

EFFECT OF TRUSTWORTHINESS AND ACCOUNTING INFORMATION QUALITY ON SMALL AND MEDIUM BUSINESSES' ACCESS TO CREDIT

Jean Baptiste K. Dodor¹ · Hasib Ahmed¹

¹ Department of Accounting, Economics, and Finance, Southern University and A&M College, USA

Corresponding Author:

Jean Baptiste K. Dodor — jbaptiste.dodor@sus.edu

Abstract

Access to credit is vital for the growth of Small-to-Medium Businesses (SMBs). Yet, the extant research gap persists in understanding the micro-level factors that influence bank loan officers' credit decisions for this segment of the economy. This study, therefore, aims to address this gap by surveying US bank loan officers to analyze how they perceive SMBs' trustworthiness and accounting information quality (AIQ) in the credit-granting process.

We find a significant positive association between both SMBs' perceived trustworthiness and their AIQ with loan-granting intentions and actual loan-granting decisions. This explicit new knowledge and contribution are the demonstrations that bank loan officers' perceptions are strongly linked to credit access. Furthermore, the three dimensions of trustworthiness (competence, benevolence, and integrity) are all significantly related to both overall perceived trustworthiness and perceived AIQ.

The findings provide actionable insights for policymakers and financial institutions to develop targeted interventions or strategies. Strengthening SMBs' perceived trustworthiness and improving the quality of their accounting information can be instrumental in bolstering their creditworthiness, thereby stimulating economic growth and fostering a more resilient business ecosystem, which are the cornerstones for prosperous societies.

Keywords: SMBs' Access to credit – Accounting information quality (AIQ) – Trustworthiness – Loan Granting Decisions.

Introduction

Access to external capital is widely recognized as a cornerstone for the growth and survival of Small-to-Medium Businesses (SMBs), a segment critical to economic vitality (Acar et al., 2016; Beck et al., 2005; Berger and Udell, 2007; Beck et al., 2000; Schiffer and Weber, 2001). However, SMBs frequently encounter credit accessibility challenges, primarily driven by capital market imperfections that result in significant funding gaps and, consequently, credit rationing (Stiglitz and Weiss, 1981; Bester, 1985; Besanko and Thakor, 1987; Wolfson, 1996; Baker et al., 2022). This systemic problem is generally rooted in information asymmetry: SMBs are often opaque, lacking formal financial structures and extensive financial records history, which makes it

inherently difficult for lending institutions to accurately assess risk and distinguish low-risk from high-risk SMBs (Berger et al., 2011; Berger and Udell, 2007; Mason and Stark, 2004). Further, asymmetric information problems tend to be more acute for SMBs than they are for larger businesses (Berger et al. 2001), in part because SMBs often lack formal financial statements and/or have only a short financial records history to support their credit applications. Furthermore, SMBs' opaqueness and lack of trusty relationship generally put lending institutions at a disadvantage and make it difficult for them to segregate low-risk borrowers from high-risk ones (Stiglitz and Weiss, 1981; Berger and Udell, 1998), which frequently induces the adverse selection problem.

While lending institutions employ formalized techniques like financial statements analysis, credit-scoring models, and, increasingly, artificial intelligence, the ultimate credit decision generally relies on the perceptual judgment and qualitative assessment of the loan officer (De la Torre et al., 2010; Palazuelos et al., 2018). This reality points to a critical research gap: despite decades of research focused on macro-level and structural lending factors, the micro-level, psychological determinants that shape loan officers' subjective decision-making process, specifically, the role of perceived relational and informational quality, remain insufficiently understood. Filling this gap is essential for developing effective strategies or interventions to enhance SMBs' creditworthiness and probability of accessing credit.

The current study addresses the observed gap by focusing on the loan officer's perceptions of the SMB applicants' trustworthiness and the quality of their accounting information (AIQ) as the central predictors of their access to credit. The research offers several prominent contributions to the SMBs' credit access literature:

- *Integrated Perceptual Model:* We introduce a novel, integrated model (Figure 1) that places Perceived Applicant Trustworthiness (PAT) and Accounting Information Quality (AIQ) as co-equal, cornerstone predictors of not only the ultimate loan granting decision, but also the intermediate loan granting intentions of bank loan officers. This comprehensive structure moves beyond previous studies that often examine these variables in isolation (Moro et al., 2015). Unlike Moro et al. (2015), who used information in general but not accounting information specifically, following Palazuelos et al. (2018), this study uses accounting information quality (AIQ). This choice is based on the argument that financial statements are the primary source for evaluating a business credit risk (Brown and Moles, 2012).
- *Granular Trust Analysis:* We investigate the antecedents driving both PAT and AIQ, specifically examining the role of perceived competence, benevolence, and integrity. By re-testing these specific dimensions and integrating integrity (a broader construct than honesty) and benevolence (which has yielded conflicting results in prior works, e.g., Palazuelos et al., 2018), we provide a more robust and nuanced view of the trust formation process in the high-stakes lending context. In particular, even though trust, and therefore trustworthiness, is fundamental in understanding interpersonal and group behavior (Hirsch,

1978; Hosmer, 1995) and is the foundation upon which societies function (Bok, 1978), only scant prior studies (Howorth and Moro, 2012; Moro and Fink, 2013; Palazuelos et al., 2018) have investigated its role in SMBs' access to credit.

- *The Role of Intentions:* Methodologically, this is the first study, to our knowledge, to incorporate loan-granting intentions as a crucial mediating variable in the credit-granting model. By establishing this link between loan officers' perceptions and their final behavior (decision), we provide a psychological pathway essential for understanding lending outcomes, borrowing from established behavioral theories like the theory of reasoned action (Ajzen and Fishbein, 1969, 1974) and the theory of planned behavior (Ajzen, 1985, 1991, 2020).
- *US Bank Context:* Data are collected from a sample of US bank loan officers and analyzed using Structural Equation Modeling (SEM), which allows for superior measurement of complex, multi-item constructs and improved estimates of the causal interactions within the proposed model.

In summary, by providing a detailed, perceptual, and intent-driven framework tested within the challenging US banking landscapes, this study significantly advances our understanding of the intricate dynamics connecting trust, accounting information quality, and SMBs' credit access.

The remainder of the paper is structured as follows. The next section presents the postulated integrated credit-granting model. Then, the study reviews the literature on SMBs' credit granting, focusing on trustworthiness and accounting information quality, and formulates relevant hypotheses. The section after presents and explains the research methodology. The subsequent section reports and discusses the study's findings. Finally, the last section concludes the study with its potential implications as well as limitations and provides direction for future research.

Literature Review and Related Hypotheses

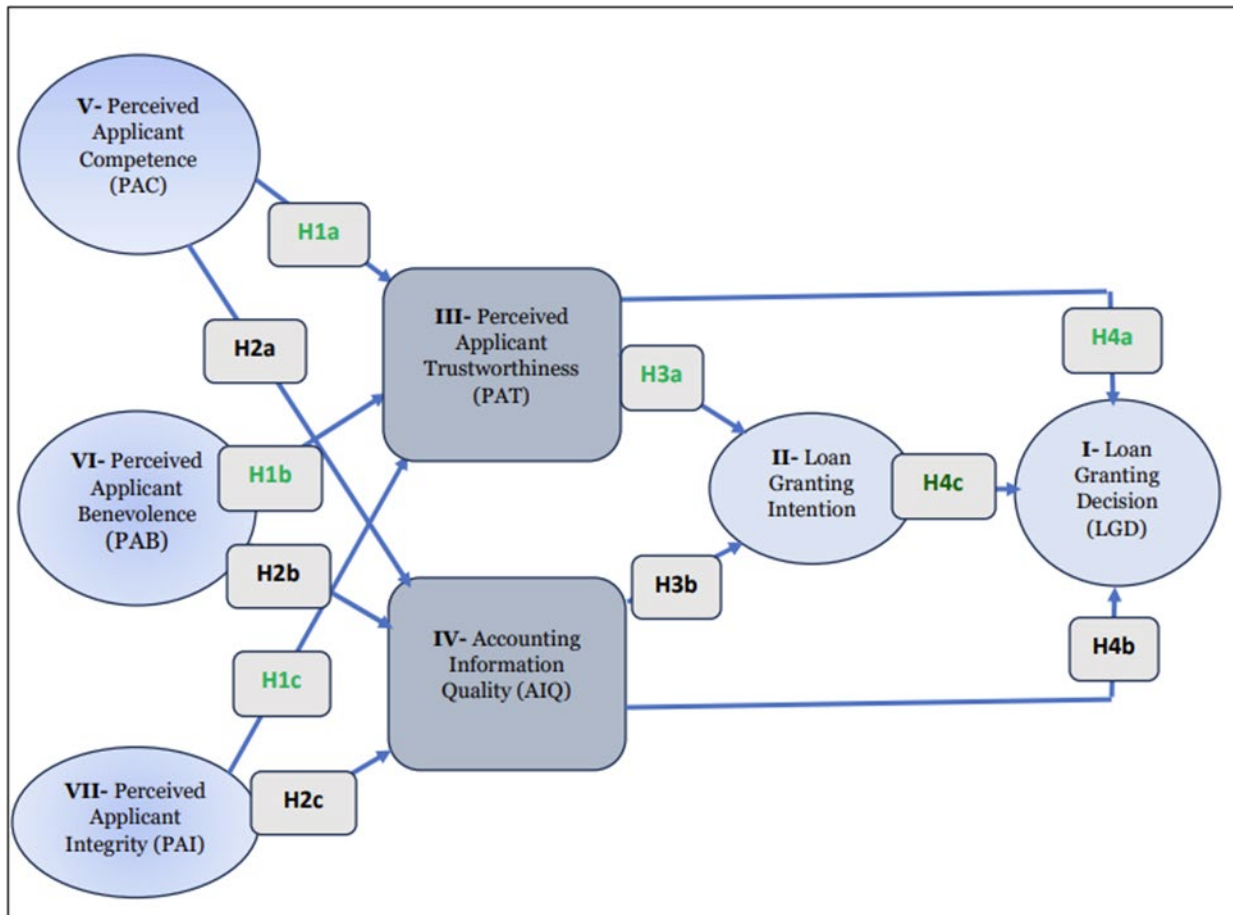
Trustworthiness and Credit Granting

The Conceptual Landscape of Trust and Trustworthiness: The conceptual foundation for analyzing trustworthiness through its constituent parts is drawn from the seminal Mayer, David, and Schoorman (MDS) model of trust (Mayer et al., 1995). Scholarly work defines trust across diverse domains, reflecting its complexity as a construct. Early conceptualization viewed trust as a broad psychological state: a general disposition toward others (Rotter, 1971) or an after-the-fact evaluation concerning another party (McAllister, 1995). At the systemic level, trust is seen as a key characteristic of social systems (Barber, 1983). Economists, in contrast, have treated trust as a rational decision regarding cooperative behavior based on risk assessment (Dasgupta, 1988).

Synthesizing these views, Rousseau et al. (1998) offer a widely cited definition, viewing trust as a "psychological state, comprising the intention to accept vulnerability based upon positive

expectations of the intention or behavior of another” (p. 395). Other definitions emphasize ethical commitment, framing trust as an “expression of faith and confidence” in an entity’s fairness, competence, and reliability (Caldwell, 2004), or as the ethical result of recognizing and protecting others’ rights and interests (Hosmer, 1995).

Figure 1: *Postulated Research Model*



Differentiating Trust from Trustworthiness: This study primarily focuses on trustworthiness, as one of its two pillars, differentiating it from the state of trust itself. While trust is the willingness to be vulnerable (the outcome), trustworthiness is the antecedent accumulated perceptual experiences that lead one party (the trustor) to place confidence in another (the trustee) (Caldwell and Clapham, 2003). Trustworthiness thus represents a more reliable, earned behavioral perception built over time, making it a powerful predictor of decision-making behavior, especially in a high-stakes, low-history context like Small-to-Medium Businesses (SMB) lending.

At the organizational level, this reliability is built upon specific duties that carry moral and operational weight (Solomon, 1993). Caldwell and Jeffries (2001) proposed a seven-part

organizational framework for trustworthiness, encompassing elements like competence, quality assurance, interactional courtesy, procedural fairness, responsibility to inform, legal compliance, and financial balance. These components collectively define an organization's perceived reliability across technical, ethical, and relational dimensions. Competence has to do with the level of knowledge and the ability of an actor to achieve results associated with the goals of an organization. Quality assurance is the extent to which standards of quality are understood and adhered to by an actor to achieve the desired organization's outcomes. Interactional courtesy represents the degree of respect shown by an actor to others in the performance of organizational duties. Procedural fairness is achieved when an actor allows stakeholders to participate in fair processes and systems associated with the formal and informal practices of the organization. Responsibility for informing is the duty of an actor to communicate with and provide needed information to stakeholders who have a stake in the organization. Legal compliance refers to the degree to which applicable laws and regulations are understood and complied with. Finally, financial balance relates to the ability of an actor, in the pursuit of organizational goals, to achieve both efficiency and effectiveness.

Contextual Simplification: The Tripartite Model: Although the seven-factor model is comprehensive, this study adopts the more foundational and empirically robust three-factor model proposed by Mayer et al. (1995) for the context of loan officer judgment. This simplification allows for a focused investigation of the most critical elements that drive loan officers' perception of SMB applicants' credit risk. These three independent, key determinants of trustworthiness are:

- **Competence:** The perceived knowledge and ability of an SMB applicant to achieve results, aligning with the organizational definition of technical capacity.
- **Benevolence:** The belief that the SMB applicant wants to do good to the trustor (the bank), beyond an opportunistic profit motive.
- **Integrity:** The perception that the SMB applicant adheres to a set of sound moral and ethical principles, encompassing honesty and consistency.

By using this parsimonious tripartite framework, this research can precisely test how these fundamental perceptual elements (competence, benevolence, and integrity) directly influence loan officers' decision-making process regarding both perceived trustworthiness and the quality of accounting information, which are prerequisites for granting credit. First, for a trust relationship to exist in a professional context, the trustor must believe the trustee can perform the required task, which, in SMB lending, is managing the business successfully and repaying the debt to the trustor (bank). If loan officers perceive that an SMB management is highly competent, demonstrating strong financial acumen and industry knowledge, then they are more likely to trust that the SMB applicant is a viable, low-risk business, directly contributing to the belief that the applicant is trustworthy (Butler and Cantrell, 1994). In contrast, any lack of perceived competence immediately undermines the overall trustworthiness of the SMB applicant; hence:

H1a: An SMB's perceived competence will be significantly correlated with its trustworthiness.

Second, benevolence addresses the relational risk, the perception that the borrower will not exploit the lender's vulnerability for opportunistic gain. In other words, if a loan officer believes that an SMB loan applicant wants to do good for the trustor (bank) and is genuinely attached to the relationship, extending beyond purely selfish profit motives (Mayer et al., 1995), then the loan officer is more likely to trust the SMB loan applicant. This perception of caring and positive intent is a crucial, non-contractual assurance mechanism necessary for establishing overall trustworthiness (Schoorman et al., 2007). Therefore, one can expect that:

H1b: An SMB's perceived benevolence will be significantly correlated with its trustworthiness.

Third, integrity serves as the ethical foundation of trustworthiness. It guarantees that the loan applicant will adhere to the terms of the agreement and report truthfully, even when difficult. This dimension is vital because it signals the loan applicant's reliability and truthfulness (Dirks and Ferrin, 2002). Without a perception of integrity, all other assurances (competence, benevolence) are deemed questionable, making integrity a prerequisite for the formation of comprehensive trustworthiness. Following this argument, one can anticipate that:

H1c: An SMB's perceived integrity will be significantly correlated with its trustworthiness.

Accounting Information Quality and Credit Granting

Synthesizing Data and Information Quality: Research on data and information quality has a long history, particularly within the Information Systems field (Wieder and Ossimitz, 2015). However, a critical distinction exists between data and information. Data consists of raw, collected facts about the past, essentially passive and requiring processing (DeLone and McLean, 2003). For example, a vast collection of raw transactions gathered by a firm constitutes data. Information, in contrast, is the result of processing data into a format that is decision-relevant and forward-oriented. Information gains usefulness by reducing or mitigating information asymmetries, thereby assisting a decision-maker (like a loan officer) in identifying alternative or predicting consequences. The advent of artificial intelligence (AI) further emphasizes this distinction, as its power lies in transforming massive quantities of raw data into usable, predictive information.

Conceptualizing Information Quality: Information quality (IQ) corresponds to the degree an individual perceives information as current, precise, and useful (Rieh, 2002). Prior literature consistently views IQ as a multi-dimensional concept (Chen et al., 2017; Xu et al., 2013; Huang et al., 1999). Huang et al. (1999) proposed four broad categories of IQ: (1) intrinsic, (2) contextual, (3) representational, and (4) accessibility. Intrinsic information quality focuses on the information's inherent characteristics, such as accuracy, objectivity, and credibility (Huang et al., 1999; Michnik and Lo, 2009). Contextual information Quality pertains to factors relevant to the user's specific task, such as relevance and timeliness (Herrera-Viedma et al., 2006).

Representational Information Quality deals with how the information is conveyed, including its interpretability and consistency (Michnik and Lo, 2009). Accessibility relates to the ease and convenience of obtaining or retrieving the information (Huang et al., 1999).

Contextual Differentiation: For the critical context of credit granting to SMBs, the focus narrows specifically to Accounting Information Quality (AIQ). Standard-setting bodies like the International Accounting Standards Board (IASB), through the International Financial Reporting Standards (IFRS) for small and medium-sized entities, prescribe a robust set of qualitative characteristics for accounting information, including relevance, reliability, understandability, and timeliness (IASB, 2009). While the IFRS lists eleven characteristics, scholarly literature examining the utility of accounting information in decision-making, particularly in lending, tends to converge on a core set of just five dimensions: accuracy, completeness, relevance, reliability, and timeliness (Nicolaou and McKnight, 2006; Xu et al., 2003). These five characteristics are prioritized here because they directly bear on the loan officer's ability to accurately assess the SMB's current financial health and predict future performance.

Developing Relevant Hypotheses between the three core Elements and AIQ: In the context of SMB lending, information asymmetry is paramount. Loan officers cannot perfectly verify every piece of data supplied by an applicant. In general, when faced with uncertainty, decision-makers, like loan officers, rely on perceptual heuristics and relational cues to evaluate the credibility of the supplied information. Therefore, we argue in this study that the three dimensions of trustworthiness act as a perceptual filter through which loan officers judge the reliability and quality of the financial documentation (AIQ).

First, accounting information quality inherently requires technical skill, knowledge, and ability. If loan officers believe the SMB owner or management is competent, they are likely to assume this technical proficiency extends to the preparation and presentation of the financial records. Competence relates to the borrower's perceived capacity and knowledge. Loan officers who thereby perceive high competence will naturally assume a lower likelihood of unintentional errors, omissions, or faulty accounting methods in the submitted financial statements, and ultimately a lower likelihood of information asymmetry. In contrast, if competence is perceived as low, loan officers will likely view the AIQ as suspect, lacking accuracy, relevance, and completeness, regardless of the physical documents themselves. Hence, it comes that:

H2a: A perceived SMB competence will be significantly correlated with its AIQ.

Second, benevolence relates to the belief that the SMB applicant has intentions and is genuinely interested in the well-being of the relationship. In other words, the SMB is not seeking to exploit the lender (bank). This perception impacts the judgment of AIQ concerning selective disclosure and transparency. Accounting information quality includes dimensions such as

completeness and objectivity. Thereby, if loan officers perceive high benevolence, they are more likely to assume the borrower has fully and transparently disclosed all relevant financial data, even information that might be marginally detrimental. Conversely, low benevolence activates suspicion: loan officers may assume the borrower is strategically withholding or selectively reporting information (low completeness and/or low objectivity) to secure the loan, thereby lowering the perceived AIQ. Thereby, the following hypothesis can be formulated:

H2b: A perceived SMB benevolence will be significantly correlated with its AIQ.

Third, integrity reflects the borrower's adherence to moral and ethical principles, encompassing honesty and consistency. This is the most direct influence on the perceived reliability of financial reporting. Indeed, integrity directly underpins the qualitative characteristics of reliability in accounting information. Loan officers who therefore perceived high integrity will assume that the numbers are accurate and truthful (high credibility), minimizing the risk of deliberate misrepresentation, fraud, or information asymmetry. Low integrity immediately prompts loan officers to question the statements' veracity, leading to the assumption that the financial data is intentionally manipulated or fabricated to appear more favorable than reality. Thus, we expect that:

H2c: A perceived SMB of integrity will be significantly correlated with its AIQ.

Trustworthiness and Loan Granting Intentions

Connecting trustworthiness to bank loan-granting decisions, when the lender can trust the borrower, the information asymmetries can be alleviated, and the lending decision becomes easier. In fact, when a lender decides to grant credit to a borrower, the lender is underpinned by the assessment of the trustworthiness of the borrower to repay the principal and the interest on agreed terms (Moro and Fink, 2013). Thus, trustworthiness is the expectation of a lender about the future behavior of a borrower that the borrower will comply with the terms stipulated in the loan covenant (the covenant hypothesis). Previous research on trust and trustworthiness has accumulated evidence that establishes a relationship between trustworthiness and credit granting (Morgan and Hunt, 1994; Flavian et al., 2006). As indicated, trust is the "willingness to accept vulnerability" (Rousseau et al., 1998). Lending money inherently makes the lenders vulnerable. When loan officers perceive high trustworthiness (PAT), they are psychologically willing to proceed, even when objective data is incomplete or ambiguous. Hence, we submit that:

H3a: Perceived SMB applicant trustworthiness will significantly predict Loan Granting Intentions.

Further, while intentions are formed early, trustworthiness also provides the crucial non-financial confidence necessary for the final, potentially risky, commitment. This argument leads to the expectation that:

H4a: Perceived SMB applicant trustworthiness will significantly predict Loan Granting Decisions.

AIQ and Loan Granting Outcome

Relating accounting information quality to loan-granting intentions and loan-granting decisions assumes that successful lending is largely predicated on overcoming the information asymmetry problems between the borrower and the lender (Petersen and Rajan, 1994; Goldberg and White, 1998). Also, better accounting information allows a loan officer to have a more accurate forecast of an SMB borrower's future performance and thereby a more reliable estimate of its default risk (Chen et al., 2022). In contrast, lower accounting information quality generally increases information processing costs, time, and effort due in part to having to search through useless portions of the information to find the useful portion. Thereby, higher quality accounting information constitutes higher value information that benefits both the supplier of the information (the loan applicant) and the receiver of the information (the loan officer). On one hand, high-quality accounting information benefits the loan applicant because it can enhance its reputational capital, thus its brand name (a valuable intangible asset). On the other hand, high-quality information also benefits the loan officer because it can make the loan-granting decision much easier and more efficient than otherwise.

Prior studies documented that borrowers' accounting information has been associated with banks' lending decisions (Bharath et al., 2008; Armstrong et al., 2010; Pappas et al., 2019). These studies show that banks generally offer better loan terms for borrowing firms that provide higher quality accounting information in support of their loan applications. Banks may also consider some other borrowers' characteristics, such as managers' ability (De Franco et al., 2017), litigation risks (Yuan and Zhang, 2015), and business fraud risks (Lai et al., 2019). However, high-quality information directly mitigates information asymmetry and reduces the uncertainty surrounding the borrower's risk profile, which are the primary sources of credit rationing (Stiglitz and Weiss, 1981). When loan officers perceive the AIQ as high (e.g., accurate, complete, relevant, and timely), their internal confidence in the risk assessment increases significantly. According to the theory of Reasoned Action (Ajzen & Fishbein, 1975), a positive attitude toward an act (supported by credible information) forms a positive behavioral intention. Based on this argument, the following hypothesis has been formulated:

H3b: Perceived accounting information quality will significantly predict Loan Granting Intentions.

Further, while intentions are necessary, the final decision requires overcoming any remaining institutional hurdles. The superior risk mitigation provided by high AIQ directly supports the final behavioral act (the loan-granting decision in this case). Hence, comes:

H4b: Perceived accounting information quality will significantly predict Loan-Granting Decisions.

Mediating Effect of Behavioral Intention

Grounded in established behavioral models, particularly the Theory of Planned Behavior (Ajzen, 1991), behavioral intention is recognized as the most immediate and direct predictor of actual behavior. Intentions represent a conscious plan or commitment regarding a targeted action (Ajzen, 1985). This concept has a long history in behavioral research, where intention frequently serves as the mediating variable linking antecedent beliefs (like attitude, subjective norms, and perceived control) to the behavior itself (Ajzen & Fishbein, 1974, 2000). Applying this framework to the lending environment, the credit approval process is fundamentally a cognitive choice made by loan officers. It is therefore plausible that a loan officer's favorable intention toward an application significantly increases the probability that the loan will be granted. Conversely, an unfavorable intention decreases that probability. Therefore, we can reasonably expect that:

H4c: A loan officer's loan-granting intention will significantly predict the loan-granting decision.

Further, once a loan officer has accessed the input variables (Trustworthiness and AIQ) and formed a strong intention to approve the loan, that intention translates directly into the observable loan-granting decision, barring significant external organizational constraints. Hence, we can submit for testing this last hypothesis:

H5: A loan officer's loan-granting intention will significantly mediate the relationships between (1) perceived loan applicant trustworthiness and (2) loan applicant accounting information quality on one hand and the ultimate loan-granting decision on the other hand.

Methodology and Data

Measurement Development

Following Huang et al., (1999), Nicolaou and McKnight (2006), and Palazuelos et al. (2018), information quality is measured by focusing on the following four information dimensions: (1) intrinsic information quality, (2) contextual information quality, (3) representational information quality, and (4) accessibility information quality as well as on some IFRS accounting information quality attributes. These dimensions were aggregated to measure accounting

information quality (AIQ) using established items found in the literature (Palazuelos et al., 2018). Perceived applicant trustworthiness (PAT) is measured drawing on Caldwell and Clapham (2003) and Palazuelos et al. (2018). All constructs in the postulated model were measured using multiple items on 7-point Likert-type scales (1 = strongly disagree and 7 = strongly agree). This approach was followed to obtain psychological evaluations that could not be directly quantified (Churchill and Iacobucci, 2002).

Data Collection

The relevant data were collected from a sample of loan officers in the United States in the second half of 2022. Using Survey Monkey (mostly to limit Covid-19 contagion as well as our carbon footprint), 3125 emails were initially sent to bank loan officers. However, only 672 valid responses were received, representing 21.50% response rate. Using online electronic surveys, researchers can get more detailed and comprehensible answers to survey questions than traditional paper-and-pencil surveys (Schaefer and Dillian, 1998). Further, respondents in an online survey can freely express their willingness to participate in the survey, which positively affects the quality of the responses (Lefever et al., 2007). Furthermore, from the researcher's perspective, online surveys generally provide more convenient access to targeted respondents at a relatively low cost. The 21.50% response rate achieved in this study is within the 5.9% to 22% range reported by Gatignon and Robertson (1989, p. 39) for similar survey designs.

Sampling Design

The universe of the study is made up of American bank loan officers with different levels of responsibility in credit-granting decision-making. Table 1 summarizes the sociodemographic and professional characteristics of the sampled respondents. To avoid potential common method variance problems, the anonymity of the respondents was guaranteed. Further, necessary procedures were followed to minimize the likelihood of socially desirable responses. In addition, following Chang et al. (2010), it was checked whether the correlations among the study's variables were significantly influenced by their common source: the results indicated that the items load into more than one factor and that they are not concentrated in a single general factor.

Table 1 *Sociodemographic and Professional Profile of the Sample*

Key Socio Category	Characteristic	Proportion
1. Gender		
	Male	55%
	Female	45%
2. Ethnic Representation		
	Whites	63.01%
	Hispanics	15.60%
	Blacks	10.20%
	Others	11.19%
3. Education Level		
	Professional training	3.70%
	Secondary	9.62%
	Undergraduate university	35.56%
	Graduate university	40.17%
	Postgraduate	10.93%
4. Level of Responsibility		
	Local	64.75%
	Regional	20.42%
	National	12.20%
	International	2.63%
5. Years		
	Mean Age (Std. Deviation)	45 (7.130)
	Mean Experience (Std. Devia	18 (7.321)

Data Analysis

Covariance-based SEM was used for statistical analyses. The measurement model was first evaluated using a confirmatory factor analysis to test the psychometric properties of the scales (Table 2). Next, research hypotheses were tested.

Table 2 *Confirmatory Factor Analysis*

Factors	Variables	Item Loading Coefficient	Ave	Cronback's Alpha	Composite Reliability
1- Loan-granting Decision (LGD)	$R^2 = 0.53$		0.85	0.95	0.95
	LGD1	0.89			
	LGD2	0.92			
	LGD3	0.95			
2- Loan-granting Intention (LGI)	$R^2 = 0.65$		0.86	0.96	0.96
	LGI1	0.93			
	LGI2	0.88			
	LGI3	0.94			
3- Perceived Applicant Trustworthiness (PAT)	$R^2 = 0.43$		0.80	0.91	0.91
	PAT1	0.87			
	PAT2	0.86			
	PAT3	0.91			
	PAT4	0.93			
4- Accounting Information Quality (AIQ)	$R^2 = 0.39$		0.83	0.93	0.93
	AIQ1	0.92			
	AIQ2	0.93			
	AIQ3	0.91			
	AIQ4	0.96			
5- Perceived Applicant Competence (PAC)			0.82	0.92	0.92
	PAC1	0.91			
	PAC2	0.89			
	PAC3	0.92			
6- Perceived Applicant Benevolence (PAB)			0.78	0.90	0.90
	PAB1	0.92			
	PAB2	0.93			
	PAB3	0.91			
7- Perceived Applicant Integrity (PAI)			0.84	0.95	0.95
	PAI1	0.94			
	PAI2	0.91			
	PAI3	0.95			

Ethical Consideration, Data Management, and Representation

The research strictly adhered to ethical guidelines governing human subjects' investigation, ensuring the confidentiality and anonymity of all participating loan officers. Specifically, informed consent was obtained before survey participation, clearly outlining the study's purpose, the voluntary nature of participation, and the procedures for data protection. Data handling followed rigorous protocol: responses were collected via a secure online platform, stripped of any personally identifiable information upon collection, and stored on password - protected institutional servers accessible only to the research team.

Regarding sampling representation, the study employed a non-probability convenience or purposive sampling strategy because of the specialized nature of the population. However, while this approach provides valuable, in-depth, experience-based insights, it necessarily limits the generalizability of the findings compared to a probabilistic random sample. To mitigate potential bias and enhance the external validity of the results, we tracked key demographic characteristics, including years of experience, level of responsibility, and educational level, as in Table 1.

Estimation of the Measurement Model

The three classes of the goodness of fit indices (absolute fit, incremental fit, and parsimonious fit) all show a good specification of the measurement model. Bentler-Bonett Fit Index (BBFI), Bentler-Bonett Non-Normed Fit Index (BBNNFI), and the Root Mean Square Error of Approximation (RMSEA) were estimated for the overall model fit. Further, the Incremental Fit Index (IFI) and the Comparative Fit Index (CFI) were computed as measures of incremental fit. Table 3 summarizes these measurement results and shows that all these indices came higher than the recommended minimum value. Furthermore, RMSEA is located within the maximum limit of 0.04, close to the threshold, and under the maximum limit (Hair et al., 2006).

We evaluated the reliability of the measurement scales using Ave coefficients, Cronbach's Alpha, and compound reliability (Bagozzi and Yi, 1988). The values of these statistics came clearly above the required minimum threshold of 0.70 (Hair et al., 2006), thus supporting the inner reliability of the proposed constructs (Table 2). Further, the convergent validity of the model's scales is confirmed because all items are significant at a confidence level of 95% and their standardized lambda coefficients are higher than 0.50 (Steenkamp and Van Trijp, 1991).

Furthermore, we tested discriminant validity of the scales following the procedure proposed by Fornell and Larcker (1981), requiring comparison of the variance extracted for each pair of constructs (Ave coefficients) with the squared correlation estimate between the two constructs. For

all the constructs, the variance extracted came higher than the squared correlation between them. This provides empirical evidence to support discriminant validity.

Table 3 *Goodness of Fit Indices*

Goodness of Fit Indices	Goodness of Fit Indices Value
BBNFI	0.92
BBNNFI	0.94
IFI	0.96
CFI	0.97
RMSEA	0.04
Normed chi-squared (X^2)	3.35

Estimation of the Hypothesized Structural Model

After the psychometric properties of the measurement scales were adequately examined, the model was tested again using the Robust Maximum Likelihood method. This allowed avoiding any potential non-normality of the data by providing the outputs “*robust chi-square statistic*” and “*robust standard errors*,” corrected for non-normality (Byrne, 1994). Again, Table 2 and Table 3 summarize the results for the estimates of the postulated research model, confirming its goodness of fit. Finally, Table 4 shows a summary of the effect sizes and the reject or non-reject decisions reached for the study hypotheses based on the empirical results found.

Study Results

Direct Findings

Figure 2 displays several useful findings. First, as hypothesized, perceived applicant competence ($\beta=0.69$), perceived applicant benevolence ($\beta=0.47$), and perceived applicant integrity ($\beta=0.72$) were all significantly correlated with and explained significant variations in perceived applicant’s trustworthiness ($R^2= 0.43$). Second, and similarly, as hypothesized, perceived applicant competence ($\beta=0.61$), perceived benevolence ($\beta=0.41$), and perceived integrity ($\beta=0.67$) were all significantly correlated with and explained together significant variations in accounting information quality ($R^2 = 0.39$). Third, perceived applicant trustworthiness ($\beta=0.76$) and accounting information quality ($\beta=0.73$) were both significantly correlated with and explained significant variations in loan-granting intention ($R^2 = 0.65$). Finally, as hypothesized, loan-granting intention ($\beta=0.63$), perceived applicant trustworthiness ($\beta=0.61$), and accounting information quality ($\beta=0.56$) were all significantly correlated with and explained significant variations in loan-granting decision ($R^2 = 0.53$). All the hypothesized model paths were found to be significant at the 0.05 level.

The standardized regression beta coefficients reported in Figure 2 and in the above paragraph indicate that the changes in the dependent or outcome variables are associated with changes in the independent variables. According to Cohen (2013), a beta less than 0.50 but greater than 0.20 is considered a small effect size, while a beta less than 0.80 but greater than 0.50 is considered a medium effect size. Following this guideline, all the paths reported in Table 4 show small-to-medium effect sizes.

Figure 2: *Structural Model Results*

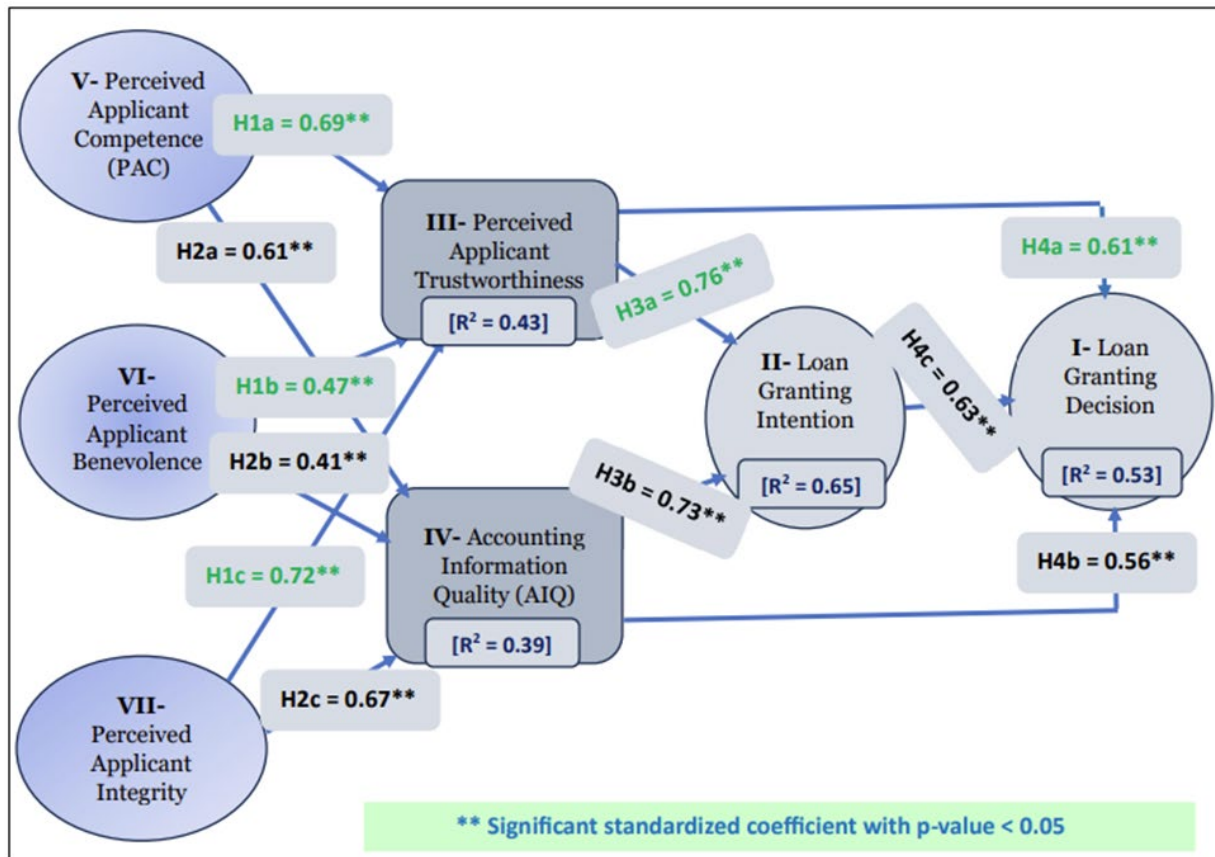


Table 4 *Summary of the Decisions on the Study's Hypotheses*

Hypothesis	Path	□ Coefficient	Effect Size	Decision
H1a	PAC to PAT	0.69	Medium	Not rejected
H1b	PAB to PAT	0.47	Small	Not rejected
H1c	PAI to PAT	0.72	Medium	Not rejected
H2a	PAC to AIQ	0.61	Medium	Not rejected
H2b	PAB to AIQ	0.41	Small	Not rejected
H2c	PAI to AIQ	0.67	Medium	Not rejected
H3a	PAT to LGI	0.76	Medium	Not rejected
H3b	AIQ to LGI	0.73	Medium	Not rejected
H4a	LGI to LGD	0.63	Medium	Not rejected
H4b	PAT to LGD	0.61	Medium	Not rejected
H4c	AIQ to LGD	0.56	Medium	Not rejected

The findings summarized in Table 4, showing standard beta coefficients with medium effect sizes, suggest that the independent variables considered in this study are not merely statistically significant predictors, but critical drivers of the outcome variables: Loan Granting Intentions and Loan Granting Decisions. Specifically, and practically, for example, efforts by Small and Medium Businesses (SMBs) to enhance their trustworthiness (PAT) and accounting information quality (AIQ) by consistently demonstrating competence and integrity are likely to have a much larger impact on securing a loan than a small adjustment to a less influential independent variable, such as benevolence.

The Mediator Effect Size Results

Loan Granting Intentions (LGI) was hypothesized as a mediator between Trustworthiness (PAT) and Accounting Information Quality (AIQ) on one hand and the outcome variable Loan Granting Decision (LGD) on the other hand. Table 5 below summarizes the effect sizes of the mediator.

Table 5: *Summary of the Mediator Effect Sizes*

Predictors:	Trustworthiness (PAT)		Accounting Info Quality (AIQ)	
Relationship:	β	p-value	β	p-value
PAT to LGI (a)	0.76	< 0.012	0.73	< 0.012
LGI to LGD (b)	0.63	< 0.017	0.63	< 0.017
Indirect Effect (a x b)	0.48	< 0.050	0.46	< 0.050
Direct Effect	0.61	< 0.023	0.56	< 0.023

The above findings (Table 5) indicate that the hypothesized Loan Granting Intentions (LGI) do not fully account for the relationship between the predictors (PAT and AIQ) and the outcome variable, Loan Granting Decision. However, the significant indirect effects indicate that the mediator LGI still plays a statistically significant role in transmitting some of the predictors' influences. Further, the significant direct effects of both Trustworthiness (PAT) and Accounting Information Quality (AIQ) suggest that these predictors still exert a significant and stronger influence on the outcome variable, Loan Granting Decision (LGD).

Practically, while both Trustworthiness (PAT) and Accounting Information Quality (AIQ) exert powerful direct influence on Loan Granting Decision (LGD), pointing to the role of potential unmeasured, heuristic factors, we found significant, independent psychological pathways through which Loan Granting Intentions (LGI) operate. This finding corroborates that even if the direct paths are stronger, as shown in Table 5, the formation of the loan officers' behavioral intentions represents a distinct and important mechanism in translating SMBs' applicants' perceptions by the loan officers into final Loan Granting Decisions (LGD).

Analysis of Findings

Prior studies (Palazuelos et al., 2018; Chen and Liu, 2021; Zhang, 2021; Al-Olayan, 2022; Al-Tamimi and Al-Olayan, 2022; Liu and Zang, 2023) all investigated the effects of trustworthiness/or trust and accounting information quality on small and medium enterprises (SMBs)' access to credit. Table 6 below summarizes the main findings of these prior studies and of the current one.

Table 6: *Summary of the Findings of Prior and Current Studies*

Studies	Palazuelos et al. (2018)	Chen & Liu (2021)	Zhang (2021)	Al-Olayan (2022)	Al-Tamimi & Al-Olayan (2022)	Liu & Zhang (2023)	Current Study
Predictors							
Accounting Information Quality	Significant	Significant	Significant	Significant	Significant	Significant	Significant
Trustworthiness	Significant	Significant	Significant	Significant	Significant	Significant	Significant
Interaction	Significant and stronger	Significant and stronger	Significant and stronger	Significant and stronger	Significant and stronger	Significant and stronger	Significant and stronger
External Audit Role	Significant	Not studied	Not studied	Not studied	Not studied	Not studied	Presumed important
Regional Effects	Vary	Vary	Vary	Vary	Vary	Vary	Vary

Findings of Palazuelos et al. (2018)

Perceived accounting information quality (AIQ) of small and medium businesses (SMBs) positively influences loan officers' willingness to grant credit, but only when SMBs accounting information is audited. For non-audited SMBs, AIQ does not directly impact credit-granting decisions, although it does play a role in building trust.

Trustworthiness was found to be a critical factor in credit-granting decisions. The study identified two dimensions of trust: competence and honesty. Both dimensions influence credit-granting decisions. However, their relative importance varies depending on whether the SMB is audited or not.

Findings of Chen and Liu (2021)

Chen and Liu (2021) provided further insights into the relationship between accounting information quality and trustworthiness on SMBs' access to credit. Specifically, the study found that:

- SMBs with higher-quality accounting information are more likely to obtain credit, suggesting that lenders perceive higher-quality accounting information as a stronger signal of the SMB's financial health and creditworthiness.
- Trustworthiness is a significant predictor of credit access, suggesting that lenders are more likely to extend credit to SMBs that they perceive as trustworthy, since this reduces the perceived loan risk.

- The interaction between accounting information quality and trustworthiness is also influential. Indeed, when both factors are high, SMBs are more likely to obtain credit, suggesting that the combination of strong accounting information and a trustworthy reputation of an SMB can significantly enhance its credit access.
- However, the impact of accounting information quality and trustworthiness on credit access varies across different regions of the country (China). Specifically, in regions with more developed financial markets, the effect of accounting information quality is stronger, while in regions with weaker financial institutions, trustworthiness plays a more significant role.

Findings of Zhang (2021)

Zhang's (2021) dissertation provides in-depth knowledge into the relationship between accounting information quality and trustworthiness on SMBs' access to credit. The dissertation key findings include that:

- SMBs with higher-quality accounting information are more likely to have successful credit applications than those with lower-quality accounting information.
- Trustworthiness, measured by factors such as reputation and transparency, is a critically significant predictor of credit access. The study's findings suggest that lenders are more likely to extend credit to SMBs that they perceive as trustworthy, as this reduces potential information asymmetries and thereby credit risks.
- The interaction between accounting information quality and trustworthiness on credit access is more impactful than either variable taken alone. Indeed, when both variables are high, the chance of SMBs obtaining credit is higher, suggesting a significant interaction between the two predictors.
- However, like in Chen and Liu (2021), the effects of accounting information quality and trustworthiness vary across geographical regions. Again, in China's regions with more developed financial markets, the effect of accounting information quality is stronger, while in regions with weaker financial institutions, trustworthiness plays a more significant role for SMBs' access to credit.

Findings of Al-Olayan (2022) and Al-Tamimi and Al-Olayan (2022)

Al-Olayan's thesis provides insightful evidence into the relationship between accounting information quality and trustworthiness on SMBs' access to credit. The key findings of the thesis are like those of Chen and Liu (2021 and Zhang (2021). The interaction between the two variables yielded a stronger impact on access to credit than either variable considered alone. Al-Olayan (2022) also found evidence of regional variations in the effects of the two variables on SMBs' access to credit.

Findings of Liu and Zhang (2023)

Liu and Zhang (2023) provided the most recent study on the relationship between accounting information quality and trustworthiness on SMBs' access to credit. The findings are largely like those of Zhang (2021) because this study presumably drew on Zhang's (2021) dissertation. Thereby, like Zhang (2021), this study provides strong evidence that both accounting information quality and trustworthiness are crucial factors in SMBs' access to credit.

Findings of the Current Study

The findings of the current study are both similar to and different from those of the previous studies. First, the findings are similar to those of the previous studies in that both accounting information quality and trustworthiness are significant predictors of SMBs' access to credit, and that their interaction is even a stronger predictor than either variable considered alone. Second, however, the current study is different from the previous studies for a few reasons. On one hand, the current study introduces a mediating variable, "*loan-granting intention*," between accounting information quality and trustworthiness, and SMBs' access to credit, with the mediating effect found significant. On the other hand, the current study also investigated three antecedent variables of both accounting information quality and trustworthiness, namely: (1) the SMB's perceived competence, (2) the SMB's perceived benevolence, and (3) the SMB's perceived integrity, all three antecedent variables rooted in the relevant extant literature. These antecedent variables were also found to be significant determinants of both accounting information quality and trustworthiness.

Thus, the current study took this research a little further to provide evidences that (1) both accounting information quality and trustworthiness are crucial significant factors in SMEs' access to credit, (2) that the interaction of these two variables is more impactful than each considered alone on SMBs access to credit, and that accounting information quality and trustworthiness are themselves significantly explained by three antecedent factors: (1) the SMBs perceived competence, (2) the SMBs perceived benevolence, and (3) the SMBs perceived integrity. The study's findings highlight the importance of SMBs investing in improving their accounting information systems and building a strong reputational capital to enhance their probability of obtaining financing. However, in contrast to the prior studies, data used in the current study were collected in the US compared to China (Chen and Liu, 2021; Zhang, 2021; and Liu and Zhang, 2023) or Saudi Arabia (Al-Olayan, 2022 and Al-Tamimi & Al-Olayan, 2022).

Conclusion and Synthesis of Contributions

This research aimed to advance the understanding of Small-to-Medium Businesses (SMBs) access to credit by investigating the interconnected roles of loan applicants' perceived trustworthiness (PAT) and the quality of their accounting information (AIQ) in the decision-

making process of US bank loan officers. Moving beyond fragmented analyses, this study proposed and tested a novel, holistic conceptual model to determine how these perceptual factors ultimately translate into credit outcomes.

Using robust structural equation modeling (SEM) on data collected from US bank loan officers, the study found significant support for all hypothesized relationships. The central findings are synthesized as follows:

1. *Trustworthiness (PAT) and Accounting Information Quality (AIQ) as cornerstones of Credit Access:* The study confirms that both the perceived trustworthiness and the perceived AIQ of an SMB loan applicant are strong, direct predictors of loan officers' favorable loan-granting intentions and the subsequent loan-granting decision. This finding establishes the primacy of these perceptual variables in overcoming the information asymmetry inherent in Small-to-Medium Businesses (SMBs) lending.
2. *Antecedents of Perception:* We successfully established that the three core dimensions of trustworthiness (competence, benevolence, and integrity) serve as powerful antecedent variables. These variables not only determine loan officers' overall perceptions of the SMBs' trustworthiness but also significantly influence their judgment regarding the quality and reliability of the accounting information provided. This highlights the crucial link between the SMBs loan applicants' characters and the credibility of their financial data.
3. *Psychological Mechanism of Intentions:* Our model (Figure 1) makes its most significant contribution by confirming the critical mediating role of loan-granting intentions (LGI). The influence of both perceived trustworthiness (PAT) of SMBs and perceived quality of their accounting information (AIQ) on the ultimate loan granting decision (LGD) is significantly channeled through loan officers' immediate intentions. This finding provides novel insight into the psychological process of credit risk management, demonstrating that the final decision is a deliberate execution of an antecedent behavioral intent, rather than an immediate, unmediated response to SMBs loan applicants' profiles.

Study Implications

The findings of the research offer direct and actionable implications for (1) SMBs, (2) lenders, and (3) policymakers, leveraging our unique insights into the role of perceptual factors and behavioral intentions on the outcome variable loan-granting decision (LGD).

1. *Implications for Small-to-Medium Businesses (SMBs):* SMBs should view investment in trustworthiness and accounting information quality not merely as compliance burdens, but as strategic capital investments that directly increase their creditworthiness through:
 - a. *Foundational Integrity and Competence:* Since the perceived dimensions of integrity and competence were shown to drive both overall trustworthiness and AIQ, SMB owners must actively demonstrate ethical consistency and strong business expertise. This involves

- maintaining transparent business practices and ensuring continuity in management and operations.
- b. **Strategic Investment in Accounting Quality:** SMBs should invest proactively in robust accounting information systems and professional practices. Viewing external audits (even when not required) as a necessary cost for establishing credibility capital is essential. Formally audited statements serve as a powerful signal of commitment and reduce loan officers' perceived informational risk.
 - c. **Proactive Trust Building:** Building a strong reputation capital through transparent communication and community engagement is crucial. When applying for credit, SMBs should prepare not just financial documents, but also narrative evidence that explicitly addresses the benevolent dimension (e.g., long-term commitment to employees, community ties) to enhance loan officers' willingness to trust them.
2. *Implications for Lending Institutions:* By confirming that loan officers' intentions are the pathway through which perceptions translate to loan decisions, financial institutions can refine their credit risk management strategies through:
- a. *Formalized Perceptual Assessment:* Lending institutions should integrate structured and formalized assessments of SMBs' loan applicants' trustworthiness and the quality of their accounting information into their standard credit analysis protocols, rather than leaving these factors to informal, potentially biased judgment.
 - b. *Targeted Intentions Phase:* Training programs for loan officers should emphasize the antecedent role of intentions. This means that loan officers must be trained not only based on objective financial (lagging) metrics but also in how to systematically evaluate non-financial (leading) signals of competence and integrity to form accurate, defensible, and non-discriminatory loan-granting intentions early in the process.
 - c. *Refined Credit Granting Models:* The findings of this study justify incorporating proxies for perceived trustworthiness (e.g., relationship tenure, reputational data) into internal credit scoring models to better predict SMBs loan performance, supplementing traditional financial ratio analysis.
3. *Implications for Policymakers and Regulators:* Policymakers can utilize the findings of this study to develop initiatives that foster a more resilient SMB lending ecosystem through:
- a. **AIQ Enhancement Initiatives:** Policies should focus on providing resources and incentives for SMBs to improve their financial literacy and adopt higher-quality accounting standards (e.g., grants for professional accounting services or certification programs). This addresses the Accounting Information Quality (AIQ) element directly, reducing systemic information asymmetry.
 - b. **Trust Benchmarks:** Regulators could support industry efforts to establish certification standards or voluntary reporting guidelines that signal trustworthiness (e.g., ethical conduct codes or transparency reporting) beyond mandatory financial compliance.

- c. A Virtuous Credit Cycle at the Macro Level: By facilitating targeted improvements in both trustworthiness (PAT) and accounting information quality (AIQ), policymakers can directly improve SMBs' creditworthiness. This increased access to capital can stimulate a virtuous cycle where SMBs growth will lead to greater financial stability, which, in turn, will fuel broader economic growth, investment, and job creation.

Overall, this research makes two primary contributions to the literature on loan granting to SMBs. First academically, we introduced and validated an integrated, two-stage model, linking granular behavioral antecedent variables (competence, benevolence, and integrity) to perceptual outcomes (trustworthiness and accounting information quality) and ultimately to loan granting decision (LGD) through loan granting intentions (LGI) as a mediating variable. Second, and practically, the findings of the study offer clear guidance for both SMBs and financial institutions. Indeed, policymakers and banks can develop targeted strategies focused on enhancing the perceived elements of competence and integrity, as these are demonstrated to be powerful, non-financial, leading leverage points for bolstering SMBs' creditworthiness and improving their overall access to capital.

Limitations and Future Research Directions

Despite providing valuable insights into the perceptual drivers of SMBs' credit access, this research is subject to a few limitations that pave the way for future inquiry related specifically to:

1. *Generalizability and sampling Scope*: While the large sample size (N= 672) meets the statistical requirements for robust analysis and inferences, the findings are drawn exclusively from US bank loan officers using a non-probabilistic sampling method. Consequently, the results may not be directly generalizable to countries with different financial systems, regulatory environments, or distinct cultural perceptions of trust and risk. Future research should thereby replicate this model using cross-country comparisons and explore how banking culture moderates the influence of trustworthiness and accounting information quality.
2. *Intentions-Behavior Gap*: A core element of our model involves the mediating role of loan granting intentions (LGI) leading to the ultimate loan granting decisions (LGD). While intention is a strong predictor of behavior, a gap may exist, as real-world loan decisions are subject to numerous external organizational constraints (e.g., credit committee overrides, changes in bank policy, or unforeseen changes in applicant documents) that are beyond the scope of a single loan officer's initial intent. As a result, future studies could integrate qualitative methods or access organizational data to validate the consistency between loan officers' initial intents and the final decision outcomes, thereby strengthening the practical implications of the mediation path investigated in this study.
3. *Methodological Reliance on Self-Reported Perceptions*: This study relied on electronic surveys to capture loan officers' perceptions and judgments. While this method is cost-

effective, efficient, and appropriate during a global pandemic (e.g., COVID-19), it carries the inherent risk of common method bias and relies on subjective self-reporting data. Furthermore, the suggestions to revert to paper-and-pencil surveys (Schaefer and Dillian, 1998) are methodologically tenuous given the convenience and data integrity advantages of modern digital surveys. Instead, future research should focus on utilizing multi-method approaches, such as integrating objective bank performance data (e.g., default rates, loan size) or conducting scenario-based experimental designs to strengthen the causal claims and reduce reliance solely on perceptual measures.

By addressing these limitations, subsequent research can further enhance and solidify the theoretical links between trustworthiness, accounting information quality, and SMBs' access to credit.

References

- Acar, A., & Demirguc-Kunt, A. (2016). Small business financing: A review of the literature. World Bank Policy Research Working Paper No. 7786.
- Ajzen, I. (2020). The theory of planned behavior: Frequently asked questions. *Human behavior and emerging technologies*, 2(4), 314-324.
- Ajzen, I., & Fishbein, M. (2000). Attitudes and attitude-behavior relation: Reasoned and automatic processes. *European review of social psychology*, 11(1), 1-33.
- Ajzen, I. (1991). The Theory of Planned Behavior, *Organizational Behavior and Human Decision Processes*.
- Ajzen, I. (1985). From intentions to actions: A theory of planned behavior. In J. Kuhl & J. Beckman (Eds.), *Action-control: From cognition to behavior* (pp. 11–39). Heidelberg: Springer.
- Ajzen, I., and M. Fishbein (1974). “Factors influencing intentions and the intention-behavior relationship.” *Human Relations*, Vol. 27: 1-15.
- Ajzen, I., and M. Fishbein (1969). “The prediction of behavioral intentions in a choice situation.” *Journal of Experimental Social Psychology*, Vol. 5: 400-446.
- Al-Olayan, F. (2022). The impact of accounting information quality and trustworthiness on SMEs' access to credit: Evidence from Saudi Arabia. Ph.D. dissertation, King Saud University.
- Al-Tamimi, M. A., & Al-Olayan, F. (2022). The impact of accounting information quality and trustworthiness on SMEs' access to credit: Evidence from Saudi Arabia. *International Journal of Accounting & Finance*, 12(3), 232-250.
- Armstrong, C.; WR. Guay, and JP. Weber (2010). “The role of information and financial reporting in corporate governance and debt contracting.” *Journal of Accounting and Economics*, Vol. 50: 179 – 234.
- Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the academy of marketing science*, 16, 74-94.
- Baker, T. H., Judge, K., & Klein, A. (2022). Credit, Crises, and Infrastructure: The Differing Fates of Large and Small Businesses. *BUL Rev.*, 102, 1353.
- Barber, B. (1983). “The logic and limits of trust.” Rutgers University Press, New Brunswick, NJ.
- Beck, T. Demirguc-Kunt, A. & Levine, R. (2000). *A New Database on Financial Development and Structure. Policy Research Paper*, (2147).
- Beck, T., Demirgüç-Kunt, A. S. L. I., & Maksimovic, V. (2005). Financial and legal constraints to growth: does firm size matter? *Journal of Finance*, 60(1), 137-177.
- Berger, A. N., Klapper, L. F., & Udell, G. F. (2001). The ability of banks to lend to informationally opaque small businesses. *Journal of Banking & Finance*, 25(12), 2127-2167.
- Berger, A. N., & Frame, W. S. (2007). Small business credit scoring and credit availability. *Journal of small business management*, 45(1), 5-22.
- Berger, A. N., Frame, W. S., & Ioannidou, V. (2011). Tests of ex ante versus ex post theories of collateral using private and public information. *Journal of Financial Economics*, 100(1), 85-97.

- Besanko, AN. And Thakor, AV. (1987). Collateral and rationing sorting equilibria in monopolistic and competitive markets. *International Economic Review*, Vol. 28: 671-689.
- Bester, H. (1985). Screening vs. rationing in credit markets with imperfect information. *The American economic review*, 75(4), 850-855.
- Bharath ST; J. Sunder; and SV. Sunder (2008).” Accounting quality and debt contracting.” *The Accounting Review*, Vol. 83: 1-28.
- Bok, S. (1978). “*Lying: Moral choice in public and private life.*” Pantheon Books, New York. Brown, K., & Moles, P. (2014). Credit risk management. *K. Brown & P. Moles, Credit Risk Management*, 16.
- Bruns, V., Holland, D. V., Shepherd, D. A., & Wiklund, J. (2008). The role of human capital in loan officers’ decision policies. *Entrepreneurship Theory and Practice*, 32(3), 485-506.
- Butler Jr, J. K., & Cantrell, R. S. (1994). Communication factors and trust: An exploratory study. *Psychological reports*, 74(1), 33-34.
- Byrne, B. M. (1994). *Structural equation modeling with EQS and EQS/Windows: basic concept, applications, and programing*. Thousand Oaks: sage Publications.
- Caldwell, C. (2004). *Organizational trustworthiness: A Developmental model*. Washington State University.
- Caldwell, C., Clapham, SE. (2003). Organizational trustworthiness: an international perspective. *Journal of Business Ethics*, Vol. 47: 349-364.
- Caldwell, C.; F.L. Jeffries (2001). “*Ethics, Norms, Dispositional Trust, and Context: Components of the Missing Link between Trustworthiness and Trust;*” Presented at the 8th annual International Conference on Ethics in Business (De Paul university, Chicago, IL).
- Chang, S.J.; A.V. Witteloostuijn; L. Eden (2010). Common Method Variance in International Business Research. *Journal of International Business Studies*, Vol. 41 (2); pp: 178-184.
- Chen, CJ., W. He, CJ. Lu, and X. Yu (2022). “Bank loan covenants, accrual quality and firms’ information environment.” *Accounting & Finance*, Vol. 62: 547 – 575.
- Chen, X; Huang, Q; Davison, RM (2017). “The role of website quality and social capital in building buyers’ loyalty.” *International Journal of Information management*, Vol. 37 (1): 1563-1574.
- Chen, Y., & Liu, Y. (2021). The impact of accounting information quality and trustworthiness on SMEs’ access to credit: Evidence from China. *Journal of Accounting Research*, 59(1), 1-37.
- Cohen, J. (2013). *Statistical power analysis for the behavioral sciences*. Routledge.
- Churchill, G., A.; Iacobucci, D. (2002). *Marketing research methodological foundations*, 8th edition. Mason: Thomson.
- Dasgupta, P. (1988). “*Trust as a commodity.*” In D. Gambetta, ed. “Trust: making and breaking cooperative relations.” Basil Blackwell, New York, 49-72.
- De Franco, G., Hope, O. K., & Lu, H. (2017). Managerial ability and bank-loan pricing. *Journal of Business Finance & Accounting*, 44(9-10), 1315-1337.
- De la Torre, A., Pería, M. S. M., & Schmukler, S. L. (2010). Bank involvement with SMEs: Beyond relationship lending. *Journal of Banking & Finance*, 34(9), 2280-2293.

- DeLone, WH, McLean, ER. (2003) “The DeLone and McLean Model of Information Systems Success: A Ten-Year Update.” *Journal of Management Information Systems*, Vol. 19 (4): 9-30.
- Flavián, C., Guinalú, M., & Gurrea, R. (2006). The role played by perceived usability, satisfaction, and consumer trust on website loyalty. *Information & management*, 43(1), 1-14.
- Fornell, C., & Larcker, D. (1981). Evaluating structural equation models with unobserved variables and measurement error. *Journal of Marketing Research*, 18, 39–50.
- Gatignon, H., & Robertson, T. (1989). Technology diffusion: An empirical test of competitive effects. *Journal of Marketing*, 53(1), 35–49.
- Goldberg, L. G., & White, L. J. (1998). De novo banks and lending to small businesses: An empirical analysis. *Journal of Banking & Finance*, 22(6-8), 851-867.
- Hair, J., Black, B., Babin, B., Anderson, R., & Tatham, R. (2006). *Multivariate data analysis* (6th ed.). Upper Saddle River, NJ: Prentice-Hall.
- Hirsch, F. (1978). “*Social limits to growth.*” Harvard University Press, Cambridge, MA. Hosmer, L. T. (1995). “Trust: the connecting link between organizational theory and behavior.” *Academy of Management Review*, Vol 20(2), 379-404.
- Howorth, C., & Moro, A. (2012). Trustworthiness and interest rates: an empirical study of Italian SMEs. *Small Business Economics*, 39, 161-177.
- Huang, K, Lee, YW, Wang, RY (1999). “*Quality information and knowledge.*” Printice Hall, New Jersey, NY.
- IASB (2009). “*International financial reporting standards for small and medium-sized entities (IFRS for SMEs).*” London: IASC Foundation Publication Department.
- Lai, T. K., Lei, A. C., & Song, F. M. (2019). The impact of corporate fraud on director-interlocked firms: Evidence from bank loans. *Journal of Business Finance & Accounting*, 46(1-2), 32-67.
- Lefever, S., Dal, M., & Matthíasdóttir, Á. (2007). Online data collection in academic research: advantages and limitations. *British journal of educational technology*, 38(4), 574-582.
- Liu, J., & Zhang, Y. (2023). The impact of accounting information quality and trustworthiness on SMEs' access to credit: Evidence from China. *Journal of Financial Economics*, 148(1), 1-26.
- Mason, C., & Stark, M. (2004). What do investors look for in a business plan? A comparison of the investment criteria of bankers, venture capitalists and business angels. *International small business journal*, 22(3), 227-248.
- Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of management review*, 20(3), 709-734.
- McAllister, D. J. (1995). “Affect and cognition-based trust as foundations for interpersonal cooperation in organizations.” *Academy of Management Journal*, Vol. 38: 24-59.
- Michnik, J, Lo, MC. (2009). « The assessment of the information quality with the aid of multiple criteria analysis.” *European Journal of Operational Research*, Vol 195: 850-856.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of marketing*, 58(3), 20-38.

- Moro, A., & Fink, M. (2013). Loan managers' trust and credit access for SMEs. *Journal of Banking & Finance*, 37(3), 927-936.
- Moro, S., Cortez, P., & Rita, P. (2015). Business intelligence in banking: A literature analysis from 2002 to 2013 using text mining and latent Dirichlet allocation. *Expert Systems with Applications*, 42(3), 1314-1324.
- Nicolaou, A. I.; McKnight, D. H. (2006). Perceived information quality in data exchanges: effects on risk, trust, and intention to use. *Information Systems Research*, Vol 17, Issue 4: 332-351.
- Palazuelos, E., Crespo, Á. H., & del Corte, J. M. (2018). Accounting information quality and trust as determinants of credit granting to SMEs: the role of external audit. *Small Business Economics*, 51, 861-877.
- Pappas, KE.; E. Walsh; and AL. Xu (2019). "Real earnings management and loan contract terms." *British Accounting Review*, Vol. 51: 373 – 401.
- Petersen, M. A., & Rajan, R. G. (1994). The benefits of lending relationships: Evidence from small business data. *The journal of finance*, 49(1), 3-37.
- Rieh, SY (2002). Judgment of information quality and cognitive authority in the web." *Journal of the Association of Information Sciences and Technology*, Vol 53 (2): 145-161.
- Rotter, J.B. (1971). "Generalized expectancies for interpersonal trust." *American Psychologist*, Vol. 26: 443-452.
- Rousseau, DM, SB. Sitkin, RS. BURT, C. Camerer. (1998). "Not so different after all: a cross-discipline view of trust." *Academy of Management Review*, Vol. 23: 393-404.
- Schaefer, David R.; Don A. Dillman (1998). Development of Standard E-mail Methodology: Results of an Experiment. *Public Opinion quarterly*, Vol. 6 (3), pp; 378-397.
- Schiffer, M., & Weder, B. (2001). *Firm size and the business environment: Worldwide survey results* (Vol. 43). World Bank Publications.

- Schoorman, F. D., Mayer, R. C., & Davis, J. H. (2007). An integrative model of organizational trust: Past, present, and future. *Academy of Management review*, 32(2), 344-354.
- Solomon, Robert C. (1993). *Ethics and Excellence*. New York: Oxford University.
- Steenkamp, J. B.; Van Trijp, H. C. (1991). The use of Lisrel in validating marketing constructs. *International journal of Research in Marketing*, Vol. 8 Issue 4: 283-299.
- Stiglitz, J. E., & Weiss, A. (1981). Credit rationing in markets with imperfect information. *The American economic review*, 71(3), 393-410.
- Wieder, B; Ossimitz, ML; Chamoni, P. (2012). "The Impact of Business Intelligence Tools on Performance: A User Satisfaction Paradox?" *International Journal of Economic Sciences and Applied Research*, Vol. 5 (3): 7-32.
- Wolfson, M. H. (1996). A Post Keynesian theory of credit rationing. *Journal of Post Keynesian Economics*, 18(3), 443-470.
- Xu, JD, Benbasat, I, Cenfetelli, RT (2013). "Integrating service quality with system and information quality: an empirical test in the e-service context." *MIS Quarterly*, Vol. 37 (3): 777-794.
- Yuan, Q., & Zhang, Y. (2015). Do banks price litigation risk in debt contracting? Evidence from class action lawsuits. *Journal of Business Finance & Accounting*, 42(9-10), 1310-1340.
- Zhang, Y. (2021). The impact of accounting information quality and trustworthiness on SMEs' access to credit: Evidence from China. Master's thesis, University of Melbourne.