Enhancing financial resilience of women-owned SMEs in the aftermath of COVID-19 pandemic: the antecedent role of social capital

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Abstract

Purpose – Scientific knowledge is rich with literature on the antecedent role of social capital on resilience. However, empirical evidence has overlooked the role of the individual dimensions of bonding and bridging social capital on its outcomes. This study aims to extend empirical research on the influence of social capital facets of bonding social capital and bridging social capital on financial resilience and more specifically in the aftermath of the COVID-19 pandemic where women SMEs mostly need bonding.

Design/methodology/approach – The study uses an explanatory research design to determine the hypothesized effect of social capital on financial resilience. The authors used regression to test the hypothesized relationship using a sample of three hundred and eight four women-owned SMEs in Kampala registered with Kampala City Traders Association.

Findings – According to the findings, the social bonding provides female entrepreneurs with emotive encouragement and inspiration through personal connections and responsibility sharing. Furthermore, women entrepreneurs bridging, which consisted of business networks, made it easier for them to identify new financial opportunities, which ultimately led to an increase in their financial resilience. The findings placed an emphasis on the significance of fellow business owners as sources of knowledge and assets that are crucial to maintaining one's financial resilience.

Research limitations/implications – Data were collected from women owned SMEs, and the application of the findings may be limited to women SMEs in Kampala District. Therefore, future research

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should replicate the current study findings using a sample drawn from other SMEs owned by both male and female from outside Kampala because of changes in operating environment. The study was cross-sectional, and financial resilience of a firm changes was periodical. This study paves the way for future longitudinal research in the same topic area, which will allow for a more complete comprehension of the financial resiliency of SMEs throughout a range of different time periods.

Practical implications – Research findings shape trajectory for current practitioners of SMEs to establish relevant social bonding and bridging as social capital in preparation for financial resilience in case of any pandemic.

Originality/value – To the best of the authors' knowledge, this study is the first to establish the antecedent role of social capital on financial resilience during an economic crisis induced by the COVID-19 pandemic, using a sample of women-owned medium- and small-sized businesses in Kampala.

Keywords Financial resilience, SMES, Bonding, Bridging

Paper type Research paper

Introduction

An unparalleled level of economic turmoil has materialized as a direct consequence of COVID-19 pandemic's initial outbreak. It is now impossible to predict how long this crisis will last or what its long-term repercussions will be for businesses and business owners. The economic situation brought about by the epidemic appears to be worse from the point of view of female business owners. There was a major reduction in consumer demand, revenue, poor savings, declining investor trust and, overall, an inadequate preparation for dealing with unpredictability, which leads to a long time or irreversible shut down for numerous of the women owned firms. This was a direct result of the lack of preparedness to cope with uncertainty (Sahi *et al.*, 2023; Gandhiok, 2020; Torres *et al.*, 2023). These factors all contributed to the closure of the businesses. Because women-led SMEs are more involved in service and commerce sectors, as well as small manufacturing ones, they are more likely to be adversely affected by the epidemic. These are low-margin industries that are extremely vulnerable to fluctuations in demand because of their thin profit margins. In addition, women business owners shoulder a significantly great share of the responsibility for family care, particularly in regard to eldercare and child care, as a result of the closure of schools, which has a disproportionately negative impact on their businesses (OECD, 2023). Whereas governments all around the world have been implementing business relief programs, these programs generally target entrepreneurs rather than focusing particularly female entrepreneurs' requirements and needs (Tiwari and Shastri, 2023). In light of this, it is important to investigate how female entrepreneurs manage to triumph over these challenges, as well as the elements such as social capital contribute to their financial resilience. According to Tiwari and Shastri (2023), limited research has revealed function that social capital plays in the generation of contextual factors that enable the growth of social capital enhance financial resilience following a crisis. This is especially true for small independent businesses. In line with a study by Lengnick-Hall *et al.* (2011), the capacities acquired by social networks broaden the variety of practicable activities, which stimulates financial resilience. The social capital of proprietors of businesses offers them with material and financial assets, knowledge about creative concepts, assistance in household duties, inspire them to do effectively, support them psychologically, confidence in their decisions, etc., allowing them to progress with business amid pandemic difficulties (Windasari *et al.*, 2023; Tiwari and Shastri, 2023; Kijkasiwat *et al.*, 2022).

Despite that numerous studies have recognized the significance of social capital on resilience, very little research has focused on the specific roles of bonding and bridging social capital in enhancing the financial resilience of women-owned SMEs during crises. The current literature extensively explores general business resilience and social capital, but there is a paucity of empirical research that examines how these distinct forms of social capital specifically contribute to the financial resilience of women entrepreneurs in the context of an economic crisis like the COVID-19 pandemic. This lack of targeted research represents a significant gap, given that women-owned SMEs face unique challenges that are not adequately addressed by generalized resilience strategies (Ellison *et al.*, 2007). This study seeks to fill this gap by empirically investigating the influences of bonding and bridging social capital on the financial resilience of women-owned SMEs in Kampala. The term "Bonding Capital" refers to the connection that one has with those who are close, such as neighbours, friends, family and coworkers (Lukasiewicz *et al.*, 2019). According to Ellison *et al.* (2007), bridging capital consists of relationships with coworkers, friends and groups members. By focusing on these two facets of social capital, this research extends the understanding of how these networks operate under crisis conditions, particularly during the COVID-19 pandemic.

Through this focused investigation, the study aims to provide insights that are particularly relevant to female entrepreneurs, who often face distinct challenges such as balancing business responsibilities with increased caregiving duties. Specifically, the research addresses the inquiry of how both bonding and bridging social capital contribute to augmenting the financial resilience of small and medium enterprises (SMEs) owned by women. This quantitative study conducted sheds light on the intricate dynamics of social capital within women-owned SMEs in Kampala metropolitan amidst the challenges posed by the COVID-19 pandemic. This contribution is crucial for developing targeted support mechanisms and policies that address the specific needs of female entrepreneurs, thereby promoting more inclusive economic recovery and resilience.

The article reminder is sectioned in four structures. The first section entails the theoretical anchor for the study and literature review. The second section entails the mythology; the third section comprises the study findings, while the fourth section comprises the discussion of findings, contribution, recommendations, limitations and areas for further research.

Theory and hypothesis

Theoretical review

The theoretical foundation of this study is rooted in Social Capital Theory by Putnam (2000) which posits that social networks have value and that these networks along with the norms of reciprocity and trustworthiness that arise from them, enable individuals to achieve collective or economic goals. Social capital, as defined by Putnam (2000), refers to the networks, norms and social trust that facilitate coordination and cooperation for mutual benefit. It is categorized into bonding social capital, which involves close, supportive relationships and bridging social capital, which encompasses broader, more diverse networks. Social Capital Theory explains the causal link between social capital and financial resilience through the resources and support these networks provide. Bonding social capital offers immediate and trusted support during crises, such as financial aid, emotional encouragement and collective problem-solving capabilities (Cai, 2017). These close-knit relationships help maintain financial stability by sharing resources and reducing individual stress through mutual support.

On the other hand, bridging social capital provides access to new opportunities, diverse information and external resources, which are critical for adaptation and recovery during economic disruptions (Aldrich and Meyer, 2015). These broader networks enable SMEs to identify new markets, secure external funding and adopt innovative solutions that enhance their resilience. By fostering trust, reciprocity and collaboration, social capital enhances the financial resilience of women-owned SMEs (Widia and Octafia, 2023). During the COVID-19 pandemic, these networks have proven essential in helping businesses navigate the challenges posed by the crisis. Bonding social capital ensures that immediate needs are met through a supportive community, while bridging social capital opens up avenues for growth and adaptation, thus maintaining business continuity and stability.

Hypothesis development

The COVID-19 pandemic has had a profound impact on SMEs worldwide, with women-owned enterprises facing unique challenges. For instance, in many countries, women-owned companies have faced compounded challenges under COVID-19. These challenges include restricted mobility, reduced market access and heightened security risks, which have severely impacted their financial resilience and operational continuity (Hashemy *et al.*, 2023). The pandemic has altered the risk-taking behaviors of SMEs, with significant differences observed between family and non-family firms. Research indicates that family firms, with their long-term orientation and risk-averse nature, have been more cautious in their approach compared to non-family firms, which may pursue aggressive risk-taking strategies to capitalize on new opportunities (Shafeeq Nimr Al-Maliki *et al.*, 2023a, 2023b).

Due to the limitations caused by the pandemic like social distancing and closure of business, understanding how social capita (in form of social networks) support financial resilience is crucial since the methods of business continuity was anchored on ability of the business to use networks and operate online. Scholars have conceptualized social capital using bonding social capital and bridging social capital. Bonding social capital refers to the close-knit relationships that provide emotional and practical support, while bridging social capital encompasses broader, more diverse networks that offer new opportunities and resources (Ellison *et al.*, 2007).

Recent studies have highlighted the importance of various factors in enhancing SME resilience during the pandemic. For instance, government wage subsidies have been shown to significantly enhance SME resilience by alleviating financial pressures and helping businesses retain employees (Miocevic and Srhoj, 2023). This underscores the need for targeted policy interventions to support SMEs, particularly those owned by women. Also, scholars such as emphasize that diverse and socially responsible boards are more likely to foster innovative practices that enhance business resilience, particularly in times of crisis (Shafeeq Nimr Al-Maliki *et al.*, 2023a).

One of the significant interventions during the COVID-19 pandemic has been governmental wage subsidies. These subsidies have played a crucial role in enhancing the financial resilience of SMEs by reducing operational costs and helping businesses retain their workforce. Studies have shown that such subsidies can stabilize cash flows and prevent layoffs, thereby maintaining business operations during economic downturns (Miocevic, 2023). Importantly, the implementation and effectiveness of these subsidies are often facilitated by strong social capital, which fosters trust and cooperation between government agencies and SMEs. Social networks and relationships within the business community help disseminate information about available subsidies and ensure compliance with regulatory requirements, thereby maximizing the benefits of governmental support (Miocevic and Srhoj, 2023; OECD, 2021; Micheli *et al.*, 2021).

These resilient enterprises draw upon the extensive web of connections to access resources like financial resources and adaptive capabilities by capitalizing on both professional connections and social support (Salignac *et al.*, 2022; Hussain *et al.*, 2020; Kass-Hanna *et al.*, 2022; Martinelli *et al.*, 2018). Social ties are a form of “resilience resource” that helps people by building trust and working together. Social networks are important for creativity because they make it possible to transfer knowledge. To increase the likelihood of obtaining opportunities and embracing innovations, the right networks are essential (Romero and Molina, 2011).

The entrepreneurs' bridge relationships give them access to knowledge about market demand, cost-effective sources for inventory, novel prospects, etc. Further still, social networks demonstrate confidence in business owners, increasing likelihood that businesses would survive and turn a profit during a crisis (Müller and Korsgaard, 2018; Adler and Kwon, 2002; Mimi , n.d.). Entrepreneurs' associates, such as the members of the family and friends, who together make up their bonding capital, also give them access to some crucial resources, such as labour and capital, infrastructure, and the drive to carry on with their businesses, which has been shown to be a lifesaver for them in difficult circumstances (Davidsson and Honig, 2003; Lans *et al.*, 2015; Dyer *et al.*, 2014).

In spite of the significance of social capital for financial resilience, there are few studies specifically focused on women in this field. As a result, literature on how to enhance financial resilience amidst a pandemic is not exhaustive. Bridging social capital as an antecedent of financial resilience has not been explored, despite the fact that recent research (Meliou, 2020) emphasize its role on financial resilience during times of crisis. In light of the aforementioned deficiencies, the current research determines the contribution of social capital in enhancing financial resilience of women owned SMEs amidst the COVID-19-caused economic crisis in Kampala metropolitan. Hence, we hypothesize;

H1. Bonding social capital significantly enhance financial resilience of women-owned SMEs.

Methods

Study population

The population comprised 3,274 registered women-owned enterprises registered with Kampala City Traders Association (KACITA). The justification for considering SMEs in Kampala metropolitan is that majority (61.1%) of the SMEs are situated in Kampala Metropolitan area (Abaho, 2017). The study was conducted based on empirical evidence derived from a sample comprising women-owned SMEs registered under KACITA. The sample size, determined using Cochran's formula (1970) for sample size determination, was scientifically set at 384 women-owned SMEs. The unit of inquiry for the study was the managers of these SMEs. Drawing from O'Regan and Ghobadian (2004) perspective, business managers were chosen as they occupy strategic positions and are well-placed to provide data on organizational financial resilience. Managers, according to Young and Dulewicz (2009), are considered capable of accurately responding to inquiries regarding organizational qualities.

Data collection for this study was carried out over a three-month period from July to September 2022. Questionnaires were distributed to both owners and managers, with a total of 311 SMEs participating in the study. To reach the respondents, visits were made to the respective SMEs, and communication was established with both the manager and the owner. In cases where the owner also served as the manager, data was collected directly from the owner. In instances where both the owner and manager were present, data was collected from both parties. The researchers hired, trained, and worked with eight research assistants to expedite the data gathering procedure. For the established sample, the response rate was 80.9%.

Sample characteristics. Data about the business characteristics was collected. We collected data about the individual characteristics of the respondents like age and education.

The descriptive analysis reveals that 5% of the respondents had no formal education, 20% had attained primary education, 40% had attained secondary education, while 35% had attained tertiary education. The age of the individual respondents was collected and categorized into age groups: under 30 years (25%), 30–39 years (35%), 40–49 years (25%) and 50 years and above (15%).

We also analysed data on the SME characteristics like category, age and size of the SMEs. Age was measured by number of yeas the SME has been in existence. Size was measured by number of employees the SME employed. The majority (71.1%) of the 311 businesses studied were micro-enterprises with 0–4 employees. Small firms make up the majority (50.8%). Accommodation and food service operations (18.2%) and wholesale and retail trade of non-consumption items (25.7%) made up the two main business sectors. A substantial proportion (70.9%) of micro-enterprises are involved in the trading of non-consumption goods, lodging and food services and other service activities. In contrast, the majority of small businesses are primarily engaged in a combination of service activities, the trade of non-consumption goods and manufacturing. The survey received responses from a total of 151 women (49.3%) and 155 males (50.7%). The age of the SMEs runs from 1 to 62 years, with a 6.58 average age. Micro firms tended to be newer than small businesses, with over half (58.5%) being relatively young (less than five years old).

Survey instruments and validation

Financial resilience: Financial resilience was assessed using items adapted from Ali *et al.* (2018) and Nkundabanyanga *et al.* (2020), encompassing three dimensions: financial performance, financial robustness and financial sustainability. Each dimension was measured by four items. Sample items include; 'There has been an increase in stakeholder value in the current previous financial year' (financial performance); We abide with all relevant laws and regulations. '(financial robustness) and ' We respond appropriately to financial shocks' (financial adaptability).

Social capital: Williams (2006) provided a tool to quantify bridging and bonding social capital from an outcome viewpoint in terms of measurement. Williams (2006) examined the results of these interactions, such as emotive support, new knowledge access, resources and friendship and trust, in contrast to earlier research that concentrated more on magnitude of network and memberships. Given that Williams' (2006) theoretical foundation and the conceptualization of social capital from Zhang and Kaufman (2015) and the construction of the social capital instrument are consistent, our study modified social capital scale from Williams (2016). Nine items were used to gauge the strength of social bonds. Examples are "There is somebody I can contact for guidance about taking very important decisions" and "I know someone I can turn to if I needed financial support." Seven items were used to calculate the bridging social capital. Examples include "Talking with other individuals helps me interested about other regions in the world" and "Interacting with individuals helps me want to try new things."

Data control

Data control involved a comprehensive review of the data set to ensure completeness, consistency and accuracy. The decision to proceed with further processing was contingent upon meeting these criteria. Instances where data were notably incomplete led to the exclusion of a few cases. Following this assessment, the data underwent analysis using the Statistical Package for Social Scientists (SPSS version 22) computer program. Missing data analysis was conducted because in most self-report studies, people tend to leave out answers to some parts of the questionnaire, either on purpose or by accident. In both cases, this leads to missing values, which are things for which no answer was given. Identifying and addressing missing values is crucial to maintain the integrity of multivariate analysis (Hair *et al.*, 2010). In our study, a careful examination of the missing data pattern led to the exclusion of 19 cases with incomplete values. Additionally, outliers (11 in total) were removed from further analysis, aligning with the guidance provided by (Tabachnick and Fidell, 2007). Following the analysis and thorough data cleaning, we aggregated the units of inquiry to a final count of 311 cases, representing women-owned SMEs.

To address potential single-source bias, we used Harman's single-factor test. This method involves loading all items from the questionnaire into an exploratory factor analysis (EFA) to determine if a single factor accounts for the majority of the variance. If a single factor does not emerge, or if one factor does not explain a substantial portion of the variance, it suggests that common method variance is not a significant concern. In our analysis, the test indicated that no single factor accounted for the majority of the variance, thereby suggesting that single-source bias was not a significant issue in our data.

Following the advice of Podsakoff *et al.* (2012), we used exploratory factor analysis to address frequent method bias in our work by using Harman's single-factor test. Furthermore, we used confirmatory component analysis to look for the existence of a shared latent factor because the questions were self-rated. To evaluate the instruments' validity and reliability, several studies were carried out. Confirmatory factor analysis (CFA) was used to assess the unidimensionality and concept validity.

The instruments' composite reliability, Cronbach's alpha, Averaged Variance Explained (AVE) and standardized factor loadings are shown in Table 1. According to Li *et al.* (2007), with a t-value larger than 2.0, the loading of each indicator should be more than 0.50. Every loading in our study was more than 0.50, satisfying the requirements to be kept for further analysis.

Results

Correlation

This research examined the of association of bonding social capital and bridging social capital and financial resilience. The study also established the association between organisational age and size on financial resilience. Age ($r = 0.653^{**}$ $p < 0.01$) and size ($r = 0.334^{*}$, $p < 0.01$) of the SMEs significantly associated with financial resilience. The study results reveal that positive correlation between bonding social capital and financial resilience ($r = 0.735^{**}$, $p < 0.01$). The study further revealed that bridging social capital has a significant association with financial resilience ($r = 0.772^{**}$, $p < 0.01$). Consistent with our expectation, the study findings imply that financial resilience is associated with an increase in social bonding (Table 2).

Regression results

The study used hierarchical regression analysis to discern the impact of organizational age, size, bonding social capital and bridging social capital on financial resilience. The rationale for using hierarchical regression in this study is to examine the incremental contribution of different sets of predictor variables to the explanation of financial resilience among women-owned SMEs. Hierarchical regression allows us to enter predictor variables in blocks, providing a clear understanding of how each set of variables contributes to the overall model. Hierarchical regression assesses the unique contribution of each predictor variable (age, size, bonding social capital and bridging social capital) to the regression model, as elucidated by Tabachnick *et al.* (2013). The R^2 value indicates the overall contribution of a variable in the model.

Construct	Code	Loadings	Cronbach's α	AVE	Composite reliability
Financial resilience			0.71	0.50	0.66
Financial performance (FP)	FP				
	FP1	0.71			
	FP2	0.52			
	FP3	0.57			
	FP4	0.61			
Financial robustness (FR)	FR				
	FR1	0.73			
	FR2	0.53			
	FR3	0.54			
	FR4	0.61			
Financial adaptability (FA)	FA				
	FA	0.81			
	FA	0.82			
	FA	0.74			
	FA	0.76			
Social capital					
Bonding social capital (BSC)	BSC		0.73	0.55	0.87
	BSC1	0.73			
	BSC2	0.72			
	BSC3	0.73			
	BSC4	0.61			
	BSC5	0.72			
	BSC6	0.76			
	BSC7	0.70			
	BSC8	71			
	BSC9	73			
Bridging social capital (BRSC)	BRSC	77	0.71	0.66	0.73
	BRSC1	0.67			
	BRSC2	0.73			
	BRSC3	0.76			
	BRSC4	0.75			
	BRSC5	74		0.57	0.77
	BRSC6	77			
	BRSC7	73			

Source: Survey (2023)

Table 1.
Common source bias, validity and reliability analysis

Construct	Mean	SD	1	2	3	4	5
1. Size	3.14	0.37	1				
2. Age	3.53	0.34	0.251	1			
3. Bonding social capital	3.31	0.33	0.630**	0.757**	1		
4. Bridging social capital	3.27	0.41	0.623**	0.578**	0.854**	1	
5. Financial resilience	3.37	0.44	0.334*	0.653**	0.735**	0.772**	1

Note: $p < 0.01$ (two-tailed)
Source: Survey (2023)

Table 2.
Correlation between social capital and financial resilience

Variable	Model 1	Financial resilience Model 2	Model 3
Age	0.136	0.184	0.032
Size	0.330	−0.478	−0.448
Bonding social capital		0.845	0.382
Bridging social capital			0.541
F	2.420	16.177	17.739
R^2	0.116	0.574	0.670
R^2 Change	0.116	0.458	0.096

Notes: $n = 311$; $p < 0.01$
Source: Survey (2023)

Table 3. Hierarchical regression results

Initially, hierarchical regression was used to determine the extent to which age and size of an organization explain variations in financial resilience. However, the results, as depicted in Table 3, indicated that age and size of SMEs did not predict financial resilience. The cumulative effect of the three control variables (size, age) on enhancing financial resilience was not statistically significant (change $R^2 = 0.116$, $p > 0.05$).

In the context of hypothesis testing, the subsequent model (Model 2) demonstrated that bonding social capital significantly enhanced financial resilience (change $R^2 = 0.458$, $p < 0.05$). This finding supports the hypothesis that bonding social capital positively influences financial resilience. Similarly, as shown in Model 3, the study findings revealed that bridging social capital had a significant effect on financial resilience (change $R^2 = 0.096$, $p < 0.05$). Thus, the results support the hypothesis that bridging social capital significantly contributes to enhancing financial resilience.

Discussion

The analytical results showed that amidst the COVID-19 was provided by network members including officials in the government, NGOs (bridging) and family members (bonding). The research results show that social capital provide women SMEs finance support like availing them raw materials on time which enhances financial resilience of the SMEs. The research findings also reveal that women SMEs which have the social networks are able to achieve financial resilience as they are able to supply their products to the customers through the social networks which guaranteed continual business operation and ultimately financial resilience. Also, women SMEs social capital enhances financial resilience of such businesses, as such entrepreneurs are able to withdraw some money from the friends and other social networks like SACCOs in form of loans to maintain their financial stand during a crisis. Although the COVID-19 pandemic guaranteed closure of businesses to sustain the pandemic, SMEs with social networks maintain the financial resilience by using the networks they have their customers and suppliers to continue operating remotely. This argument is in line with the findings of Wosiek (2016) who revealed that during a crisis, entrepreneurs with social networks keep offering their services to a select number of consumers from the comfort of their home because the government forbade the establishment of any form of business.

The analytical findings imply that female entrepreneurs' social capital connections and bridges give them access to a variety of resources throughout COVID-19 pandemic. Social capital binds people together offers help in the form of money, the sharing of household work duties, inspiration and emotive support. The businesswomen are helped by connecting social capital through information, the availability of inventory, money, etc. This research conclusions concur with those of Ledogar and Fleming (2008), De Luca and Verpoorten (2015) and Meliou (2020), Pongtanalert and Assarut (2022). The findings imply that compared to women entrepreneurs with no networks, those who do so are able to preserve their financial standing throughout COVID-19. The current study expounds the body of existing knowledge by establishing the bridging social capital and bonding social capital helps businesses to achieve financial resilience.

Contribution of the study

Contribution to theory

The current study makes significant theoretical contributions by addressing a critical gap in the existing literature regarding the specific roles of bonding and bridging social capital in enhancing financial resilience among women-owned SMEs during economic crises. Previous research has extensively explored the general role of social capital in business resilience but has not sufficiently examined how these distinct forms of social capital specifically contribute to financial resilience. The study elucidates how bonding social capital (close-knit relationships) provides immediate, trusted support through shared resources and collective problem-solving, while bridging social capital (diverse networks) offers access to new opportunities, diverse information and external resources, crucial for adaptation and recovery during crises. By linking social capital with resilience theory, this study demonstrates the mechanisms through which social networks facilitate resource access, adaptability and recovery. This integration offers a comprehensive framework for understanding how women-owned SMEs can leverage social capital to enhance their financial resilience. Furthermore, the study fills a significant theoretical gap by providing empirical evidence on how bonding and bridging social capital specifically contribute to the financial resilience of women-owned SMEs in the context of the COVID-19 pandemic. This detailed analysis helps to understand the unique challenges and support systems relevant to female entrepreneurs, which were previously underexplored.

Contribution to practice

This study offers several practical contributions that can be beneficial for policymakers, business owners and support organizations. Firstly, the findings suggest that policymakers should design support programs that strengthen social networks among women entrepreneurs, as these networks are crucial for business resilience. Programs that facilitate networking, mentorship and peer support can enhance the social capital available to women-owned SMEs, providing them with vital resources and support during crises. Secondly, the insights from this study help women-owned SMEs develop strategies to build and maintain robust social networks. By understanding the importance of both bonding and bridging social capital, business owners can focus on nurturing close relationships within their immediate network while also seeking to expand their broader professional connections. This dual approach can provide immediate support during times of crisis and open up new opportunities for growth and recovery. Thirdly, the study underscores the importance of training programs that focus on network-building skills for women entrepreneurs. Training initiatives that teach effective networking, relationship-building and collaboration techniques can empower women business owners to enhance their social capital and, consequently, their financial resilience. The study further underscores the need for targeted interventions and policies that consider the unique challenges faced by women-owned SMEs.

Limitations and areas for further research

This research has notable limitation including methodological limitations, particularly regarding the generalizability of the sampling. The research drew empirical evidence from women-owned SMEs in Kampala, and as a result, the findings may not be readily applicable to diverse business contexts. This research used a cross-sectional survey design and future researchers are encouraged to undertake longitudinal studies, allowing for the tracking of financial resilience over time (Akgün *et al.*, 2007). This approach would deliver extended knowledge about the evolving dynamics in the realm of women-owned SMEs and their financial resilience. Data were collected from women SMEs, and the application of the findings may be limited to women SMEs. Therefore, future research should replicate the current study findings using a sample drawn from other business-like large enterprises.

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