve adherence and ultimately foster better business performance among small-scale enterprises.

### **4.3 Qualitative Findings on Financial Management Practices and Business Performance**

Qualitative interview data supported the quantitative findings.

#### **4.3.1 Record Keeping**

Several respondents highlighted that meticulous record keeping not only enhanced their ability to monitor cash flow and track profitability but also increased their credibility with lenders and suppliers. This finding reinforces the quantitative results, where record keeping emerged as the most dominant financial management practice. Systematic documentation of daily sales, expenses, and inventory enabled business owners to make informed decisions and identify trends that influenced performance outcomes.

Out of the interviewed participants, nine women boutique owners emphasized the importance of maintaining detailed financial records as a key factor in ensuring business stability and trustworthiness. One respondent explained:

“I make sure that every sale and every expense is written down immediately in my record book. This helps me to know exactly how much I have earned and spent each day. When I need a loan or want to buy goods on credit, I can easily show my records, and suppliers trust me because everything is clear. Keeping proper records has truly improved my confidence in managing the

business.” (Interview held with woman-owned boutique shop A, 2025)

Another woman added:

“Before I started keeping records, I often mixed business money with personal spending and ended up confused about profits. Now that I document every transaction, I can plan better and avoid unnecessary losses. My records have also helped me secure small loans from a local microfinance group since they could see my performance history. Record keeping makes me feel in control of my business and more professional.” (Interview held with woman-owned boutique shop B, 2025)

These narratives demonstrate that effective record keeping promotes financial discipline, promotes transparency, and enhances the ability of small business owners, particularly women, to access financial support and build sustainable enterprises. This supports the argument by Mwangomo and Kibusi (2021) that consistent record maintenance improves operational efficiency and decision-making. Similarly, Mwakibete and Lwesya (2022) observed that well-documented financial records enhance entrepreneurs’ credibility, enabling them to secure credit and expand their business ventures.

### 4.3.2 Compliance

Compliance was viewed as essential for avoiding legal penalties and maintaining customer trust. The majority of respondents, seven out of the twelve boutique owners interviewed, acknowledged that adhering to business regulations, such as licensing, tax payment, and standardized financial reporting, helped them operate more securely and sustainably. This finding complements the quantitative results, which showed a moderate mean score ( $M = 3.061$ ,  $SD = 0.586$ ), indicating uneven yet significant levels of compliance among respondents.

One participant highlighted the importance of compliance by stating:

“I make sure that my business license and tax documents are always up to date. Once, I was fined for operating with an expired permit, and it was a painful experience. Since then, I have learned to comply fully with all business regulations because it gives me peace of mind. My customers also trust me more when they see

that my business operates legally.” (Interview held with woman-owned boutique shop C, 2025)

Another respondent similarly noted:

“Compliance is not just about avoiding penalties—it shows that you respect the law and your customers. Some boutique owners ignore these rules to save money, but later, they face bigger problems with municipal officers. For me, following regulations has helped build my reputation, and even suppliers are more willing to work with me, knowing I’m registered and accountable.” (Interview held with woman-owned boutique shop D, 2025)

These accounts underscore that compliance encourages both legal protection and market credibility, reinforcing the argument that formal adherence enhances business legitimacy. It aligns with Ngalawa and Massawe (2022), who asserted that small business compliance with statutory obligations improves access to financial services, market opportunities, and government support. Therefore, while compliance can be perceived as costly or bureaucratic, the findings reveal that entrepreneurs who consistently follow regulations benefit from greater stability, customer loyalty, and long-term performance sustainability.

### 4.3.3 Access to Credit

Access to credit remained a major challenge due to stringent collateral requirements and limited women-focused financial products. These perspectives align with Brigham and Ehrhardt’s (2022) assertion that financial discipline, coupled with reliable documentation, forms the backbone of business growth and sustainability. The findings revealed that eight out of twelve women entrepreneurs expressed difficulties in obtaining loans from formal financial institutions such as banks and microfinance entities. Many respondents indicated that, despite maintaining proper business records, their lack of physical assets or guarantors often excluded them from credit eligibility.

This constraint limited their ability to restock goods, expand operations, or adopt digital payment systems essential for modern business competitiveness. As a result, most resorted to informal financing sources such as rotating savings groups (VICOBA), relatives, or friends. Such reliance, though flexible, often provides insufficient capital for long-term growth and innovation.

One respondent lamented:

“I once applied for a business loan at a local bank, but they asked for land title deeds, which I don’t have. I tried explaining that my business records show consistent profit, but they said it wasn’t enough. Since then, I’ve depended on small contributions from my savings group to buy stock, but the funds are never enough to expand.” (Interview held with the secretary of a woman-owned boutique group shop E, 2025)

Another participant expressed similar frustration:

“Getting credit as a woman is very hard because most of us don’t own property that can be used as collateral. Even when we are serious about repayment, lenders don’t trust us easily. I have been in business for five years, but I still depend on borrowing from relatives when I want to bring in new designs.” (Interview held with woman-owned boutique shop F, 2025)

A third respondent shared her perspective on the psychological and operational effects of limited financing:

“Sometimes I feel discouraged when I see other businesses expanding while I’m stuck because of money issues. I have a good customer base, but without credit, I can’t increase my stock or advertise my products. Financial institutions should have special programs for women so that we can also grow and compete fairly.” (Interview held with woman-owned boutique shop G, 2025)

These testimonies reveal that restricted access to credit continues to be a structural barrier to women’s entrepreneurship, limiting their competitiveness and capacity to scale up. The findings align with Kipesha and Msigwa (2020), who observed that inadequate financial access among women-led enterprises reduces innovation and operational efficiency. Therefore, strengthening gender-responsive financial policies, simplifying loan conditions, and promoting microfinance programs personalized to small female-owned businesses are crucial for enhancing inclusivity and ensuring sustainable business performance.

Therefore, the results demonstrate that effective record keeping and compliance are critical drivers of performance in women-owned boutique enterprises in Dodoma City, while access to credit, though valuable,

remains constrained by systemic financial barriers. Addressing these challenges through targeted financial literacy programs, regulatory support, and gender-sensitive credit facilities could significantly enhance the competitiveness and sustainability of the fashion boutique sector in urban Tanzania.

## 5. Conclusion and Recommendations

### 5.1 Conclusion

The study set out to investigate the influence of financial management practices, record keeping, access to credit, and compliance on the performance of women-owned boutique businesses in Dodoma City. The findings clearly indicate that record keeping and compliance are statistically significant predictors of high business performance. Boutique owners who maintain accurate and systematic financial records are better positioned to monitor their operations, plan effectively, and secure trust from external stakeholders, including financial institutions and suppliers. Similarly, adherence to regulatory requirements and sound compliance practices contributes to operational stability, customer trust, and long-term sustainability. Access to credit, although positively associated with performance, did not show statistical significance, suggesting that financing alone does not guarantee improved outcomes without complementary capabilities such as financial literacy and disciplined fund management.

These results reinforce the view that financial management is not merely an administrative task but a strategic function essential for the growth and competitiveness of women-owned enterprises. The findings also highlight persistent systemic barriers to credit access, including high collateral requirements and limited availability of women-focused financial products. Addressing these constraints is crucial for unlocking the full growth potential of the boutique sector in Dodoma City.

### 5.2 Recommendations

#### 5.2.1 Suggestion for Improvements

Based on these insights, the study recommends various issues. First, targeted financial literacy and record-keeping training programs should be developed and offered to women entrepreneurs in the fashion sector, enabling them to adopt efficient systems that support decision-making and growth. Second, policymakers and

financial institutions should design and promote gender-sensitive credit facilities with flexible collateral requirements, affordable interest rates, and repayment terms that reflect the realities of small-scale fashion enterprises. Third, regulatory agencies should strengthen support mechanisms that encourage compliance, such as simplified tax filing procedures and access to advisory services. Finally, collaborative efforts between government, development partners, and the private sector should focus on building an enabling financial environment where women entrepreneurs can access both the capital and the knowledge needed to sustain and scale their businesses. By implementing these measures, the performance and resilience of women-owned boutiques in Dodoma City can be significantly enhanced, contributing not only to individual business success but also to broader economic empowerment and urban economic development.

## 5.2.2 Areas for Further Studies

Future research could expand this study by comparing financial management practices between women-owned boutique enterprises and other sectors, such as food vending, salons, or tailoring businesses, to determine whether the relationship between record keeping, access to credit, compliance, and business performance differs across contexts. Additionally, longitudinal studies could be conducted to examine how these financial management practices evolve and their long-term impact on business sustainability among women entrepreneurs. Further, future scholars could investigate how structured financial literacy and entrepreneurship training programs influence women's abilities to manage records, access credit, and comply with regulatory requirements, using experimental or quasi-experimental designs to measure behavioral and performance changes before and after such interventions.

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