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Financial Decision Quality and Business Sustainability: The Role of Cash Flow Visibility and Financial Planning Capability

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Abstract

Financial decision quality is essential for small and medium enterprises (SMEs) to maintain financial stability and achieve business sustainability. However, the relationships among cash flow visibility, financial planning capability, financial decision quality, and business sustainability remain insufficiently examined in an integrated framework. This study reviews existing evidence on how financial knowledge, financial planning, and financial information systems relate to financial decision-making and sustainability outcomes in SMEs. A systematic literature review was conducted following PRISMA 2020 reporting principles. Searches conducted on 19 October 2026 identified 49 candidate records, of which eight empirical studies and one systematic review were retained for synthesis. The findings indicate that financial literacy and knowledge are consistently associated with better financial decisions, while accounting information quality and forecasting capacity may support decision-making. Financial planning, sustainable investment, and risk management are also associated with business sustainability. Nevertheless, none of the included empirical studies directly measures cash flow visibility or examines financial decision quality as a mediator between financial capabilities and business sustainability. Furthermore, sustainability is defined inconsistently across studies, limiting comparability. SMEs need to strengthen financial knowledge, planning routines, forecasting capabilities, and the quality of financial information. Future research should directly measure cash flow visibility, test the mediating role of financial decision quality, adopt consistent sustainability indicators, and expand empirical evidence from Indonesian SMEs.

Keywords: *Business Sustainability; Cash Flow Visibility; Financial Decision Quality; Financial Planning Capability; Small And Medium Enterprises*

INTRODUCTION

Small and medium enterprises (SMEs) face cash shortages, uneven access to credit, and thin management capacity, so the quality of their financial decisions often determines whether they keep operating. Financial decisions here include how much to borrow, when to invest, how to budget, and how to manage working capital. A large literature treats financial literacy as a determinant of such decisions (Lusardi & Mitchell, 2014), and a recent systematic review of financial literacy in SMEs concludes that it influences financial attitudes, financial behaviors, organizational capabilities, and performance (Graña-Alvarez et al., 2024).

Knowledge alone, however, does not guarantee sound decisions. Barney (1991) and Teece et al. (1997) argue that firms perform differently because they possess and renew valuable and difficult-to-imitate capabilities, suggesting that knowledge alone does not guarantee sound financial decisions. Two capabilities are especially relevant to finance. Financial planning capability is the ability to forecast, budget, and set financial plans and controls. Cash flow visibility is the degree to which owners and managers can see current and expected cash positions accurately and on time. Both supply the information and routines on which financial decisions rest.

Recent studies point in this direction but rarely test it directly. Samiun et al. (2024) report that financial planning has a significant positive effect on business sustainability in SMEs. Almgrashi (2025)

shows that the quality of a digital accounting system is linked to the sustainability of managerial decision-making among Saudi SMEs. Mahboob et al. (2024) find that Saudi construction SMEs struggle with cash flow forecasting because of scarce financial resources, limited forecasting expertise, and resistance to technology. These studies use different constructs, outcomes, and settings, and none ties planning capability, cash flow visibility, decision quality, and sustainability together in one account.

This article therefore reviews the evidence published between 2021 and 2026 and addresses four questions. RQ1: How are financial knowledge, planning, and information systems related to the quality of financial decisions in SMEs? RQ2: How are these factors and decision quality related to business sustainability? RQ3: What evidence exists on cash flow visibility specifically? RQ4: What gaps and research priorities follow? The review contributes a structured synthesis, shows that cash flow visibility is rarely measured as such, and offers four propositions for future testing. Two of the retained studies are set in Indonesia, which allows some attention to the local evidence base.

LITERATURE REVIEW

Constructs and working definitions

The four constructs in the title are defined unevenly in the literature, so this review uses working definitions. Financial decision quality refers to the degree to which financial choices, such as financing, investment, budgeting, and working capital decisions, are informed, rational, and consistent with the firm's goals. Studies measure it in different ways. González-Prida et al. (2025) measured micro-entrepreneurs' capacity for information processing and decision-making, Abdi (2024) examined investment decisions of SME managers, and Almgrashi (2025) examined the quality of sustainable decision-making.

Financial planning refers to the practices SMEs use to manage their financial resources (Samiun et al., 2024), and Maharaj and Doorasamy (2024) treat it as a source of critical success factors for SME performance and sustainability in the post-COVID-19 period. Cash flow visibility is not a standard construct in the SME literature. The closest retained evidence concerns cash flow forecasting (Mahboob et al., 2024) and the quality of accounting information and digital accounting systems (Almgrashi, 2025; Nuraliati et al., 2025). Business sustainability is used with several meanings, from the financial continuity of the firm to broader sustainable business performance, as discussed in the results.

Theoretical lenses

Three lenses recur. First, financial literacy theory explains why knowledge improves decisions, and the review by Graña-Alvarez et al. (2024) calls for studying these links from behavioral economics and decision-making perspectives. Second, Barney (1991) and Teece et al. (1997) explain, through the resource-based view and dynamic capabilities theory, why capabilities such as planning and forecasting may differentiate firms. Third, information systems success models, such as the DeLone and McLean model applied by Almgrashi (2025), explain how the quality of information and systems shapes use and, in turn, decision outcomes.

Debates and gaps

Three debates frame the review. The first concerns whether knowledge, capability, or information is the binding constraint on decision quality. The second concerns whether decision quality is itself the mechanism linking these factors to sustainability, since most studies model direct effects. The third concerns how sustainability should be measured. Gaps remain in four areas: direct measures of cash flow visibility, models that include decision quality as a mediator, comparable sustainability outcomes, and

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evidence from emerging economies such as Indonesia. This review addresses these gaps through a structured synthesis.

METHOD

Design and protocol

This study is a systematic literature review reported according to the principles of the PRISMA 2020 statement (Page et al., 2021). The review protocol was not registered. The review question was framed around the population (SMEs and micro-enterprises), the exposures (financial knowledge, financial planning, cash flow management and forecasting, and financial information systems), and the outcomes (financial decision quality and business sustainability or closely related performance).

Eligibility criteria and screening

Records were included if they (a) were published between 2021 and 2026; (b) were peer-reviewed journal articles; (c) concerned SMEs or micro-enterprises; (d) were empirical studies of financial knowledge, planning, cash flow, or financial information in relation to financial decisions, sustainability, or closely related performance; and (e) had verifiable bibliographic details (authors, journal, and volume or DOI) and an accessible abstract. Reviews were not treated as primary evidence, although one systematic review of direct relevance was retained as context. Records were excluded if they fell outside the date window or were dissertations, if they were reviews, bibliometric studies, or conceptual papers, if their population or focus lay outside the scope (for example, banks, large listed firms, or machine-learning models of bank transactions), or if their bibliographic details or abstract could not be verified.

The searches surfaced 49 distinct candidate records. Table 1 shows how they were screened. After applying the criteria, eight primary studies and one review were retained. Screening was performed by a single reviewer, so inter-rater agreement could not be assessed.

Table 1. Screening outcomes of candidate records (n = 49)

Stage or reason	Records	%
Candidate records surfaced by the searches	49	100.0
Excluded: outside 2021–2026, or dissertation	3	6.1
Excluded: review, bibliometric study, or conceptual paper	9	18.4
Excluded: population or focus outside scope (e.g., banks, large firms, machine learning)	7	14.3
Excluded: bibliographic details or abstract could not be verified	21	42.9
Retained as context: systematic review	1	2.0
Retained for synthesis: primary studies	8	16.3

Percentages are shares of the 49 candidate records.

Data extraction and synthesis

For each retained study, the setting, design and sample, financial constructs, outcome, and main finding were extracted, mainly from abstracts and accessible excerpts, because full texts were not available for every record. No formal risk-of-bias instrument was applied; design and sample size were noted as informal indicators of strength. Findings were synthesized thematically and narratively, because the studies differ too much in constructs and models for a meta-analysis.

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RESULTS AND DISCUSSION

Characteristics of the included studies

Of the eight retained studies, five were published in 2024 and three in 2025. Six used quantitative questionnaires, and the designs of the other two are not reported in the abstracts consulted. Where the setting is reported, studies come from Saudi Arabia (two studies), Indonesia (two), Somalia, and South Africa. Three studies measured a decision-related outcome (Abdi, 2024; Almgrashi, 2025; González-Prida et al., 2025). Two report sustainability-oriented outcomes in their abstracts (Ratnawati et al., 2024; Samiun et al., 2024). According to the abstracts consulted, none measures cash flow visibility as a construct, and none models decision quality and sustainability in the same analysis. Table 2 summarizes the studies.

Table 2. Primary studies retained for synthesis (n = 8)

Study	Setting	Design and sample	Constructs examined	Main finding
Abdi (2024)	Somalia	Correlational; 250 targeted SMEs in Mogadishu	Financial literacy; investment decisions	Components of financial literacy, including debt and risk management, relate to managers' investment decisions
Mahboob et al. (2024)	Saudi Arabia	Construction SMEs; design n.r.	Cash flow forecasting with building information modelling	Obstacles are scarce financial resources, lack of forecasting expertise, and resistance to technology
Maharaj & Doorasamy (2024)	South Africa	SMEs; design n.r.	Financial planning success factors	Aims to identify planning factors critical for post-COVID-19 SME performance and sustainability
Ratnawati et al. (2024)	Indonesia	Questionnaires; 261 SMEs, 783 respondents; PLS	Financial literacy; access to finance; fintech; sustainable performance	Literacy drives access to finance and fintech adoption, which promote sustainability performance; top management support moderates
Samiun et al. (2024)	n.r.	Quantitative survey; 80 SMEs	Financial planning; sustainable investment; risk management	Each has a significant positive effect on business sustainability
Almgrashi (2025)	Saudi Arabia	Questionnaire; 328 SME decision-makers; DeLone and McLean model	Digital accounting system quality; use; satisfaction	System and information quality drive use, which relates to sustainability of decision-making; service quality did not
González-Prida et al. (2025)	n.r.	Likert questionnaire; micro-entrepreneurs	Financial education; decision-making capacity	Financial education relates favorably to rationality in decisions
Nuraliati et al. (2025)	Indonesia	318 questionnaires; manufacturing firms in Bandung	Management accounting system; accounting information quality	Both significantly affect financial performance

n.r. = not reported in the abstract consulted. PLS = partial least squares.

Knowledge and decision quality (RQ1)

Evidence on knowledge is the most consistent. González-Prida et al. (2025) report a favorable relationship between financial education and rationality, defined as micro-entrepreneurs' capacity to select among acceptable options. Abdi (2024) finds that components of financial literacy, including debt management and financial risk management, are related to the investment decisions of SME managers in Mogadishu. The review by Graña-Alvarez et al. (2024) supports the same direction at a broader level, concluding that financial literacy influences financial behaviors and organizational capabilities. Ratnawati et al. (2024) add a mechanism: in 261 Indonesian SMEs, financial literacy is an instrumental driver of access to finance and fintech adoption, and top management support moderates the link from literacy to these two routes.

Two cautions apply. Decision quality is measured differently in each study, from rationality to investment choices, so the results are not directly comparable. Moreover, knowledge is a property of the

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individual owner or manager, whereas planning and visibility are properties of the firm. The evidence therefore says less about whether firm-level capabilities add something beyond individual literacy.

Information systems, forecasting, and visibility (RQ1 and RQ3)

The closest evidence on visibility concerns the quality of financial information. Almgrashi (2025), using data from 328 decision-makers in Saudi SMEs, finds that system quality and information quality significantly influence system utilization, that utilization and user satisfaction shape the benefits of the digital accounting system, and that these benefits relate to the sustainability of decision-making. Service quality did not affect utilization. Nuraliati et al. (2025), in 318 questionnaires from manufacturing firms in Bandung, report that the management accounting system and accounting information quality significantly affect financial performance (Arif & Windarsari, 2026; Dipoatmodjo et al., 2026). Both studies suggest that better information supports better outcomes, although neither measures how clearly managers can see their cash position.

The only retained study centered on cash flow forecasting is Mahboob et al. (2024), who examine building information modelling for forecasting in Saudi construction SMEs. They identify three obstacles: scarce financial resources, a lack of advanced forecasting expertise, and resistance to technology adoption. This finding implies that visibility is costly to build and depends on skills and attitudes, not only on software. For RQ3, the answer is that direct evidence on cash flow visibility is absent from the retained set, and the construct has to be inferred from studies of information quality and forecasting.

Planning capability and sustainability (RQ2)

Samiun et al. (2024), studying 80 SMEs, report that financial planning, sustainable investment, and risk management each have a significant positive effect on business sustainability. Maharaj and Doorasamy (2024) set out to identify the financial planning factors that are critical for SME performance in a post-COVID-19 environment, which positions planning as a basis for survival after a shock, although the specific factors are not extracted here. Ratnawati et al. (2024) show that financial literacy supports sustainable business performance through access to finance and fintech adoption. Together these studies associate planning and financial capability with sustainability, but the studies with a reported design rely on managers' perceptions collected in surveys, which limits causal claims.

How sustainability is defined (RQ2)

The studies use sustainability in at least four senses. Samiun et al. (2024) use business sustainability as the dependent variable for SMEs. Ratnawati et al. (2024) use sustainable business performance. Almgrashi (2025) uses the sustainability of decision-making, which concerns the decision process and not the firm's survival. Nuraliati et al. (2025) use financial performance. Because these meanings differ, a finding that a capability improves "sustainability" in one study cannot be assumed to hold in another. Future work should state whether sustainability means financial continuity, resilience after shocks, or broader environmental and social performance.

Integrative synthesis and propositions

Read together, the evidence supports a capability account in which knowledge, planning capability, and information quality shape financial decision quality, which in turn supports business sustainability. The retained studies support the first links only partially and the mediating role of decision quality not at all, because no study tests it. Table 3 therefore presents four propositions derived from the synthesis. They are proposals for future research, not findings of this review.

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Table 3. Propositions derived from the synthesis

Proposition	Basis in retained evidence	Evidence status
P1: Financial knowledge and planning capability improve financial decision quality	Financial education and rationality (González-Prida et al., 2025); literacy components and investment decisions (Abdi, 2024)	Supported for knowledge; planning capability not tested against decision quality
P2: Cash flow visibility improves decision quality, especially under liquidity pressure	Information quality and system use (Almgrashi, 2025); accounting information quality (Nuraliati et al., 2025); forecasting obstacles (Mahboob et al., 2024)	Indirect only; visibility not measured
P3: Decision quality mediates the effect of planning capability and visibility on sustainability	Planning and sustainability (Samiun et al., 2024); literacy, access to finance, and sustainability (Ratnawati et al., 2024)	Untested; no study includes decision quality and sustainability together
P4: These effects are stronger where managerial support and access to finance are present	Top management support as moderator and access to finance as route (Ratnawati et al., 2024)	Partial; one study

Implications, limitations, and research agenda (RQ4)

For SME owners and advisers, the synthesis suggests that investing in knowledge is necessary but not sufficient, and that attention should also go to the routines of planning and the quality of the information on which decisions are made. For policy makers, financial literacy programs may work better when paired with support for planning tools and basic digital accounting, given the obstacles identified by Mahboob et al. (2024) and the role of access to finance and fintech in Ratnawati et al. (2024). Because only two retained studies are set in Indonesia, these points should be tested locally.

Several limitations qualify the review. The searches used an open web search engine instead of Scopus or Web of Science, so relevant studies may have been missed, and the PRISMA-style counts describe this search only. A single reviewer screened the records. Extraction relied mostly on abstracts. Twenty-one otherwise relevant records were excluded because their bibliographic details or abstracts could not be verified, which may bias the corpus. The corpus is small and heterogeneous, and only English-language sources were considered (Riu et al., 2026; Windarsari & Arif, 2026). A replication in Scopus and Web of Science with two independent reviewers and full-text appraisal is the obvious next step.

The findings point to five research priorities. First, studies should measure cash flow visibility directly, for example, as the timeliness and accuracy of cash position information. Second, designs should model financial decision quality as a mediator between capabilities and sustainability. Third, sustainability outcomes should be defined consistently and, where possible, measured with objective data such as survival, liquidity, or cash conversion. Fourth, longitudinal and multi-method designs should replace single cross-sectional surveys. Fifth, evidence from Indonesian SMEs should be extended, including firms with limited digital capacity.

CONCLUSION

This systematic literature review asked how financial decision quality, cash flow visibility, and financial planning capability relate to business sustainability in SMEs. Across eight primary studies published in 2024 and 2025, financial knowledge is consistently linked to better decisions, information quality and forecasting capacity appear to shape decision quality, and financial planning is associated with sustainability. The central finding, however, is a gap: no retained study measures cash flow visibility directly or tests decision quality as the link between capabilities and sustainability, and sustainability itself

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is defined in several ways. The four propositions offered here give researchers a starting point, and SME advisers a reason to treat planning and visibility as capabilities to build, not only as accounting tasks.

DECLARATION OF GENERATIVE AI

During the preparation of this manuscript, the authors used Grammarly Application and QuillBot to improve the clarity, readability, and language accuracy of the text. Output generated by the tools was carefully reviewed and edited by the authors, who take full responsibility for the content of this article. All substantive intellectual contributions, including conceptualization, analysis, interpretation of data, and final decisions regarding content, arguments, and conclusions, were carried out solely by the authors. The authors take full responsibility for the integrity, originality, and academic quality of this article.

DECLARATION OF CONFLICTING INTERESTS

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