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An Integrated Governance Framework for SME Performance and Socio-Economic Development: The Bora SME Performance System in Cambodia

Bora Khath^{1*}

¹borakhath@gmail.com

Preah Sihamoniraja Buddhist University

*Corresponding Author: Bora Khath

Email: borakhath@gmail.com

ABSTRACT

Small and medium-sized enterprises (SMEs) play a significant role in economic growth, employment generation, and business development, particularly in emerging economies. However, many SMEs continue to face governance, performance management, and human capital development challenges that limit long-term sustainability and competitiveness. This study proposes the Bora SME Performance System (BPS) as an integrated governance framework designed to support SME performance and organizational capability development. The framework consists of five core dimensions: Profit Engine, Process Discipline, Performance Control, People Accountability, and Potential Development. In addition, the study conceptually introduces a balanced integration between Human Resource Management (HRM) and Human Capital Management (HCM) to strengthen both operational performance and workforce capability development. Drawing on the Resource-Based View, Human Capital Theory, and contemporary governance literature, this study develops a conceptual model linking governance structures, organizational capability, and SME performance outcomes. The framework contributes to SME governance literature by offering a simplified and context-relevant model for emerging economies. The study also provides practical implications for SME leaders, consultants, and policymakers seeking to improve organizational sustainability and competitiveness. Future research is recommended to empirically validate the proposed framework across different industries and institutional contexts.

Keywords: Cambodia, Emerging Economies, Governance Framework, Human Capital, SME Performance

INTRODUCTION

Small and medium-sized enterprises (SMEs) play a critical role in fostering economic growth, employment generation, and social stability across both developed and developing economies. In emerging economies such as Cambodia, SMEs constitute a substantial proportion of the private sector and serve as a primary engine for job creation, income generation, and poverty reduction (Sorn & Fu, 2023; Sam, 2020). As a result, enhancing SME performance is not only an economic priority but also a key driver of inclusive socio-economic development.

Despite their significant contribution, many SMEs face persistent structural and managerial challenges that limit their long-term sustainability. These challenges include weak governance systems, inadequate financial control, low levels of workforce capability, and the absence of integrated performance management frameworks (Del Baldo, 2023; Kergroach, 2020). Previous studies have highlighted that SME sustainability and organizational competitiveness depend not only on financial performance but also on governance capability, strategic management, and human resource development (Hariyadi & others, 2026) Sam, 2020). In practice, a large number of SMEs operate based on informal management approaches, relying heavily on intuition and short-term decision-making rather than structured systems and strategic planning. Consequently, such practices often result in operational inefficiencies, inconsistent performance, and limited scalability.

Existing studies have examined various determinants of SME performance, including leadership capability, human resource management, organizational learning, financial management, and strategic competitiveness. For example, leadership studies have primarily focused on employee motivation and organizational behavior outcomes (Banks et al., 2022), while research on human resource management has emphasized workforce capability development and employee performance (Al Khajeh, 2018). Other studies have examined financial control systems, operational efficiency, and entrepreneurial competitiveness as independent drivers of SME sustainability (Del Baldo, 2023) (Kergroach, 2020). Although these studies provide important insights, they generally examine these dimensions separately rather than as an integrated governance system. In addition, widely recognized frameworks such as the Balanced Scorecard, McKinsey 7S Framework, and EFQM Excellence Model provide valuable organizational management perspectives but may be less contextually adaptable to SMEs in emerging economies due to their complexity, resource requirements, or large-enterprise orientation. Therefore, a gap remains for a simplified and integrated governance framework that combines operational control, organizational processes, people accountability, capability development, and performance sustainability within the context of SMEs in emerging economies.

To address this gap, this study proposes the Bora SME Performance System™ (BPS) as an integrated governance framework designed to enhance SME performance and support socio-economic development. The framework is built upon five key dimensions: Profit Engine, Process Discipline, Performance Control, People Accountability, and Potential Development. Furthermore, it incorporates a balanced integration between Human Resource Management (HRM) and Human Capital Management (HCM), conceptualized as a 40%–60% model that combines performance control with long-term capability development.

This study introduces and theoretically grounds the Bora SME Performance System (BPS) as a multidimensional governance framework that consolidates financial sustainability, operational discipline, performance control, people accountability, and human capital development within a single SME-oriented model. Unlike established frameworks such as the Balanced Scorecard, the EFQM Excellence Model, and the McKinsey 7S Framework, which were predominantly developed for large organizations and presuppose considerable managerial capacity, formal institutional systems, and abundant organizational resources, the BPS framework is deliberately structured to offer a simplified yet contextually appropriate governance architecture suited to SMEs operating under resource constraints in rapidly developing economies. In doing so, this study addresses a recognized gap in the organizational management literature by advancing a context-relevant model for SME transformation applicable to Cambodia and comparable emerging market settings.

The study further contributes to the existing body of knowledge through several interconnected dimensions. Drawing on the theoretical foundations of the Resource-Based View and Human Capital Theory, the framework conceptually integrates financial, operational, and human dimensions into a cohesive multidimensional governance perspective, rather than treating these elements as discrete or independent domains. This integrative approach underscores the combined significance of operational governance and capability development in sustaining SME competitiveness over time. Beyond its theoretical contributions, the study carries practical implications for SME owners, management consultants, and policymakers by offering a structured governance approach capable of supporting organizational sustainability, workforce development, and long-term business performance across emerging economy contexts.

LITERATURE REVIEW

Existing Governance and Performance Frameworks: Capabilities and Limitations

Several governance and performance frameworks have been widely adopted to enhance organizational effectiveness and strategic alignment. The Balanced Scorecard integrates financial, customer, internal process, and learning dimensions

to connect organizational strategy with measurable performance indicators, yet its application requires formalized management systems and performance infrastructure that many SMEs in emerging economies struggle to implement (Kaplan & Norton, 1996; Waruhiu, 2014). The EFQM Excellence Model similarly provides a comprehensive assessment approach encompassing leadership, strategy, people management, and process improvement, but its complexity and resource intensity present considerable implementation challenges for organizations with limited managerial capacity. The McKinsey 7S Framework addresses internal alignment across strategy, structure, systems, shared values, skills, staff, and leadership style, though it prioritizes organizational consistency over integrated performance sustainability and offers limited operational guidance for SMEs in resource-constrained environments.

The Dynamic Capabilities perspective further contributes insights into organizational adaptability and strategic responsiveness, yet it centers on adaptive capacity rather than providing a structured governance model that incorporates operational discipline, financial accountability, and workforce development (Teece, 2025; Teece et al., 1997). Existing SME-focused studies have examined leadership capability, financial management, human resource practices, and operational efficiency as key performance determinants (Del Baldo, 2023; Hariyadi & others, 2026; Kergroach, 2020), but these dimensions are frequently investigated in isolation rather than consolidated into a unified governance system appropriate for emerging economy contexts.

Collectively, the reviewed frameworks offer meaningful theoretical and managerial contributions; however, most were developed for large organizations within formalized institutional environments and do not fully address the operational realities faced by SMEs in developing economies such as Cambodia, where financial constraints, informal management practices, limited workforce capability, and weak institutional support remain prevalent. This gap necessitates a simplified and integrated governance framework that cohesively addresses financial management, operational discipline, organizational accountability, and human capital development. The Bora SME Performance System (BPS) is proposed in response to this need, drawing on the Resource-Based View, Human Capital Theory, and performance management literature to offer a multidimensional governance model tailored to SME transformation in emerging economy contexts.

SME Performance and Socio-Economic Development

Beyond organizational profitability, SME performance is increasingly associated with broader socio-economic development outcomes, particularly in emerging economies. SMEs contribute significantly to employment generation, income distribution, poverty reduction, workforce capability development, and local economic resilience (Sorn & Fu, 2023; Sam, 2020). Development economics literature emphasizes that SME growth plays a central role in strengthening

inclusive economic development and improving community well-being, especially in countries with developing institutional and industrial systems.

In emerging economies such as Cambodia, SMEs serve not only as business entities but also as important social and economic actors that support household income, regional economic participation, and labor market expansion. Studies have shown that improvements in SME productivity and organizational sustainability can positively influence employment quality, workforce stability, entrepreneurial activity, and community economic participation (Tahir et al., 2018). Consequently, SME governance should not be evaluated solely through financial performance indicators, but also through its contribution to long-term socio-economic outcomes.

Institutional theory further suggests that the effectiveness of organizational governance systems is influenced by the surrounding regulatory, cultural, and economic environment. In many developing countries, SMEs often operate within informal institutional settings characterized by limited managerial systems, weak policy support, and constrained human capital development. As a result, integrated governance frameworks that strengthen operational discipline, workforce capability, accountability, and organizational sustainability may contribute not only to firm-level performance but also to broader socio-economic development objectives.

Therefore, the relationship between SME governance and socio-economic development highlights the importance of developing context-relevant frameworks that integrate economic efficiency with human capital and organizational capability development. This perspective supports the need for integrated governance approaches that can enhance both SME competitiveness and broader developmental outcomes in emerging economies such as Cambodia.

Resource-Based View (RBV) and Organizational Capability

The Resource-Based View (RBV) remains one of the most influential theoretical frameworks for understanding firm performance. RBV posits that organizations achieve sustained competitive advantage through the effective utilization of valuable, rare, inimitable, and non-substitutable resources (El Namar et al., 2025). In contemporary research, RBV has been extended to incorporate dynamic capabilities, which emphasize an organization's ability to adapt, integrate, and reconfigure internal and external resources in response to changing environments (Teece, 2018).

In the context of SMEs, internal capabilities such as managerial competence, operational processes, and organizational knowledge are critical determinants of performance (Jeong & Chung, 2023). Unlike large corporations, SMEs often rely more heavily on internal resources due to limited access to external support. Therefore, the development and integration of these resources into a cohesive system are essential for achieving sustainable performance.

The proposed Bora SME Performance System™ (BPS) aligns with RBV by emphasizing the integration of key organizational capabilities, including financial management, process discipline, and human capital development. By combining these elements into a unified framework, the BPS model enhances the strategic utilization of internal resources and supports long-term competitiveness.

Human Capital Theory and Workforce Development

Human Capital Theory emphasizes the importance of investing in employee knowledge, skills, competencies, and experience as strategic assets that contribute to organizational performance and long-term competitiveness (Wuttaphan, 2017). In recent years, the role of human capital has become increasingly important in the context of SME development, where workforce capability is widely recognized as a key driver of productivity, innovation, adaptability, and organizational sustainability (Buzavaite & Korsakiene, 2019).

Empirical studies demonstrate that organizations with stronger human capital capabilities tend to achieve superior organizational outcomes, particularly in dynamic and competitive environments where learning, innovation, and adaptability are essential for long-term success (Buzavaite & Korsakiene, 2019). In SMEs, where financial and operational resources are often constrained, the effective development and utilization of employee capability can become a critical source of competitive advantage.

Contemporary literature also highlights an important distinction between traditional Human Resource Management (HRM) and Human Capital Management (HCM). HRM is commonly associated with workforce administration, organizational structure, performance control, compliance, staffing, and operational management functions. In contrast, HCM emphasizes strategic workforce investment, leadership capability development, continuous learning, employee growth, organizational knowledge creation, and long-term value generation (Eisenberger et al., 2010). This shift reflects the growing recognition that employees should not only be managed as organizational resources but also developed as strategic human capital assets that contribute to sustainable organizational performance.

The inclusion of Potential Development within the BPS framework reflects this theoretical perspective by emphasizing leadership development, workforce capability enhancement, organizational learning, and continuous improvement. Furthermore, the proposed integration between HRM and HCM highlights the importance of balancing operational control mechanisms with long-term human capability development.

Performance Management Systems and Organizational Effectiveness

Performance management systems (PMS) serve as essential mechanisms for aligning organizational goals, monitoring progress, and sustaining overall

effectiveness. Effective PMS involves a continuous cycle of objective-setting, outcome measurement, and performance feedback to ensure coherence between individual contributions and broader organizational targets (Aguinis & Burgi-Tian, 2021). In SME contexts, however, formal PMS implementation remains limited due to resource constraints, insufficient managerial expertise, and the absence of structured accountability systems, which frequently result in inconsistent performance evaluation and weak strategic alignment (Santos & de Waal, 2020). Recent scholarship indicates that integrated PMS combining financial control, operational monitoring, and human resource practices produce stronger organizational outcomes by enabling holistic performance tracking and evidence-based decision-making (Aguinis & Burgi-Tian, 2021; Santos & de Waal, 2020).

Toward an Integrated Governance Framework for SMEs

While existing literature provides valuable insights into individual determinants of SME performance, a notable absence of comprehensive frameworks that simultaneously integrate financial, operational, and human capital dimensions into a unified system remains apparent. This gap is particularly evident in emerging economies, where SMEs require practical and contextually appropriate solutions to navigate complex institutional and operational challenges. An integrated governance framework addresses this need by aligning multiple dimensions of organizational performance, including revenue generation, process efficiency, financial control, and human capital development, into a coherent structure. Such a framework not only strengthens internal organizational performance but also contributes to broader socio-economic outcomes, including employment generation, workforce capability development, and economic resilience.

THE BORA SME PERFORMANCE SYSTEM (BPS)

Conceptual Foundation of the Framework

The Bora SME Performance System (BPS) is developed as an integrated governance framework designed to address the multidimensional challenges confronted by small and medium-sized enterprises in emerging economies. Its theoretical foundation draws from three established scholarly perspectives, namely the Resource-Based View, Human Capital Theory, and performance management systems literature, each of which underscores the critical role of internal capabilities, structured performance control, and workforce development in sustaining organizational outcomes over time.

While the BPS shares surface-level similarities with established frameworks such as the Balanced Scorecard, the EFQM Excellence Model, and the McKinsey 7S Framework, the proposed model is distinguished by its emphasis on integrated governance and operational sustainability tailored specifically to the SME context. Existing frameworks of this nature were largely designed for large organizations

with formalized systems, advanced managerial infrastructure, and substantial organizational resources, conditions that are rarely present in SMEs operating within resource-constrained and developing institutional environments. The BPS is therefore constructed as a simplified yet comprehensive governance model that explicitly incorporates people accountability and potential development as core dimensions, recognizing their centrality to long-term workforce capability and organizational sustainability. Rather than displacing existing frameworks, the BPS is positioned as a complementary and contextually adapted governance approach that reflects the operational realities of SMEs in emerging economies.

The framework further responds to a recurring limitation in the existing literature, wherein financial performance, operational processes, and human capital development tend to be examined independently rather than as integrated governance components. By consolidating these dimensions into a unified system, the BPS offers a more holistic governance perspective that is particularly suited to SMEs, which frequently lack formal organizational structures and depend heavily on internal resources to sustain competitiveness and growth. To clarify its conceptual positioning relative to existing models, Table 1 provides a comparative overview of the BPS alongside the Balanced Scorecard, the EFQM Excellence Model, the McKinsey 7S Framework, and the Dynamic Capabilities perspective, highlighting the primary focus, strengths, and contextual limitations of each framework within SME and emerging-economy settings.

Table 1 Comparison of BPS with Existing Frameworks

Framework	Primary Focus	Strengths	Limitations for SMEs in Emerging Economies	Distinctive Position of BPS
Balanced Scorecard	Strategic performance measurement	Integrates financial and operational indicators	Requires formal systems and KPI infrastructure	Simplified SME-oriented governance integration
EFQM Excellence Model	Organizational excellence	Comprehensive quality management	Complex and resource-intensive	More operationally adaptable for SMEs
McKinsey 7S Framework	Organizational alignment	Internal organizational consistency	Limited performance governance guidance	Integrates governance and sustainability dimensions
Dynamic Capabilities	Adaptability and innovation	Strategic responsiveness	Less operational governance focus	Combines capability development with

Framework	Primary Focus	Strengths	Limitations for SMEs in Emerging Economies	Distinctive Position of BPS
				operational discipline
Bora SME Performance System (BPS)	Integrated SME governance	Combines financial, operational, accountability, and human capital dimensions	Conceptual model requiring future empirical validation	Context-relevant framework for SMEs in emerging economies

Source: Developed by the Author (2026)

The 5P Governance Framework

The operational core of the BPS model is the 5P Governance Framework, a structure comprising five interrelated dimensions that collectively shape SME performance. The first dimension, the Profit Engine, centres on revenue generation, cost efficiency, and financial sustainability by emphasizing the development of clear revenue models, improved sales performance, and enhanced profitability, thereby ensuring that SMEs maintain financial viability while pursuing growth. The second dimension, Process Discipline, addresses the standardization and optimization of operational workflows with the aim of improving productivity, reducing inefficiencies, and ensuring consistency in service or product delivery through the establishment of structured processes and standard operating procedures.

The third dimension, Performance Control, focuses on financial governance, cost management, and performance monitoring through budgeting, financial tracking, and measurement systems that enable SMEs to maintain resource control and support informed organizational decision-making. The fourth dimension, People Accountability, emphasizes role clarity, responsibility, and performance ownership, drawing on traditional Human Resource Management practices such as job design, performance evaluation, and accountability systems to ensure that employees understand their contributions and remain aligned with organizational objectives. The fifth dimension, Potential Development, prioritizes the continuous advancement of employee skills, leadership capabilities, and organizational learning, aligning with Human Capital Management principles by fostering long-term capability building, innovation, and workforce growth as foundations for sustained competitive advantage.

Proposed Integration Between HRM and HCM

A conceptually distinctive feature of the BPS framework is its proposed integration between Human Resource Management and Human Capital

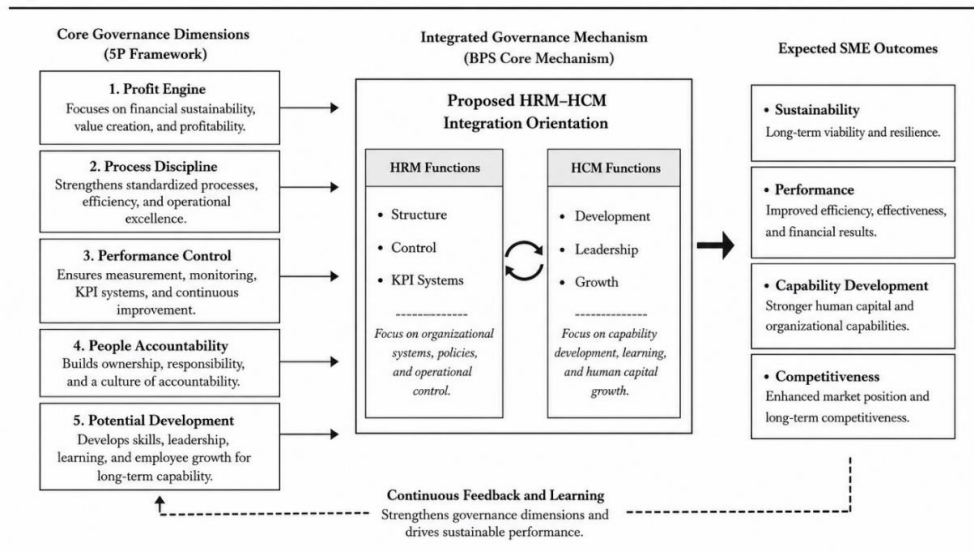
Management. Traditional HRM practices are primarily oriented toward administrative control, staffing, policy implementation, and short-term operational efficiency, whereas HCM places greater emphasis on long-term employee capability development, leadership growth, organizational learning, and workforce sustainability. Within the context of SMEs in emerging economies, the strengthening of human capital and capability development is considered particularly significant for sustaining long-term organizational competitiveness and adaptability in dynamic business environments.

On this basis, the study conceptually proposes that HCM dimensions should receive greater strategic emphasis than conventional HRM functions within integrated SME governance systems. The previously referenced 40%–60% orientation is not presented as a fixed empirical formula, but rather as a conceptual proposition indicating that developmental and capability-oriented governance dimensions may warrant relatively greater attention within SME sustainability strategies. This proposition is theoretically anchored in Human Capital Theory and the Resource-Based View, both of which recognize internal capabilities, knowledge development, and workforce competencies as strategic organizational assets. Empirical validation of this proposed integration across diverse SME sectors and institutional environments is recommended for future research.

Conceptual Model Description

The conceptual model of the BPS framework proposes that the five governance dimensions, comprising the Profit Engine, Process Discipline, Performance Control, People Accountability, and Potential Development, collectively and interdependently influence SME performance outcomes. These dimensions are designed to be mutually reinforcing, forming a cohesive governance system in which operational control and human capability development are treated as complementary rather than separate organizational priorities. The model further posits that the proposed integration between HRM and HCM functions strengthens the overall relationship between governance practices and performance outcomes by simultaneously addressing administrative efficiency and long-term workforce capability.

Figure 1. Conceptual Framework of the Bora SME Performance System (BPS).



Note: The framework illustrates how the five governance dimensions (5P) are integrated through HRM and HCM functions to achieve sustainable SME performance outcomes in emerging economies.

Figure 1 Conceptual Framework of the Bora SME Performance System (BPS)
Source: Author’s Database (2026)

As illustrated in Figure 1, the BPS conceptual framework is organized around three structural components: the five core governance dimensions constituting the 5P framework on the left, the Integrated Governance Mechanism at the centre, and the expected SME performance outcomes on the right. The five governance dimensions serve as foundational inputs to the central governance mechanism, which is operationalized through the proposed HRM–HCM integration orientation. Within this mechanism, HRM functions address organizational systems, policies, structure, and KPI-based operational control, while HCM functions emphasize development, leadership, learning, and long-term capability growth. The dynamic interaction between these two functional orientations constitutes the integrative core of the governance model.

The integrated governance mechanism is expected to generate four principal SME outcomes: organizational sustainability, referring to long-term resilience and operational continuity; performance improvement, encompassing enhanced efficiency, effectiveness, and financial results; capability development, reflecting stronger workforce competencies and organizational learning capacity; and competitiveness, denoting improved market positioning and sustained strategic advantage. The framework additionally incorporates a continuous feedback and learning loop, through which organizational outcomes and accumulated implementation experience are expected to iteratively refine and strengthen the governance dimensions over time, thereby supporting ongoing improvement and long-term SME development.

RESEARCH METHODOLOGY

This study adopts a conceptual research design aimed at developing and theoretically grounding an integrated governance framework for SME performance. Conceptual research is considered appropriate when the primary objective involves constructing new theoretical models and extending existing frameworks through the systematic synthesis of prior literature (Jaakkola, 2020). This approach permits the development of a structured and theory-driven framework without reliance on primary empirical data, which is particularly suitable for addressing gaps in fragmented research domains such as SME governance in emerging economies.

The development of the Bora SME Performance System (BPS) follows a theory-building approach that draws on and integrates insights from multiple established theoretical perspectives, including the Resource-Based View, Human Capital Theory, and performance management systems literature. Through the synthesis of these complementary theoretical foundations, the study constructs a multidimensional governance framework capable of reflecting the operational complexity and resource constraints characteristic of SMEs. This process involves a systematic review of relevant literature, the identification of key theoretical constructs, and the conceptual integration of financial, operational, and human capital dimensions, ensuring that the proposed model is both theoretically grounded and practically relevant to the SME context.

The proposed framework specifies that the five dimensions of the BPS function as interdependent drivers of SME performance, with each dimension representing a distinct yet interrelated aspect of organizational governance that collectively contributes to overall effectiveness. The model further incorporates the HRM–HCM integration as a supporting governance mechanism that reinforces the effectiveness of organizational practices by simultaneously addressing performance control and long-term human capital development. In terms of scope, this study focuses on SMEs operating in emerging economies, with particular contextual emphasis on Cambodia, though the framework is intentionally designed to remain adaptable across diverse industries and organizational settings.

Although the present study does not include empirical testing, it establishes a theoretical foundation upon which future research may build through quantitative or qualitative validation of the proposed model. Subsequent studies are encouraged to empirically examine the relationships between the five governance dimensions and SME performance outcomes using methodological approaches such as regression analysis or structural equation modelling, as well as through comparative investigations across industries and national contexts. Further research may also explore the role of mediating variables, such as employee motivation, and moderating variables, such as perceived organizational support, in shaping the governance-performance relationship. Such empirical inquiries will contribute to

strengthening the validity, generalizability, and practical applicability of the BPS framework across diverse SME environments.

RESULTS AND DISCUSSION

The purpose of this study is to propose the Bora SME Performance System™ (BPS) as an integrated governance framework for enhancing SME performance and supporting socio-economic development in emerging economies. The findings of this conceptual study suggest that SME performance is inherently multidimensional and cannot be adequately explained through isolated factors. Instead, it requires an integrated governance approach that aligns financial performance, operational processes, and human capital development.

The proposed framework also suggests that SME performance is influenced not merely by the presence of individual governance dimensions, but by the interaction and alignment among these dimensions. Financial sustainability alone may not produce long-term competitiveness without operational discipline and workforce capability development. Similarly, strong human capital development initiatives may generate limited organizational impact if performance monitoring, accountability systems, and operational controls are weak. From a Resource-Based View perspective, the integration of financial, operational, and human capital dimensions enables SMEs to develop internal capabilities that are valuable, adaptive, and difficult to replicate. The framework therefore conceptualizes SME performance as the outcome of an interconnected governance system rather than isolated managerial practices.

Consistent with the Resource-Based View (RBV), the BPS framework emphasizes the strategic importance of internal capabilities as key drivers of organizational performance (El Nemar et al., 2025; Teece, 2018). The inclusion of dimensions such as Process Discipline and Potential Development reflects the role of organizational routines and human capital as valuable and inimitable resources that contribute to sustained competitive advantage. This aligns with prior research highlighting that SMEs rely heavily on internal resources due to limited access to external support.

Furthermore, the findings support the central premise of Human Capital Theory, which posits that investment in employee development enhances productivity and organizational outcomes (Buzavaite & Korsakiene, 2019; Wright, 2021). The Potential Development dimension of the BPS framework extends this perspective by integrating leadership development and continuous learning into the governance system. This reflects the shift from traditional HRM toward a more strategic Human Capital Management (HCM) approach (Ahmad et al., 2022).

The BPS framework also contributes to the literature on performance management systems by proposing an integrated model that combines financial control, operational monitoring, and human resource practices. Previous studies have emphasized the importance of structured performance management systems

in improving organizational effectiveness (Aguinis & Burgi-Tian, 2021). However, many SMEs lack such systems, leading to weak accountability and inconsistent performance. The inclusion of Performance Control and People Accountability within the BPS framework addresses this gap by providing a structured mechanism for monitoring and evaluating performance.

Despite its conceptual contributions, the proposed framework may have several limitations and boundary conditions. First, the framework is primarily designed for SMEs operating in emerging economies where managerial resources, governance structures, and institutional support systems are often limited. Therefore, its applicability may differ in highly formalized large organizations or developed economic contexts. Second, the framework assumes a minimum level of organizational readiness, leadership commitment, and managerial capability for implementation. SMEs with highly informal structures or severe financial constraints may face challenges in simultaneously implementing all governance dimensions. In addition, although the framework proposes five integrated governance dimensions, future empirical research may reveal that certain dimensions exert stronger influence than others depending on industry characteristics, organizational size, or business maturity. Accordingly, the framework should be viewed as a flexible and evolving governance model requiring further empirical validation and contextual adaptation.

Importantly, this study extends existing literature by integrating economic and social perspectives of SME performance. While traditional research focuses primarily on financial outcomes, the BPS framework highlights the broader socio-economic impact of SMEs, including employment generation, workforce development, and community well-being (Santos & de Waal, 2020). This integrated perspective is particularly relevant in emerging economies such as Cambodia, where SMEs play a critical role in national development.

The proposed framework may be particularly relevant within the Cambodian SME context due to several structural and institutional characteristics influencing SME governance and organizational sustainability. In Cambodia, many SMEs continue to operate with relatively informal management structures, limited strategic planning systems, constrained financial resources, and underdeveloped performance management practices. In addition, workforce capability development, leadership training, and formal governance mechanisms remain uneven across sectors, particularly among small and family-owned enterprises. These conditions may create challenges in maintaining operational consistency, accountability, and long-term organizational competitiveness.

Furthermore, Cambodia's rapidly developing economic environment, increasing regional competition, and ongoing digital and organizational transformation place additional pressure on SMEs to strengthen both operational governance and workforce capability. In this context, the integration of financial control, process discipline, accountability systems, and human capital development

may provide a more context-relevant governance approach for SME sustainability. However, certain dimensions of the framework may require adaptation depending on industry characteristics, organizational maturity, leadership capability, and institutional support availability within Cambodia. Therefore, the framework should be understood as a flexible governance model intended to support SME development within emerging and transitional economic environments. Overall, the discussion suggests that the BPS framework provides a comprehensive and context-relevant approach to SME governance, bridging theoretical insights and practical application.

Theoretical Implications

The study offers several theoretical implications for SME governance and organizational performance literature. First, the proposed framework applies insights from the Resource-Based View (RBV) by emphasizing the importance of integrating financial, operational, and human capital capabilities within SME governance systems. Rather than examining organizational resources in isolation, the framework highlights the interdependence among governance dimensions in supporting organizational sustainability and competitiveness.

Second, the study draws upon Human Capital Theory to emphasize the strategic importance of workforce capability development, leadership growth, organizational learning, and long-term employee development within SME governance practices. The proposed HRM–HCM integration orientation conceptually illustrates how operational control mechanisms and human capital development practices may function together within an integrated governance structure.

Third, the study contributes to conceptual discussions in SME governance and performance management literature by proposing a multidimensional and context-relevant framework tailored to SMEs operating in emerging economies. The framework synthesizes insights from governance, performance management, and organizational capability literature into a simplified governance approach that may support future empirical research and practical application in SME development contexts.

Practical Implications

From a practical perspective, the BPS framework offers valuable insights for SME owners, managers, and policymakers. For business leaders, the framework provides a structured approach to improving performance by aligning financial management, operational processes, and workforce development, enabling SMEs to transition from informal management practices toward more systematic and strategic organizational approaches. For policymakers, the findings underscore the importance of supporting SMEs through capacity-building programs, training initiatives, and policy frameworks that promote integrated governance systems,

given that improvements in SME performance can contribute significantly to national economic growth, employment generation, and social stability.

For training institutions and consultants, the BPS framework serves as a practical tool for designing programs that enhance managerial capability, workforce skills, and organizational effectiveness. The framework provides a comprehensive governance model that can be adapted across diverse industries and organizational contexts, making it a relevant and applicable resource for practitioners seeking to support SME development in emerging economies.

CONCLUSION

This study proposes the Bora SME Performance System (BPS) as an integrated governance framework intended to support SME performance and socio-economic development in emerging economies. The framework combines five governance dimensions—Profit Engine, Process Discipline, Performance Control, People Accountability, and Potential Development—to provide a multidimensional approach to organizational sustainability, operational effectiveness, and capability development within SME environments.

The study emphasizes the importance of integrating financial management, operational discipline, organizational accountability, and human capital development within a unified governance system. In addition, the proposed HRM–HCM integration orientation highlights the need to balance operational control mechanisms with long-term workforce capability development, leadership growth, and organizational learning. From a theoretical perspective, the study applies and synthesizes insights from the Resource-Based View, Human Capital Theory, and performance management literature to develop a context-relevant conceptual framework for SMEs operating in emerging economies. Practically, the framework may provide useful guidance for SME leaders, consultants, policymakers, and training institutions seeking to strengthen organizational sustainability and competitiveness.

Despite its conceptual and practical contributions, this study has several limitations. First, the framework is conceptual in nature and has not yet been empirically validated through quantitative or qualitative investigation. Therefore, the proposed relationships among the governance dimensions and SME performance outcomes should be interpreted as theoretically grounded propositions rather than established causal relationships. Second, the framework is primarily developed within the context of Cambodia and emerging economies, which may limit its applicability in highly formalized organizations or different institutional environments. Third, the proposed HRM–HCM integration orientation is intended as a conceptual governance proposition rather than a statistically validated formula. In addition, SMEs differ significantly in terms of industry characteristics, organizational size, leadership capability, and stage of business development,

which may influence the applicability and relative importance of the governance dimensions across contexts.

Future research is recommended to empirically examine and refine the proposed framework using quantitative, qualitative, or mixed-method approaches across different industries, organizational settings, and regional environments. Further studies may also explore the relative influence of individual governance dimensions, as well as potential mediating or moderating variables affecting SME performance outcomes. Nevertheless, the Bora SME Performance System (BPS) provides a theoretically grounded and context-relevant governance framework that may contribute to SME sustainability, organizational capability development, and long-term business competitiveness in emerging economies.

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