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Risk Tendency and Enterprise Performance: The Mediating Role of Banking Services

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Abstract: This research explored the relationship between risk tendency and enterprise performance, with a focus on the mediating roles of credit access and other banking services. The objective was to examine the contribution of banking operations to enterprise development. Data collected from SMEs in Ghana's capital city were analyzed using PLS-SEM version 3.0. The structural model evaluation revealed a significant positive effect of risk tendency on enterprise performance, along with notable influences of both credit access and other banking services. Moreover, both credit access and other banking services were found to significantly mediate the relationship between risk tendency and enterprise performance. The study offers practical implications for businesses, emphasizing the importance of leveraging access to capital and adopting innovative banking services to support growth, enhance resource acquisition, and facilitate business expansion.

Keywords: Risk Tendency, Performance, Mediation, Financial Services, Credit Access, Developing Economy.

Type: Research paper

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1. Introduction

The relationship between entrepreneurship and risk tendency remains a significant topic in the study of entrepreneurial development. Research has confirmed that an individual's attitude toward risk plays a crucial role in the growth and sustainability of a business. This phenomenon is supported by several studies (Abdieva et al., 2019; Caliendo et al., 2010; Filmina & Mayangsari, 2020; Macko & Tyszka, 2009). In developing economies, where businesses are exposed to numerous risks due to regional challenges, entrepreneurs must adopt an appropriate attitude toward risk in order to successfully grow their ventures (Bertanzetti et al., 2024). This is particularly true for small and medium-sized enterprises (SMEs), which often face greater difficulties (Ackah & Vuvor, 2011). Some of the key challenges identified include limited access to finance, inadequate infrastructure (e.g., electricity, logistics, transportation, and information and communication technologies), a shortage of skilled labor, and the lack of effective management practices—each of which has corresponding potential mitigation

strategies (Bertanzetti et al., 2024). These challenges can pose serious threats to business viability, and entrepreneurs must maintain a proactive and resilient attitude to navigate them successfully.

The role of banking in the growth and development of businesses cannot be overstated. Banks provide essential financial services that support the smooth operation of enterprises (Norden, 2015). While access to finance remains the most critical challenge facing SMEs (Norden, 2015), an entrepreneur's attitude toward risk can also influence their ability to secure funding, thereby affecting business growth. Lenders and investors often assess a firm's risk orientation when deciding whether to extend credit or investment (Takang & Ntui, 2008). A business that demonstrates a cautious and well-considered approach to risk is generally perceived as more stable and reliable. Consequently, lenders and investors are more likely to trust that their capital will be managed responsibly, increasing the firm's chances of obtaining finance.

This research draws on Cumulative Prospect Theory (CPT), developed by Tversky and Kahneman (1992), to explain the role of risk attitude in influencing access to finance. CPT, a refinement of the original Prospect Theory, models decision-making under conditions of risk and uncertainty. It proposes that individuals evaluate the probabilities of outcomes in a non-linear manner—tending to overweight low-probability events and underweight high-probability ones. Lenders, guided by similar cognitive biases, may overweight the probability of borrower default—particularly in high-risk environments—resulting in higher interest rates or outright denial of credit.

The primary aim of this research is to investigate how access to finance (including credit access and other financial services) mediates the relationship between risk tendency (RT) and enterprise performance (EP). Specifically, the study seeks to determine how an entrepreneur's risk tendency influences their ability to secure financing and, in turn, how this financial access affects overall business performance. By examining this mediating relationship, the study aims to provide deeper insights into how RT shapes financial accessibility and how improved access to finance can enhance a firm's operational efficiency, growth, and long-term success. The findings will offer valuable implications for both entrepreneurs—who seek to refine their financial strategies—and policymakers—who aim to improve financial systems and support business development. Furthermore, the study contributes to the growing body of knowledge on the critical role of risk attitude in financing and business success.

The remainder of the study is structured as follows: Section 2 presents the literature review and develops the study's hypotheses; Section 3 outlines the research methodology; Section 4 details and discusses the results; and Section 5 provides the conclusion.

2. Methodology

2.1. Risk Tendency, Credit Access, and Enterprise Performance

The relationship between risk tendency and enterprise performance has been studied multiple times in recent years (Heru-Kristanto, 2022; Sidek et al., 2019; Whajah & Adenutsi, 2024). This focus may be attributed to the critical role that risk attitude plays in entrepreneurial activities. Risk behavior is essential for

navigating the various challenges that arise in business (Caliendo et al., 2010). Findings from these studies have been mixed. Some report positive and significant outcomes (Buchdadi et al., 2020; Heru-Kristanto, 2022; Sidek et al., 2019; Wati et al., 2021; Ye & Kulathunga, 2019), while others find no significant effect on the relationship between financial risk attitude and a firm's sustainability (Ferli, 2023; Sukmana et al., 2024).

Despite the growing body of research on the relationship between RT and EP, the specific role of access to finance as a mediator in this link has received relatively little attention. This gap is particularly noticeable in the context of developing economies, where access to finance is often a critical factor in business success. One of the few studies to explore this area is the work by Sidek et al. (2019) in Malaysia. Their study, titled "Sustaining Small Business Performance: Role of Entrepreneurial Orientation and Financial Access," stands out as a significant contribution to this underexplored topic. In their research, Sidek and colleagues investigated how access to credit mediates the relationship between RT and the sustainability of an enterprise. Their findings revealed a significant positive effect, indicating that when businesses with the right risk attitudes have better access to credit, their chances of sustaining and enhancing performance are considerably improved. This study underscores the importance of financial access in translating risk attitudes into tangible business success, suggesting that financial access could be a crucial lever for policymakers and business leaders aiming to bolster the performance and sustainability of SMEs. However, similar studies in other regions—particularly in developing countries—are still lacking, highlighting the need for further research to better understand these dynamics in different economic contexts.

The role of credit access as a mediating factor between RT and business performance remains underexplored, particularly in developing regions such as Ghana. In these settings, where businesses often grapple with a variety of economic uncertainties and operational challenges, the ability to access finance is crucial for sustaining and growing enterprises. Small and medium-sized enterprises (SMEs), which are the backbone of many developing economies, frequently encounter significant obstacles when seeking financial support, often due to perceived risks by lenders. Therefore, a deeper understanding of how RT—whether conservative or aggressive—influences EP through the lens of credit access could offer critical insights. Such knowledge would not only inform policies aimed at improving financial inclusion but also empower entrepreneurs to better navigate the complexities of the business environment. This research, hence, posits the following hypotheses:

H1: The relationship between risk tendency and enterprise performance is significantly positive.

H2: Risk tendency significantly affects enterprise credit access.

H3: Credit accessibility significantly impacts enterprise performance.

H4: Credit access significantly mediates the relationship between risk tendency and enterprise performance.

2.2. Risk Tendency, Credit Access, and Enterprise Performance

The banking function encompasses a range of services beyond just credit access. Banks also offer advisory services, internet and mobile banking, relationship

banking, deposits, and payment solutions. In recent years, there has been a shift from traditional banking methods—such as deposits, payments, and loans—toward more sophisticated approaches designed to enhance the customer banking experience. Researchers have explored the importance of some of these services for businesses and society at large.

Adewoye (2013), for example, examined the importance of mobile banking in enhancing service delivery to customers. The findings revealed that mobile banking improves service delivery by offering transactional convenience, quick transaction alerts, time savings, and reduced service costs—all of which have strengthened customer relationships and satisfaction. Similarly, Siam (2006) examined the impact of electronic banking services on bank profitability. The study found that, in the short term, electronic banking services negatively affect profitability, while in the long term, they have a positive impact. Berggren et al. (2010) also examined the influence of banks' advice to SMEs on customer satisfaction. The results indicated that corporate customers were generally satisfied with their relationships with banks, although concerns were raised about the technical quality of the services.

The outcomes from prior research provide significant insight into the importance of these banking services for business improvement. However, previous studies have primarily emphasized the importance of these services to the bank's business performance, with less attention given to their significance for the customer's business. This research, therefore, examines how the customer's risk tendency influences the success of their business. Accordingly, the following hypothesis is proposed:

H5: Access to bank services significantly impacts the performance of an enterprise.

The connection between RT and access to finance is well-documented in the literature. An entrepreneur's RT can significantly impact their ability to secure financing. This relationship was demonstrated in a study conducted in Central Java, Indonesia (Buchdadi et al., 2020). The researchers collected data from 70 SME managers in the Brebes district to explore the link between risk attitude and business performance. Their SEM analysis revealed a positive and significant connection between risk attitude and EP. Ye and Kulanthunga (2019) also examined this relationship among chief financial officers of SMEs in Sri Lanka, and their findings aligned with those of Buchdadi et al. (2020). Attitude toward risk influences both the desire and ability to access financial assistance.

In addition to accessing credit, previous studies reveal that the adoption of services such as mobile banking, business advice, and electronic banking is still in its early stages in many regions (Bagadia & Bansal, 2016). This slow adoption persists despite the fact that these services offer significant advantages, including the convenience of accessing banking information anytime and anywhere. This level of accessibility can be particularly empowering for consumers, enabling them to manage their finances more efficiently and make informed decisions. However, this convenience is not without its drawbacks. The use of mobile and electronic banking carries risks, including potential loss, theft, or exposure to malware that could compromise sensitive financial information. For many risk-averse consumers, these dangers outweigh the benefits, leading them to avoid such services altogether. This behavior underscores how a consumer's attitude toward risk can significantly influence the adoption of new financial technologies.

Conversely, businesses and individuals who are less deterred by these risks and perceive them as manageable are more likely to adopt services like electronic banking. By leveraging these technologies, they can benefit from increased efficiency, cost savings, and enhanced customer service. Their ability to effectively manage the associated risks allows them to use these tools to improve overall performance and competitiveness. Thus, although adoption remains nascent, the potential of mobile and electronic banking to transform business operations is substantial—particularly for those willing to engage with and mitigate the associated risks. Accordingly, this study hypothesizes:

H6: Risk tendency significantly affects access to bank services.

Furthermore, the research by Sidek et al. (2019) focused specifically on the role of risk attitude in credit access. However, the potential influence of risk propensity on enterprise performance through other bank services—aside from credit—was not considered. Given the significant impacts documented in prior investigations regarding these services, this study assumes that non-credit bank services also significantly mediate the RT–EP relationship. Therefore:

H7: The relationship between risk tendency and enterprise performance is significantly mediated by other bank services.

Figure 1 presents the conceptual framework.

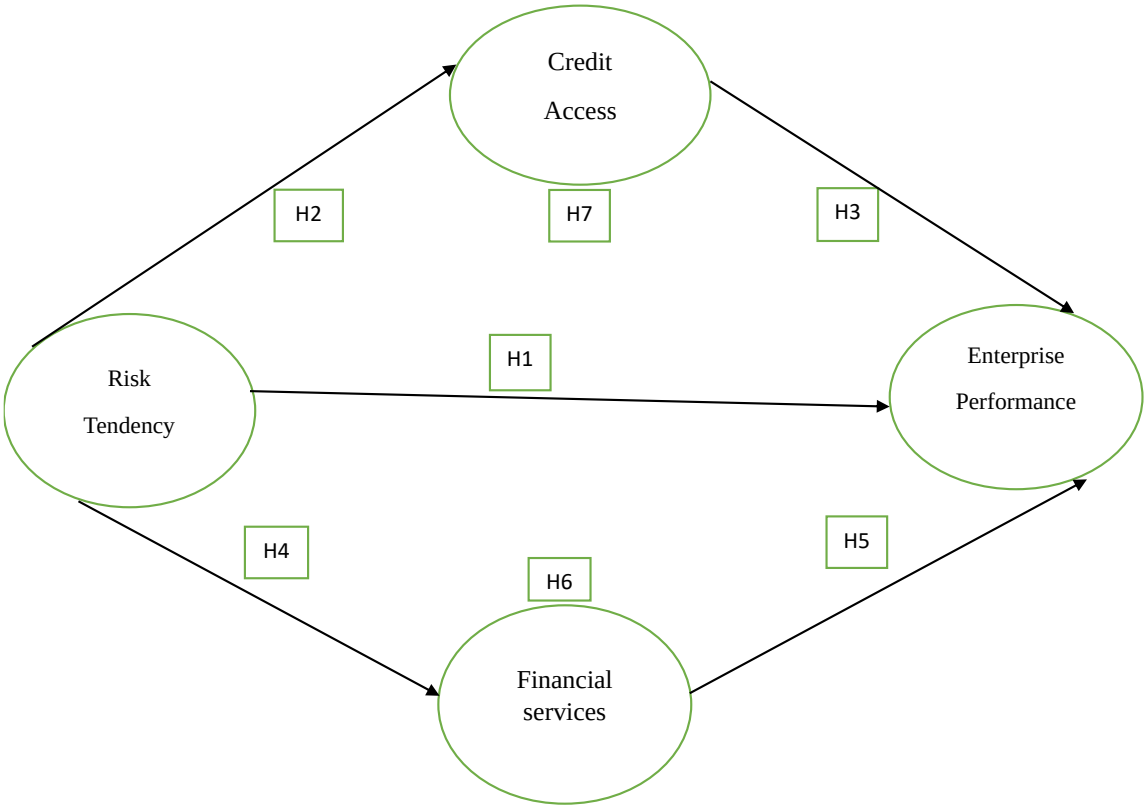

Figure 1: Conceptual framework

3. Methodology

3.1. Data Collection

This research adopts a quantitative approach and utilizes data from small and medium enterprises (SMEs) operating in Accra, the capital of Ghana. Members of

the Ghana Enterprise Agency located in Accra were contacted and informed about the study after a simple random sampling was conducted using a membership list provided by the agency. Accra was selected as the study location because it serves as the country's primary business hub (Hayford, 2012).

Questionnaires were subsequently delivered to the offices or homes of SME managers or owners, as agreed upon. A structured questionnaire was used to collect data from SMEs in the services sector. The questions were adapted from Ye and Kulathunga (2019) and customized to suit the context of Ghanaian SMEs. This focus is justified by the sector's significant contribution to Ghana's gross domestic product (GDP), accounting for approximately 46.3% of the country's total GDP (Ghana Statistical Service, 2024).

The questionnaire was reviewed by both academic and industry experts, resulting in the revision of some questions and the removal of others deemed irrelevant to the current study. A pilot test involving thirty (30) SMEs in Accra was conducted to evaluate the time required to complete the questionnaire, assess respondents' understanding of the items, and address ethical considerations. Following minor revisions based on pilot feedback, full-scale data collection commenced.

Most questionnaires were completed on the same day they were distributed. The few that were not were retrieved at a later date, as agreed upon. The sample size was calculated using Slovin's formula ($n = N / (1 + Ne^2)$). The total number of SMEs in the services sector in Accra was 84,682, yielding a required sample size of 398: $n = 84,682 / (1 + 84,682 \times 0.05^2)$. Based on insights from the pilot study, 650 questionnaires were distributed. However, only 278 (43%) were returned. After cleaning the data, 247 questionnaires were deemed usable for analysis.

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM 3.0). This tool was chosen due to its strength in modeling complex variable relationships and its ability to handle both large and small sample sizes (Ryan, 2020; Hair & Alamer, 2022). Furthermore, PLS-SEM was appropriate given the study's aim of predicting and explaining the relationships among the key variables.

3.2. Measurement of Variables

Risk tendency was measured by assessing the inclination of SME owners or managers to take financial risks in various scenarios. Respondents were asked about their willingness to allocate 10% of annual profits to business development, invest 10% of annual income in stocks, set aside another 10% for emergencies, and risk a day's income in a high-stakes game. Credit access was measured by evaluating the respondents' ability to obtain formal financial resources. This included their satisfaction with loan terms and conditions, the appropriateness of the loans for business purposes, the ease of accessing loans, and the affordability of the loan products offered. Financial services were assessed based on respondents' access to a range of banking services beyond credit, such as business advisory services, electronic banking, and deposit or withdrawal services. Lastly, enterprise performance was measured by examining business growth indicators, including changes in sales revenue, increases in the number of employees, and expansion in market share.

4. Findings

Partial least squares SEM (PLS-SEM) analysis includes two models: the measurement model and the structural model. The first step in evaluating PLS-SEM results involves examining the measurement model. This step is a crucial component of SEM, as it defines how latent variables are operationalized through measurable indicators (Hair et al., 2021). Once all indicator criteria are satisfied, researchers can proceed to assess the structural model (Hair et al., 2019). The structural model is the component of SEM that defines and tests the relationships among latent variables (Hair et al., 2021).

4.1. Demographic Variables

The sample characteristics in Table 1 show that 54% of respondents were male and 46% were female, suggesting a relatively balanced gender distribution, albeit with a slight male majority. Despite growing female entrepreneurship in recent years, the predominance of male respondents supports existing views on male dominance in entrepreneurship, particularly in developing countries where traditional gender roles persist (Startienė & Remeikienė, 2008). Additionally, 46.2% of the businesses were small enterprises, while 53.8% were medium-sized, indicating a slight majority of medium-sized firms. This may suggest an ongoing trend of business growth and transition from small to medium enterprises, pointing to a relatively stable and mature business environment with significant contributions to Ghana's GDP (Enu et al., 2015; Ghana Statistical Service 2024).

Regarding educational background, 181 respondents reported some level of formal education, 22 had informal education, and 44 had no education at all. This distribution suggests that most respondents possess at least a foundational level of knowledge and skills likely to influence their business decisions positively.

Table 1: Demographic variables

Characteristic	Category	Frequency	Percentage
Sex	Male	132	54%
	Female	115	46%
Workers	6–30	114	46.2%
	31–100	133	53.8%
Education	Formal	181	73.3%
	Informal	22	8.9%
	None	44	17.8%

4.2. Construct Reliability and Validity Assessment

The quality of constructs in this study was rigorously assessed through a comprehensive evaluation of the measurement model. This process is essential for determining the extent to which the constructs accurately reflect the underlying concepts. The evaluation included assessments of reliability and validity.

The first step in assessing the measurement model involves evaluating factor loadings, which indicate how well each indicator represents its latent

construct. Higher factor loadings suggest stronger relationships. According to Purwanto (2021), indicator loadings should exceed 0.70. All indicators in Table 2 and Figure 2 met this criterion.

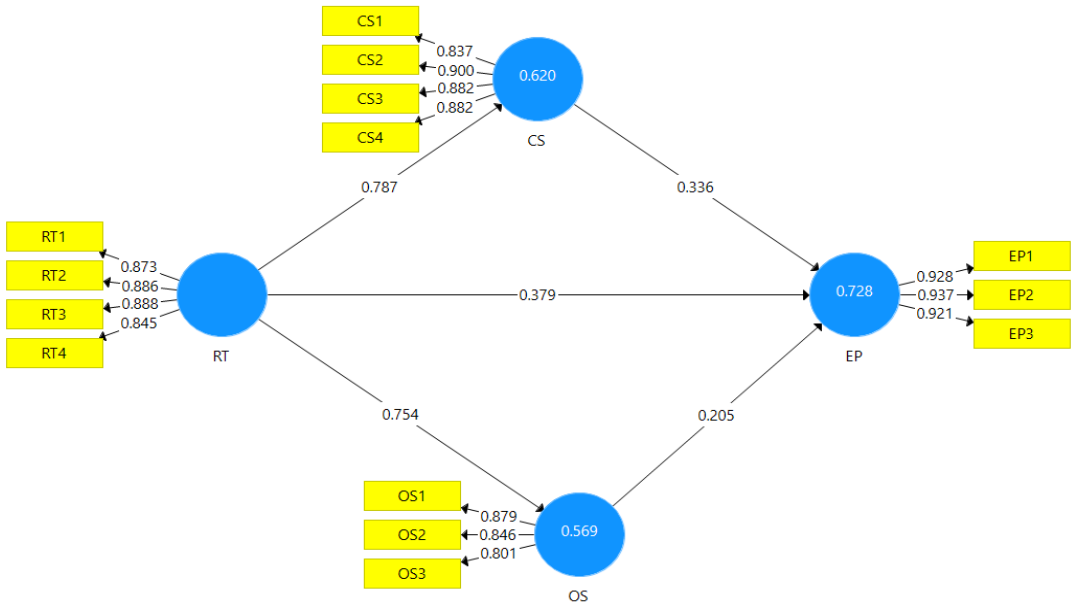

Figure 2: Measurement model from PLS assessment

Table 2: Factor loadings

	CA	OBS	PF	RT
CA1	0.838			
CA2	0.899			
CA3	0.882			
CA4	0.882			
OBS1		0.877		
OBS2		0.848		
OBS3		0.804		
EP1			0.928	
EP2			0.937	
EP3			0.921	
RT1				0.873
RT2				0.886
RT3				0.888
RT4				0.845

VIF is used to detect multicollinearity among predictors. High VIF values indicate redundancy, which can distort regression estimates. According to Hair et al. (2019), VIF values should be below 5. All values in this study shown in Table 3 met this criterion.

Table 3: VIF

Indicator	VIF
CA1	2.079
CA2	3.067
CA3	2.688
CA4	2.597
OBS1	1.759
OBS2	1.715
OBS3	1.648
EP1	3.310
EP2	3.683
EP3	3.160
RT1	2.508
RT2	2.621
RT3	2.701
RT4	2.221

Reliability, assessed using Cronbach's alpha and composite reliability, ensures consistent measurement. A threshold of 0.70 is standard (Hair & Alamer, 2022). All constructs shown in Table 4 exceeded this benchmark.

Table 4: Reliability

Construct	Cronbach's Alpha	Composite Reliability
CS	0.898	0.929
EP	0.920	0.949
OS	0.798	0.880
RT	0.896	0.928

4.3. Discriminant Validity Evaluation

Discriminant validity indicates the degree to which a construct is distinct from other constructs in terms of what it measures (Hair and Alamer, 2022). In other words, it ensures that a latent variable captures a unique aspect of the data not represented by other variables in the model. The Fornell-Larcker criterion and cross-loadings are widely recommended methods for assessing discriminant validity. The Fornell-Larcker criterion determines whether a latent construct is sufficiently distinct from others in the model, while cross-loading assesses the extent to which an item designed to measure a specific construct is more strongly associated with its intended construct than with others in the model.

Discriminant validity using the Fornell-Larcker method is established when the square root of the average variance extracted (AVE) for each construct is greater than its correlations with other constructs. For cross-loadings, discriminant validity is confirmed when each item's loading on its intended construct exceeds its loadings on all other constructs (Wasko and Faraj, 2005).

This ensures that constructs are distinct. Two tests were used: the Fornell-Larcker criterion and cross-loading analysis. Fornell-Larcker requires the square root of AVE to exceed inter-construct correlations. Cross-loading requires each item to load higher on its parent construct than on others.

Table 5: Fornell-Larcker criterion

	CS	EP	OS	RT
CS	***0.876***			
EP	0.800	***0.928***		
OS	0.808	0.763	***0.843***	
RT	0.787	0.798	0.754	***0.873***

Note: Bold and italicized values represent the square root of AVE.

As shown in Table 5, all diagonal values (square roots of AVE) are greater than their corresponding off-diagonal correlations, indicating that discriminant validity has been established.

Table 6: Cross-loadings

	CS	OS	PF	RT
CS1	0.837	0.710	0.702	0.669
CS2	0.900	0.641	0.681	0.654
CS3	0.882	0.734	0.713	0.706
CS4	0.882	0.740	0.704	0.724
OS1	0.778	0.879	0.737	0.747
OS2	0.686	0.846	0.635	0.629
OS3	0.547	0.801	0.528	0.494
EP1	0.738	0.715	0.928	0.766
EP2	0.759	0.727	0.937	0.740
EP3	0.731	0.681	0.921	0.717
RT1	0.672	0.659	0.700	0.873
RT2	0.719	0.695	0.745	0.886
RT3	0.700	0.673	0.706	0.888
RT4	0.656	0.602	0.631	0.845

As shown in Table 6, each item's loading on its intended construct exceeds its loading on any other construct, thereby confirming discriminant validity through cross-loading analysis.

4.4. Model Fit

The predictive capacity of the model is assessed using the R-squared (R^2) value. This estimate indicates the proportion of variance in the dependent variables that is explained by the predictor constructs. According to Hair and Alamer (2022), R^2 values ranging from 0 to 0.10 suggest weak explanatory power; values from 0.11 to 0.30 indicate modest explanatory power; values from 0.31 to 0.50 reflect moderate explanatory power; and values greater than 0.50 demonstrate strong explanatory power.

Table 7: R-squared values

Variable	R^2
CS	0.620
EP	0.728
OS	0.569

All R^2 values obtained in this study were above 0.50, indicating strong explanatory power across the constructs. Specifically, an R^2 of 0.620 for credit

access (CS) indicates that 62.0% of the variance in credit access can be explained by the risk tendency of business managers or owners. An R^2 of 0.728 for enterprise performance (EP) implies that 72.8% of the variance in performance can be attributed to the firm's access to both credit and other banking services. Lastly, an R^2 of 0.569 for other services (OS) indicates that 56.9% of the variation is explained by other bank services. The remaining unexplained variance may be due to variables not considered in this study.

4.5. Structural Model Fit

The structural model, also known as the inner model, represents the hypothesized relationships between latent constructs in the research framework. Hair and Alamer (2022) recommend a bootstrap routine with 5,000 iterations to ensure statistical stability. This analysis evaluated the direct and indirect relationships among the constructs. The direct relationships are presented in Table 8.

The direct relationships were all found to be significant. The analysis demonstrated a positive and significant relationship between the bank's credit services and enterprise performance. Specifically, the findings indicated that a 1% change in an enterprise's credit situation would result in a notable 0.336 increase in the firm's growth. This outcome is consistent with the conclusions of several studies, including those by Fombang and Adjasi (2018), Ngo and Le (2023), Sibanda et al. (2018), and Turyakira et al. (2019), which also identified significant correlations between access to credit and enterprise performance. These results further underscore the critical role that financial resources play in enhancing business performance, suggesting that enterprises with better access to credit are better positioned to invest in growth opportunities, improve operational efficiency, and sustain a competitive advantage. The study highlights the importance of financial institutions in supporting businesses—particularly small and medium enterprises (SMEs)—by providing them with the necessary credit to thrive in competitive markets. It also emphasizes the broader economic implications, as improved enterprise performance contributes to economic development and job creation. This evidence reinforces the argument for policies that enhance access to credit for businesses, ensuring they can leverage financial support to drive innovation, expansion, and overall success.

The hypothesis concerning bank services and enterprise performance (OS and EP) also showed a positive and significant outcome. It indicated that a change in the bank services provided to businesses would result in a 0.205 significant change in enterprise performance. This outcome signifies the importance of other banking services—aside from credit—for business development and underscores the need for banks to maintain and enhance such services. This result aligns with that of Adewoye (2013), who found mobile banking services to be positive and significant for businesses, and with Berggren et al. (2010), who reported that customers expressed satisfaction with their banking relationships. However, this finding contrasts with the investigation by Siam (2006), who observed that electronic banking had a negative short-term impact on bank profitability. Nonetheless, this effect may not extend to the customer's business.

The hypothesis on risk tendency and credit access (RT and CA) was also significant, with a beta coefficient of 0.787 and a p-value of 0.000. This suggests that business owners' attitudes toward risk not only demonstrate boldness in facing uncertain situations but also serve as indicators of their creditworthiness. These findings support the conclusions of Hermansson (2015), who noted that individuals with higher risk tolerance tend to hold more debt than those who are risk-averse.

The analysis of the relationship between risk tendency and enterprise performance (RT and EP) was also significant (β = 0.379, p = 0.000), showing a notable effect of risk tendency on enterprise performance. This result reinforces the importance of risk-taking in the entrepreneurial process (Sidek et al., 2019). It also echoes previous findings that identified a positive and significant relationship between risk attitude and firm performance (Buchdadi et al., 2020; Sidek et al., 2019), though it diverges from the findings of Ferli (2023), who reported that risk attitude does not significantly influence the sustainability of an enterprise.

The relationship between risk tendency and other bank services (RT and OS) was the final direct relationship examined. The result was positively significant, indicating that a change in the risk propensity of an enterprise's manager or owner would lead to a 0.754 increase in the use of the bank's other services. This suggests that while some individuals avoid certain banking services (such as electronic banking) due to the risks involved (Berggren et al., 2010), those who embrace these services benefit from advantages that enhance their business performance.

Table 8: Direct relationships

Path	β (O)	T-statistic	p-value
CS → EP	0.336	4.490	0.000
OS → EP	0.205	3.218	0.001
RT → CS	0.787	23.076	0.000
RT → EP	0.379	5.738	0.000
RT → OS	0.754	22.005	0.000

Table 9 presents the results of the mediation analysis conducted between risk tendency (RT), credit access (CA), bank services (OS), and enterprise performance (EP). The study adhered to the three conditions for establishing a mediation relationship as outlined by Baron and Kenny (1986). First, both the mediator and the independent variable must have a significant and direct relationship with the dependent variable. Second, there should be a statistically significant link between the independent variable and the mediator. Finally, the relationship between the independent and dependent variables should weaken or shift when the mediator is introduced.

The mediating influence of bank services on the relationship between risk tendency and enterprise performance showed a positive and significant result. The direct relationship between RT and EP was significant, as was the relationship

between RT and OS, and between OS and EP—thus fulfilling the first and second mediation conditions. In satisfying the third mediation condition, the original association between RT and EP, which was 0.379, was reduced to 0.154, emphasizing that some effects of RT must operate through OS to generate growth. This result highlights the importance of both risk tendency and financial inclusion for businesses. The positive and significant outcome of the mediating effect of bank services on the RT–EP relationship underscores the crucial role these elements play in business success. This finding suggests that even in the absence of traditional credit facilities, an individual's attitude toward risk can significantly influence their willingness to access—or avoid—other banking services essential for business growth. For example, risk tendency may shape a person's confidence in using services like electronic banking, which might otherwise seem daunting to those with a lower risk appetite (Demirdogen et al., 2010; Reepu and Arora, 2022). Moreover, the interaction between risk tendency and bank services implies that businesses led by individuals with higher risk tolerance are more likely to experiment with and adopt innovative banking solutions, thereby gaining a competitive advantage.

Table 9: Mediating analysis

Path	β (O)	T-statistic	p-value
RT → OS → EP	0.154	3.168	0.002
RT → CS → EP	0.264	4.181	0.000

The final analysis focused on the mediating effect of credit access on the relationship between risk tendency and enterprise performance. This hypothesis was found to be positive and significant. The original relationship between RT and EP, which was 0.379, was reduced to 0.264, indicating that some effects of RT still operate through credit access to generate growth. This result means that businesses with a higher risk tendency are more likely to perform better when they have access to credit. Credit access provides the necessary financial support to take calculated risks, invest in growth opportunities, and manage potential downsides. Essentially, credit serves as a catalyst that amplifies the positive effects of risk-taking on business success. This finding aligns with that of Sidek et al. (2019), who concluded that access to debt finance significantly enhances the sustainability of firms.

5. Conclusion

The study explored the mediating role of access to finance in the relationship between risk tendency and enterprise performance. The results from the PLS-SEM analysis revealed a positive and significant effect, suggesting that the influence of risk tendency on an enterprise's performance is notably mediated by the firm's access to finance, including both credit access and banking services.

The study further highlights practical implications for businesses. It is important for enterprises to take advantage of innovative banking services

designed to support business growth. These services often offer more flexible and accessible options compared to traditional banking, making it easier for businesses to secure the financing they need for development. Additionally, they can enhance operational efficiency by providing real-time financial data, enabling automated transactions, and improving customer engagement. As a result, businesses that adopt such innovations are better positioned to adapt to changing market conditions, manage risks more effectively, and achieve long-term success.

Governments and financial regulators should prioritize the development and promotion of inclusive financial policies that facilitate broader access to credit and innovative banking services, particularly for SMEs. By improving financial accessibility and encouraging risk-taking behavior through supportive regulatory frameworks, policymakers can empower businesses to leverage financial resources more effectively—thus driving economic growth and enhancing enterprise performance. Such efforts could include expanding credit guarantee schemes, providing incentives for financial institutions to offer customized products for entrepreneurs, and investing in financial literacy programs to help businesses make informed decisions about using financial services.

It is important to note that the respondents in this study were exclusively SME owners or managers within the services sector. Other industries, such as agriculture and manufacturing, were not included. The focus on the services sector is justified, given its role as the largest contributor to the country's Gross Domestic Product (GDP), underscoring its relevance for economic research and policy formulation. However, while the prominence of the services sector makes it a critical area for investigation, future studies could benefit from expanding the scope to include other key sectors like agriculture and manufacturing.

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