Financial culture and working capital of MYPE in time of COVID-19 in a city of Peru

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ABSTRACT

The purpose of this research was to know the relationship that exists between the financial culture and working capital of the MYPE at the time of COVD-19, in the city of Chepén. The type of research was applied and corresponds to a non-experimental design, correlational level and quantitative approach, the survey was used as a technique and two Likert-type scale questionnaires were applied. The result showed that there is a strong positive correlation between warehouse management and productivity through Spearman's correlation coefficient (r=0.719). Concluding that there is a high relationship between the variables under study.

Keywords: financial culture, working capital, COVID -19

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INTRODUCTION

In the business world, working capital is a necessary tool for the operation of the business, an important point is to see the financial culture of entrepreneurs in the MSE sector, a sector that boosts the economy of our country and that in the context of COVID-19 has been affected. That is why the need to address the research entitled: Financial culture and Working capital of MSEs in times of COVID-19, in the city of Chepén, 2021. Also, it is a concern to know the results that will be of great importance for the city of Chepén and its microentrepreneurs, sharing this information to achieve a good knowledge, behavior and financial attitude in the correct administration of working capital. Flores, Triviño & Delgado. (2018). In his article entitled: The Importance of Working Capital in Tangible Goods Ventures, recommendations are made on the relevance of working capital in the firm, this is especially true if working capital is small, because it allows you to understand through examples to maintain contingent capital flows and prioritize debt and the importance of maintaining company policies. Stable economic conditions can prevent the disappearance of companies. MSEs (micro and small enterprises) in Peru represent 99%, identifying 74% as informal, who develop a production of 47% of the Gross Domestic Product (GDP) and originate employment with 85%.

At the national level, the research work of Arreiza and Gavidia (2021) in their article entitled: Management of working capital as a financial strategy for business development, aimed to analyze the management of working capital from the analysis of book reviews and use it as a financial strategy for business development. As a result, working capital ensures that the company has enough cash flow to carry out normal operations. Similarly, Do Prado, de Melo, Francisval, & Ribeiro (2019) sought to recognize the financial ratios that differentiate Brazilian business organizations that are listed on the stock exchange and that have loans and analyze those techniques used more precisely that prevent the bankruptcy of business organizations. The research work expresses this problem of MSEs What is the relationship between the Financial Culture and the Working Capital of MSEs in the time of COVID-19, in the city of Chepén, 2021? The research is justified under the criterion of convenience given that it contributes to entrepreneurs through financial culture in the development of the management of the working capital of MSEs in times of COVID-19, in terms of justification for their social relevance given that MSEs are generators of employment having an impact on the economy of the chepén district, It is also justified in practice because it will increase new knowledge in terms of financial culture of chepén entrepreneurs in the face of the pandemic situation. On the other hand, it has a theoretical justification, framed under the theories of the company and the management of finances, it is also methodologically justified because the research is applied of a cross-sectional correlational type, developing with the inductive and deductive methods and to collect information from the questionnaire.

In this sense, this study aims to achieve the following general objective: To determine the relationship between financial culture and the working capital of MSEs in times of COVID-19, in the city of Chepén, 2021. The specific objectives: Determine the level of Financial Culture of MSEs in times of COVID-19, in the city of Chepén, 2021; Determine the level of Working Capital of MSEs in times of COVID-19, in the city of Chepén, 2021; To determine the relationship between the Financial Knowledge dimension and the Working Capital of MSEs in the time of COVID-19, in the city of Chepén, 2021; To determine the relationship between the financial behavior and working capital dimension of MSEs in times of COVID-19, in the city of Chepén, 2021; To determine the relationship between the Financial Attitude dimension and the Working Capital of MSEs in the time of COVID-19, in the city of Chepén, 2021. In the same way, the following general hypothesis is also presented: Hi: There is a relationship between financial culture and the working capital of MSEs in the time of COVID-19, in the city of Chepén, 2021.

METHOD

Type and design of research

Type of research: applied

Research design: non-experimental

Level: correlational

Data collection techniques and instruments

Defined as those procedures that allow the researcher to collect necessary information (Terán, 2020). To collect information, the survey will be used and the document to be used called an instrument, will be the questionnaire. The questionnaire will be validated by being reviewed for having experience and good judgment, with (3) experts who understand the methodology of the research, who are masters and doctors, giving them a copy to review the respective questionnaire, evaluating and identifying it.

Data analysis method

As a method of the detailed examination that will be used after applying the surveys in the companies, it will be to transfer the information to Excel and the SPSS version 25 program, where the data will be processed to obtain detailed and reliable information and at the same time represent the results in tables and graphs.

Ethical considerations

The information used comes from the digital platforms Scielo, and EBSCO, which were chosen for the respective study. The results that will be obtained by applying the questionnaires that were validated, were properly processed without any alteration. Respondents will be considered anonymous. We will work with respect in the study groups.

RESULTS

Table 1 shows that the significance value ($p=0.000$) is less than 5% (maximum permissible error), which indicates that there is a relationship between the financial culture and the working capital of the MSEs in the time of COVID-19 in the city of Chepén, 2021. Likewise, spearman's correlation coefficient was ($r = 0.719$), which means that the relationship is positive high. Therefore, the greater the financial culture, the capital can be increased.

Table 1. Relationship between the financial culture and the working capital of the Mypes in the time of COVID-19 in the city of Chepén,2021.

			Financial Culture	Working capital
Spearman's Rho	Financial culture	Correlation coefficient	1.000	,719**
		Sig. (bilateral)		0.000
		N	160	160
	Working capital	Correlation coefficient	,719**	1.000
		Sig. (bilateral)	0.000	
		N	160	160

Table 2 shows that the significance value (p=0.000) is less than 5% (maximum permissible error), which indicates that there is a relationship between the financial knowledge dimension of the financial culture and the working capital of the MSEs in the time of COVID-19 in the city of Chepén, 2021. Likewise, spearman's correlation coefficient was (r=0.790), which means that the relationship is positive high. Then the more financial knowledge the better the opportunities to increase working capital.

Table 2. Relationship between the financial knowledge dimension of financial culture and the working capital of MSEs in times of COVID-19 in the city of Chepén,2021.

			Financial knowledge	Working capital
Spearman's Rho	Financial knowledge	Correlation coefficient	1.000	,790**
		Sig. (bilateral)		0.000
		N	160	160
	Working capital	Correlation coefficient	,790**	1.000
		Sig. (bilateral)	0.000	
		N	160	160

Table 3 shows that the significance value (P value = 0.000) is less than 5% (maximum permissible error) which indicates that there is a relationship between the financial behavior dimension of the financial culture and the working capital of the Mypes in the time of COVID-19 in the city of Chepén, 2021. Likewise, spearman's correlation coefficient was 0.723, which means that the ratio is positively high.

Table 3. Relationship between the financial behavior dimension of financial culture and the working capital of MSEs in times of COVID-19 in the city of Chepén,2021.

			Financial behavior	Working capital
Spearman's Rho	Financial behavior	Correlation coefficient	1.000	,723**
		Sig. (bilateral)		0.000
		N	160	160
	Working capital	Correlation coefficient	,723**	1.000
		Sig. (bilateral)	0.000	
		N	160	160

Table 4 shows that the significance value (P value = 0.000) is less than 5% (maximum permissible error) which indicates that there is a relationship between the financial attitude dimension of the financial culture and the working capital of the MSEs in the time of COVID-19 in the city of Chepén, 2021. Likewise, spearman's correlation coefficient was 0.742, which means that the relationship is positive high.

Table 4. Relationship between the financial attitude dimension of financial culture and the working capital of MSEs in times of COVID-19 in the city of Chepén,2021.

			Financial attitude	Working capital
Spearman's Rho	Financial attitude	Correlation coefficient	1.000	,742**
		Sig. (bilateral)		0.000
		N	160	160
	Working capital	Correlation coefficient	,742**	1.000
		Sig. (bilateral)	0.000	
		N	160	160

DISCUSSION

The micro and small enterprise in the city of Chepén has been the main source of income for many people in order not to be left without a job, one of the elementary factors for the development of commercial activities is innovation, at the same time the barriers faced by these mypes is the matter of financing in which financial services and products are unattainable or in a long-term possibility term resorting to the informality of loans with unpayable interest. The formalization programs that the state can offer are insufficient, which is why it reflects the growth of informality at the national level, having these drawbacks these companies are unable to continue growing due to lack of this leverage, reducing investment within the organization. During the time of COVID-19 in the city of Chepén, the financial sustainability of many enterprises and companies have been affected, they have faced a significant reduction in sales, in other cases the paralysis of production in terms of the type of business of the company, loss of working capital and especially the lack of suppliers due to the global shortage of many raw materials, there is a very important congruence between the knowledge that the microentrepreneur may have and the financial stability of the venture or business.

Many companies currently have to implement not only financially but the digital and technological modality through social networks to have a dynamism, positioning, improvement of sales in the market, this will have a strong impact on working capital, generating improvements, stability and possibilities of institutional improvement to the organization. Companies, as well as people, have a financial life which must be educated and adapted to the requirements, projections, needs so that it can improve in the short medium and long term. Financial behavior works in the same way, but so that it can work in a better way or have a better result goes hand in hand with financial education and who does not have it is exposed to make a greater number of mistakes with a negative future price, being costly mistakes for the company or venture, in the city of Chepén they are seeing the positive responses during the process of the COVID-1pandemic 9, the level of response is positive the work of the manager of these companies can remain with the idea of maintaining working capital, all this will be reflected by being formal in the tax obligations, services, amortizations of financial liabilities, generating greater stability within it

Faced with the situation experienced during the COVID-19 pandemic of 2021, the possibilities of savings in the short, medium and long term are in serious problems in the face of the conjuncture, other conditions that we can analyze in this dimension will be the ability to pay by companies and entrepreneurs, the possibility of being able to pay if we can assume our commitments, although it is true that it can be handled internally in the company through a business loan in a financial institution, it is necessary to analyze it in the face of the increase in interest in these entities, before signing any long-term financing, in front of the panorama that has been facing. The city of Chepén having as main economic sectors such as the agricultural and agro-export sector are sources of income not only for medium-sized companies but for the clusters that are immersed to supply these businesses, being Chepén a stable economy, sustainable in the face of adversities.

CONCLUSIONS

Andthere is a relationship between the financial culture and the working capital of the MSEs, which shows that the greater the financial culture, the greater the working capital and growth of the organization can be increased. The financial knowledge dimension of the financial culture and the working capital of MSMEsare related, which reflects that the greater the financial knowledge, the better the opportunities to increase working capital. The financial behavior dimension of the financial culture and the working capital of MSEs are related, which means that financial behavior guarantees working capital. Finally, there is a relationship between the financial attitude dimension of the financial culture and the working capital of the MSEs, it is verified that the relationship is positive which means that the better the financial attitude, the greater the possibility of obtaining working capital.

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