

The Effect of Working Capital Management and Financial Reporting on Export Revenue of Export-oriented Manufacturing SMEs in Sri Lanka with the Mediating Effect of Financial Literacy of SME Owners

Roshen Rodrigo¹, Jacqueline Tham², Zunirah Talib³, Indika Sirinaga⁴

¹PhD Student, Management and Science University, No. 4, University Drive, Off Jalan Persiaran Olahraga, Seksyen 13, 40100 Shah Alam, Selangor, Malaysia. Email: rodrigohars523@gmail.com

²Professor, Faculty of Business Management & Professional Studies (FBMP), Graduate School of Management (GSM), Management and Science University, No. 4, University Drive, Off Jalan Persiaran Olahraga, Seksyen 13, 40100 Shah Alam, Selangor, Malaysia. Email: jacqueline@msu.edu.my

³Professor, Faculty of Business Management & Professional Studies (FBMP), Graduate School of Management (GSM), Management and Science University, No. 4, University Drive, Off Jalan Persiaran Olahraga, Seksyen 13, 40100 Shah Alam, Selangor, Malaysia. Email: zunirah@msu.edu.my

⁴Senior Lecturer, Faculty of Business Management & Professional Studies (FBMP), Graduate School of Management (GSM), Management and Science University, No. 4, University Drive, Off Jalan Persiaran Olahraga, Seksyen 13, 40100 Shah Alam, Selangor, Malaysia. Email: sirinaga@msi.edu.lk

***Corresponding Author: Roshen Rodrigo**

PhD Student, Management and Science University, No. 4, University Drive, Off Jalan Persiaran Olahraga, Seksyen 13, 40100 Shah Alam, Selangor, Malaysia

Email: rodrigohars523@gmail.com

ABSTRACT

This study investigates the effect of working capital management and financial reporting on the export revenue of export-oriented manufacturing SMEs in Sri Lanka, with the mediating role of financial literacy of SME owners. This study adopts a quantitative approach in which primary research data were collected from 344 SME owners in Sri Lanka using a structured questionnaire, and data were analyzed using structural equation modelling. The findings of this study indicate that working capital management and financial literacy of SME owners have significant positive direct effect on export revenue of export-oriented manufacturing SMEs in Sri Lanka, and financial reporting does not have significant direct effect on export revenue. Mediating effect analysis reveals that financial literacy of SME owners partially mediates the relationship between working capital management and export, while fully mediates the relationship between financial reporting and export revenue of export-oriented manufacturing SMEs in Sri Lanka.

Keywords: Working capital management, financial reporting, financial literacy, export revenue, SMEs.

How to cite this article: Rodrigo R, Tham J, Talib Z, Sirinaga I. The Effect of Working Capital Management and Financial Reporting on Export Revenue of Export-oriented Manufacturing SMEs in Sri Lanka with the Mediating Effect of Financial Literacy of SME Owners. *Int J Drug Deliv Technol.* 2026;16(59s): 615-630. DOI: 10.25258/ijddt.16.59s.68

Source of support: Nil

Conflict of interest: None

Introduction

Export-oriented manufacturing small and medium enterprises (SMEs) play an important role in the economic development of Sri Lanka by contributing to generating new employments and earning foreign exchange mainly (Madushanka & Sachitra, 2021; Subramaniam, 2019). Despite their contribution for the economic development, many export-oriented manufacturing SMEs in Sri Lanka are struggling with constrained export revenue growth mainly due to limitation of financial resources and restricted access to finance (Jayaweera et al., 2024). Economic

disruptions in developing economies have further exacerbated these challenges for SMEs emphasizing the importance of strengthening internal financial capabilities to overcome these challenges that support to enhance the export revenue and sustain the long-term competitiveness of SMEs (Etemad, 2020).

Among the internal financial capabilities influencing financial performance of SMEs, financial management practices play vital role in supporting strategic decision making and ensuring operational stability (Nkundabanyanga et al., 2017; Otoo, 2024). Working capital management is an important financial

management practice for export-oriented manufacturing SMEs to ensure the stability of cash conversion cycle, supports handle the payment delays from foreign buyers, effectively manage the supplier credit payments and reduces the inventory holding periods (Sardo & Serrasqueiro, 2021; Tauringana & Adjapong Afrifa, 2013). Ineffective working capital management practices related to receivables, payables and inventory creates liquidity shortages, ultimately constraining the export revenue of export-oriented manufacturing SMEs (Singh & Kumar, 2017; Tauringana & Adjapong Afrifa, 2013). Whereas, effective working capital management practices ensure liquidity adequacy that facilitates to improve operational continuity and enhance the export revenue of export-oriented SMEs (Seth, Chadha, Ruparel, et al., 2020).

For SMEs, Financial reporting is another important financial management practice that improves the transparency of financial performance, enhances access to external financing, and provides meaningful information on financial performance and position for informed decision-making (Aboagye-Otchere & Agbeibor, 2012; Perera et al., 2022). However, in many SMEs, financial reporting is primarily undertaken for compliance purpose rather than for informed-decision making, thereby constraining its contribution to the export performance of export-oriented SMEs (Palacín-Sánchez et al., 2022). This highlights that the financial capabilities of SME owners are important for transforming financial information derived from financial reporting into informed decisions (Wijekoon et al., 2023).

Furthermore, financial literacy of SME owners is considered an emerging behavioral capability that affects the financial performance of SMEs (Padi et al., 2025). In SME context, owners are the primary decision-makers responsible for managing the financial resources and enhancing financial performance (Weerasekara & Bhanugopan, 2022). Financial literacy of SME owners enables them to interpret the outcomes of financial reporting and effectively manage the working capital to take the informed decisions especially enhancing the export revenue of SMEs in the context of export-oriented SMEs (Abdallah et al., 2024; Okello Candiya Bongomin et al., 2017). Therefore, financial literacy of SME owners can be considered as an internal resource that improves the effectiveness of financial management practices by providing meaningful information for informed decision-making and enhancing the export revenue of export-oriented

SMEs (Padi et al., 2025; Weerasekara & Bhanugopan, 2022).

Despite the identified importance of financial management practices and financial literacy, limited empirical research has been investigated the effect of working capital management, financial reporting, and the financial literacy of SME owners on enhancing the export revenue of export-oriented manufacturing SMEs in Sri Lanka. Moreover, there is insufficient examination of the mediating role of financial literacy of SME owners in leveraging working capital management and financial reporting to enhance the export revenue of export-oriented manufacturing SMEs in Sri Lanka.

- **Problem Statement**

Many export-oriented manufacturing SMEs in Sri Lanka face unstable export revenue and difficulties in expanding into international markets, mainly due to financial resource limitations and weaknesses in the managerial capabilities of SME owners (Gamage et al., 2020; Wijekoon et al., 2023). Ineffective working capital management practices in SMEs cause liquidity shortages, delays in production and failure to fulfill export orders, while weak financial reporting practices contribute to transparency issues in financial performance information, thereby restricting access to external financing that supports export growth (Huang et al., 2023; Simon et al., 2021). These challenges are further exaggerated by the insufficient capabilities of SME owners, which hinder informed-decision making (Ahmed & Brennan, 2019).

Furthermore, a lack of financial literacy among SME owners might constrain the impact of financial management practices on export performance, adversely affecting their capabilities to interpret financial information, manage financial risks and make informed decisions to enhance export revenue (Padi et al., 2025; Ye & Kulathunga, 2019). Consequently, there is limited of empirical evidence examining the effects of working capital management and financial reporting practices on the export revenue of export-oriented manufacturing SMEs in Sri Lanka while considering the mediating effect of SME owners' financial literacy.

- **General Objective**

To examine the effect of working capital management and financial reporting practices on export revenue of export-oriented manufacturing SMEs in Sri Lanka

with the mediating role of SME owners' financial literacy.

- **Specific Objectives**

1. To examine the effect of working capital management on export revenue of export-oriented manufacturing SMEs in Sri Lanka.
2. To evaluate the effect of financial reporting on export revenue of export-oriented manufacturing SMEs in Sri Lanka.
3. To assess the effect of SME owners' financial literacy on export revenue of export-oriented manufacturing SMEs in Sri Lanka.
4. To investigate the mediating role of SME owners' financial literacy in the relationship between working capital management and export revenue of export-oriented manufacturing SMEs in Sri Lanka.
5. To examine the mediating role of SME owners' financial literacy in the relationship between financial reporting practices and export revenue of export-oriented manufacturing SMEs in Sri Lanka.

Literature Review

- **Theoretical Perspectives**

The underpinning theory of this study is the resource-based view (RBV), which conceptualizes the financial literacy of SME owners as an intangible resource that enhances firm performance and competitive advantage (Padi et al., 2025). For this perspective, the effectiveness of working capital management and financial reporting practices depends on the SME owner's capabilities on financial literacy (Abdallah et al., 2024; Eniola & Entebang, 2017; Sawarni et al., 2022). Moreover, the theory of planned behavior (TPB) provides a theoretical foundation for this study by explaining that components of financial literacy such as financial knowledge, financial awareness and financial skills are influenced by attitudes, perceived social pressure and perceived behavioral control, thereby shaping the informed decision-making of SME owners (Balushi et al., 2018; Molina-García et al., 2023).

- **Export-Oriented Manufacturing SMEs and Export Revenue**

Export-oriented manufacturing SMEs play an important role in developing economies such as Sri Lanka by generating new employments, earning

foreign exchange, and contributing to economic growth (Chaldun et al., 2024). Export revenue is a key performance indicator used to measure export performance financially, reflecting ability of firm to compete in international market successfully (Rua et al., 2018). However, many export-oriented SMEs face structural challenges of constrained financial resources, insufficient managerial capabilities and limited access to external financing which hinder their export performance growth (Chaldun et al., 2024). This implies that effective financial management practices and the managerial capabilities of SME owners play a vital role in driving the export revenue of export-oriented SMEs. (Chaldun et al., 2024; Mangana et al., 2024).

- **Working Capital Management and Export Revenue**

Working capital management involves managing the short-term assets and liabilities mainly to ensure firm liquidity and maintain adequate financial resources for day to day operations (Seth et al., 2020). The effectiveness of working capital management practices is crucial for export-oriented SMEs mainly due to longer cash conversion cycles, delays in receiving payments from foreign buyers and frequent exchange rate volatility (Seth et al., 2020). Previous studies have shown that there is a positive relationship between working capital management practices and a firm's financial performance, including revenue and profitability growth (Sawarni et al., 2022).

Weaknesses in working capital management are considered a major reason for business failures of SMEs mainly (Orobia et al., 2013). To ensure continuation of production and the fulfilling export orders timely, timely inventory turnover, effective receivables management and maintenance of optimal payable terms are essential for export-oriented manufacturing SMEs (Tsai & Wu, 2025). Prior studies have shown that effective working capital management practices enable export-oriented SMEs to expand their exports and ensure the stability of export revenue (Sawarni et al., 2022). Consequently, effective working capital management practices have a direct positive impact on the export revenue of export-oriented SMEs (Seth et al., 2020).

- **Financial Reporting Practices and Export Revenue**

Financial reporting involves the preparation and presentation of financial statement of a firm, reflecting

the financial performance and position mainly (Halabi et al., 2010). High-quality financial reporting ensures transparency of financial information and provides meaningful insights for decision-making (Salehi et al., 2022). In SME context, financial reporting is crucial for communicating financial performance and position to investors, lenders and regulatory bodies (Halabi et al., 2010).

Nevertheless, existing literature highlights mixed evidence regarding the direct impact of financial reporting practices on firm performance (Bahri et al., 2017; Halabi et al., 2010). Some prior studies emphasize that financial reporting contributes to a firm's financial performance by improving the financial discipline, while some scholars argue that financial reporting alone does not directly influence financial performance, particularly firm owner's capabilities of utilizing meaningful insight derived from financial reporting for informed decision-making play vital role in enhancing the financial performance (Halabi et al., 2010). In export-oriented SMEs, many SMEs mainly serve financial reports for compliance and external financing requirements rather than for informed-decisions making based on meaningful insights of financial reports, which potentially weaken the effect of financial reporting on enhancing the export revenue (Padi et al., 2025)

- **Financial Literacy of SME Owners**

Financial literacy refers to the ability of understanding, analyzing and applying the financial information for informed-decision making within the firm (Shafiee et al., 2024). In SMEs context, the financial literacy of SME owners is crucial, as they are responsible for making informed decisions related to financial planning, liquidity management, capital budgeting and financial risk management (Abdallah et al., 2024). Prior studies highlight that the financial literacy of SME owners positively impacts on enhancing firm performance (Padi et al., 2025).

In the context of export-oriented SMEs, the financial literacy of SME owners has been linked to its export revenue, as informed decisions on enhancing export revenue requires complex financial decisions related to working capital financing, foreign exchange risk management and export market pricing mainly through interpretation of meaningful financial information (Abdallah et al., 2024; Padi et al., 2025). Therefore, the financial literacy of SME owners is recognized as an intangible resource as explained by the resource-based view (RBV) theory (Molina-Garcia et al., 2023).

- **Financial Literacy as a Mediating Mechanism**

Most of the literature suggests that financial management practices alone do not contribute to enhancing performance of SME, unless owners of SMEs improve their financial capabilities to effectively utilize the outcomes of financial management practices for informed decision-making to enhance the performance (Tuffour et al., 2022). Financial literacy acts as an individual behavioral capability that supports informed decision-making based on meaningful financial information (Abdallah et al., 2024; Padi et al., 2025). Moreover, prior studies have revealed that financial literacy of SME owners mediates the relationship between financial management practices and financial performance of SMEs (Mangana, 2026).

In the context of working capital management, the financial literacy of SME owners is vital for understanding the outcomes of working capital management practices related to cash conversion cycle, liquidity position and customer and supplier credit terms, thereby enabling informed short-term financing decisions to enhance the export revenue of export-oriented SMEs (Hussain et al., 2018; Mangana, 2026). Likewise, financial reporting becomes valuable only when SME owners have capabilities to interpret financial statement outcomes, making the informed decisions based on meaningful financial information regarding financial performance and position (Halabi et al., 2010; Salehi et al., 2022).

- **Research Gap**

Although previous studies have investigated the relationship between financial management practices and SME performance, limited empirical research has examined the direct effects of working capital management, financial reporting and financial literacy of SME owners on export revenue of SMEs and mediating role of financial literacy of SME owners on export revenue of SMEs in the context of export-oriented manufacturing SMEs in Sri Lanka. This study addresses this gap by investigating effect of working capital management and financial reporting on export revenue of export-oriented manufacturing SMEs in Sri Lanka with the mediating effect of financial literacy of SME owners.

Methodology

In order to accomplish the primary objective of this study, a methodology of this study was developed to examine the effect of working capital management and financial reporting on export revenue of export-oriented manufacturing SMEs in Sri Lanka, with the mediating impact of financial literacy of SME owners. The research design of this study was structured into three stages such as unit of analysis selection, data collection and analysis of data.

The unit of analysis of this study is identified as SME owners of export-oriented manufacturing SMEs in Sri Lanka, since they are the ultimate decision-makers responsible for financial management practices and for enhancing the export revenue. The population of this study consists of 2,455 registered export-oriented manufacturing SMEs in Sri Lanka according to the database of Export Development Board, Sri Lanka last updated in 2024. For this study, this database is considered as a reliable and appropriate sampling frame.

In this study, sample size of 344 is determined based on Solvin's formula using multi-stage sampling and stratified random sampling techniques grouping into eight export-oriented manufacturing sectors; apparel, tea, rubber-based products, coconut-based products, diamond, gems and jewelry, spices and concentrates, food and beverages and seafood and two levels of business size; small and medium (Iqbal et al., 2023; Mamun et al., 2018). This ensures minimum selection bias and representativeness of sample while enhancing the research quality and supporting to generalize the findings to the broader SME population of this study (Mamun et al., 2018).

Pre-testing and expert reviews were conducted for this study prior to perform main data collection. The content validity and contextual relevance of the measurement items of the questionnaire were reviewed by industry practitioners and academic experts. Furthermore, a pilot test based on 36 responses for questionnaire to measure the questionnaire reliability. The responses of pilot testing were considered for reliability testing to measure the internal consistency of data with Cronbach' alpha value. The results of reliability testing indicated that reliability of internal consistency is acceptable, Cronbach's alpha value is exceeding the recommended threshold value of 0.7.

Primary data of this study were collected through a structured questionnaire consisting of 56 items to

measure the variables. The measurement items of questionnaire were developed and adapted based on prior empirical studies ensuring construct validity of the questionnaire. The questionnaire of this study collected the responses relating to two independent variables of working capital management and financial reporting, mediating variable of financial literacy of SME owners and dependent variable of export revenue. In order to enhance the response rate for the questionnaire, it is employed mixed-mode survey approach by collecting 127 responses through online administered survey via Google Forms while remaining 217 responses were collected through personally distributed printed questionnaires. The conceptual framework of this study comprised two independent variables, one mediating variable and one dependent variable as mentioned above and was developed based on theoretical and empirical evidences of prior studies.

Finally, the descriptive and inferential statistical techniques were used to analyze collected data. Furthermore, structural relationships among variables and mediating effects were evaluated using SPSS software for preliminary analysis and for structural equation modelling and hypothesis testing were performed using AMOS software.

• Hypotheses development

In line with the research objectives and conceptual framework (Figure 1), the following five hypotheses were developed.

- H1: There is a relationship between working capital management and export revenue of export-oriented manufacturing SMEs in Sri Lanka.
- H2: There is a relationship between financial reporting and export revenue of export-oriented manufacturing SMEs in Sri Lanka.
- H3: There is a relationship between financial literacy of SME owners and export revenue of export-oriented manufacturing SMEs in Sri Lanka.
- H4: Financial literacy of SME owners mediates the relationship between working capital management and export revenue of export-oriented manufacturing SMEs in Sri Lanka.
- H5: Financial literacy of SME owners mediates the relationship between financial reporting and export revenue of export-oriented manufacturing SMEs in Sri Lanka.

Results and Discussion

- **Analysis CFA model for the Working Capital Management construct**

Initially, the Working Capital Management (WC) construct was operationalized by employing eight measurement items. One item was removed following confirmatory factor analysis (CFA) and another one item was removed due to a factor loading below the acceptable threshold of 0.50 based on initial CFA model (Sureshchandar, 2021). Finally, six measurement items were retained for subsequent analysis.

Using the retained six measurement items, a modified CFA model was developed with two iterations considering covariances highlighted by the modification indices. The results indicated an excellent model fit, with the normed chi-square of 0.809 which is below the maximum threshold of 5 (Mokhtarinia et al., 2018), the comparative fit index (CFI) of 1.000 which is above the minimum threshold of 0.9 (Mokhtarinia et al., 2018) and the root mean square error of approximation (RMSEA) of 0.000 which is below the maximum threshold of 0.08 (Li et al., 2022).

Moreover, the retained six measurement items indicated satisfactory sampling adequacy and explained variance, with the Kaiser–Meyer–Olkin (KMO) of 0.770 which is exceeding the recommended threshold of 0.7 (Pala et al., 2023) and the Total Variance Explained (TVE) of 55.697% which exceeds the recommended threshold of 50% (Ahmad, 2025). Overall, these results indicate that the final CFA model for the WC construct is a well-fitting model and suitable for inclusion in the measurement model.

- **Assessing CFA model for the Financial Reporting construct**

Initially, the Financial Reporting (FR) construct was measured using eight measurement items. Based on the results of the initial confirmatory factor analysis (CFA), four items were eliminated from the measurement model and four items were retained to develop the modified CFA model for further analysis.

Based on the retained four items, a modified CFA model was developed, which demonstrated well-fitting model without necessitating any iterations

suggested by the modification indices, indicating the normed chi-square (χ^2/df) of 1.258 which is below the maximum threshold of 5, the comparative fit index (CFI) of 0.999 which is above the minimum threshold of 0.9 and the root mean square error of approximation (RMSEA) of 0.027 which is below the maximum threshold of 0.08.

Additionally, the retained items indicated suitable sampling adequacy and high level of explained variance with the Kaiser–Meyer–Olkin (KMO) of 0.776 which is exceeding the recommended threshold of 0.7 and the Total Variance Explained (TVE) of 65.320% which exceeds the recommended threshold of 50%. Finally, the above results suggest that the modified CFA model for FR construct is statistically appropriate and reliable for inclusion in the measurement model.

- **Assessing CFA model for the Financial Literacy construct**

Initially, the Financial Literacy (FL) construct was operationalized by employing sixteen measurement items. Nine items were removed following confirmatory factor analysis (CFA) and another one item was removed due to a factor loading below the acceptable threshold of 0.50 based on initial CFA model. Finally, six measurement items were retained for subsequent analysis.

Using the retained six measurement items, a modified CFA model was developed with one iteration considering covariances highlighted by the modification indices. The results indicated a well-fitting model fit, with the normed chi-square (χ^2/df) of 0.509 which is below the maximum threshold of 5, the comparative fit index (CFI) of 1.000 which is above the minimum threshold of 0.9 and the root mean square error of approximation (RMSEA) of 0.000 which is below the maximum threshold of 0.08.

Moreover, the retained six measurement items indicated satisfactory sampling adequacy and explained variance, with the Kaiser–Meyer–Olkin (KMO) of 0.857 which is exceeding the recommended threshold of 0.7 and the Total Variance Explained (TVE) of 54.210% which exceeds the recommended threshold of 50%. Overall, these results indicate that the final CFA model for the FL construct is an excellent model fit and suitable for inclusion in the measurement model.

- **Assessing CFA model for the Export Revenue construct**

Initially, the Export Revenue (ER) construct was measured using eight measurement items. Based on the results of the initial confirmatory factor analysis (CFA), four items were eliminated from the measurement model and four items were retained to develop the modified CFA model for further analysis.

Based on the retained four items, a modified CFA model was developed, which demonstrated well-fitting model with one iteration suggested by the modification indices, indicating the normed chi-square (χ^2/df) of 0.118 which is below the maximum threshold of 5, the comparative fit index (CFI) of 1.000 which is above the minimum threshold of 0.9 and the root mean square error of approximation (RMSEA) of 0.000 which is below the maximum threshold of 0.08.

Additionally, the retained items indicated suitable sampling adequacy and high level of explained variance with the Kaiser–Meyer–Olkin (KMO) of 0.800 which is exceeding the recommended threshold of 0.7 and the Total Variance Explained (TVE) of 68.041% which exceeds the recommended threshold of 50%. Finally, the above results suggest that the modified CFA model for ER construct is statistically appropriate and reliable for inclusion in the measurement model.

- **Analysis of the Measurement Model**

The measurement model was evaluated to understand whether the constructs are sufficiently represented by their respective observed items (Cheung et al., 2024). Moreover, this model is used to evaluate whether each item appropriately loads onto its respective construct (Hair et al., 2020). The initial measurement model as illustrated in Figure 2 was developed based on the final CFA results of each construct in this study.

The initial measurement model indicated an acceptable overall model fit, with the normed chi-square (χ^2/df) of 1.645 which is below the maximum threshold of 5, the comparative fit index (CFI) of 0.966 which is above the minimum threshold of 0.9 and the root mean square error of approximation (RMSEA) of 0.043 which is below the maximum threshold of 0.08. However, due to low standardized factor loadings below 0.60, two items from the working capital management construct and 2 items from the financial literacy construct were removed. The remaining items with standardized factor loadings of 0.60 or above

were retained for further analysis of the measurement model, as standardized factor loadings of 0.60 or above is considered acceptable, particularly in social science research. Based on the retained items, a modified measurement model was developed as illustrated in Figure 3.

After removing the items with factor loadings below the acceptable threshold of 0.60, the modified measurement model was developed. The modified measurement model indicated an acceptable overall model fit, with the normed chi-square (χ^2/df) of 2.036 which is below the maximum threshold of 5, the comparative fit index (CFI) of 0.958 which is above the minimum threshold of 0.9 and the root mean square error of approximation (RMSEA) of 0.055 which is below the maximum threshold of 0.08.

The reliability and validity of the constructs were assessed based on the items retained in the modified measurement model. These constructs were considered for subsequent structural model analysis only after establishing acceptable levels of reliability and convergent and discriminant validity referring to the (Fornell & Larcker, 1981) criteria, as shown in Table 1 and Table 2.

As shown in Table 1, reliability and convergent validity are satisfactory for all constructs, with Cronbach's alpha values exceeding the acceptable threshold of 0.70 (Taber, 2018), and Average Variance Extracted (AVE) values exceeding the acceptable threshold of 0.50 (Abd Razak et al., 2016). Furthermore, the above results indicate adequate discriminant validity, with Maximum Shared Variance (MSV) values being lower than the corresponding AVE values of the respective constructs (Voorhees et al., 2016). As shown in Table 2, the adequacy of discriminant validity is further confirmed with the square roots of AVE being higher than the inter-construct correlations of each construct.

- **Analysis of the Structural Model**

According to prior literature on structural equation modelling, the structural model was developed to evaluate the hypothesized relationships among the constructs of this study based on a reliable and valid measurement model (Nitzl, 2016). The direct relationships among the constructs of working capital management, financial reporting, financial literacy, and export revenue are specified in the structural model, as illustrated in Figure 4.

The proposed structural model indicated an acceptable overall model fit, with the normed chi-square (χ^2/df) of 2.197 which is below the maximum threshold of 5, the comparative fit index (CFI) of 0.951 which is above the minimum threshold of 0.9 and the root mean square error of approximation (RMSEA) of 0.059 which is below the maximum threshold of 0.08. These well-fitting indices collectively highlight that the proposed structural model appropriately represents the relationship among the constructs of this study and is acceptable for hypothesis testing. The below Table 3 and Table 4 present the hypothesis testing results and the results of the mediating effect analysis of this study.

As shown in Table 3, the hypothesis testing results indicate that working capital management and financial literacy have significant positive direct effects on export revenue, with regression weights of 0.309 ($p < 0.05$) and 0.600 ($p < 0.05$), respectively. Additionally, financial reporting does not have a significant positive effect on export revenue with a regression weight of 0.109 and p-value of 0.075. The mediation analysis results are shown in Table 4, indicate that Financial Literacy fully mediates the relationship between working capital management and export revenue, and partially mediates the relationship between financial reporting and export revenue. As highlighted above, both mediating effects statistically demonstrate that the role of financial literacy is significantly influences export revenue.

Conclusion

This study evaluates the effects of working capital management and financial reporting on the export revenue of export-oriented manufacturing SMEs in Sri Lanka with the mediating role of financial literacy of SME owners. This study emphasizes that there are robust prior studies which highlights that there are both direct and indirect relationships among the constructs of this study (Abdallah et al., 2024; Mangana et al., 2024; Seth, Chadha, Ruparel, et al., 2020). The confirmatory factor analysis and measurement model assessment highlight that results of reliability, convergent validity, and discriminant validity of all constructs of this study were satisfactory. The modified measurement model indicated well-fitting model highlighting that retained items represent the constructs adequately. These results provide a statistical foundation to develop the structural model of this study (Zhang et al., 2021).

The structural model analysis emphasizes that there is a significant direct effect of working capital on export revenue of export-oriented manufacturing SMEs in Sri Lanka, highlights its important role in managing the short-term financial effectively to sustain the export-oriented activities of manufacturing SMEs in Sri Lanka. This finding is supported by empirical evidences of prior studies highlighting that managing the receivables, payables and inventory of the firm ensure satisfactory liquidity position and supporting for operational continuity, which are important for fulfil the export market demands in the international market (Cosima et al., 2026; Karadağ, 2018). Furthermore, financial literacy of SME owners also has significant positive effect on export revenue of export-oriented manufacturing SMEs in Sri Lanka, emphasizing that financial literacy of SME owners is essential in taking the informed decisions based on outcomes of financial management practices to ensure the success in the exporting activities (Eniola & Entebang, 2017; Padi et al., 2025).

In contrast, financial reporting does not have statistically significant direct effect on export revenue of export-oriented manufacturing SMEs in Sri Lanka. This suggests that, even though financial reporting is important for the SMEs, in the absence of financial capabilities of interpreting the financial report outcomes by the SME owners, it is not effectively impact to enhance the export performance of export-oriented SMEs (Wijekoon et al., 2023). However, the mediation effect analysis emphasizes that financial literacy of SME owners has partially mediating effect on export revenue of export-oriented manufacturing SMEs in Sri Lanka while there is a fully mediating effect for the relationship between financial reporting and export revenue of export-oriented manufacturing SMEs in Sri Lanka. The findings of mediation analysis indicate that financial literacy of SME owners is a critical intermediary factor which enables to enhance the export revenue of export-oriented manufacturing SMEs in Sri Lanka through financial management practices of working capital management and financial reporting (Abdallah et al., 2024; Mangana et al., 2024; Seth, Chadha, Ruparel, et al., 2020).

The findings of this study conclude that financial literacy is not merely independent factor to enhance the export revenue of export-oriented manufacturing SMEs in Sri Lanka, it is acting as a strong mediating factor that enable effective employ of working capital management and financial reporting to enhance the

export revenue of export-oriented manufacturing SMEs in Sri Lanka.

Based on the empirical findings and results of data analysis, several practical recommendations are suggested to enhance the export revenue of export-oriented manufacturing SMEs in Sri Lanka.

First, SME owners should strengthen the effectiveness of working capital management practices, mainly in the areas of receivables collection, determining the appropriate supplier credit periods, and inventory turnover optimization, in order to optimize the cash conversion cycle. In addition to that firms should establish the mechanism to adopt systematic cash budgeting techniques, and continuously monitor the liquidity position of the business to avoid the interruptions of export operations due to liquidity related constraints.

Second, the significant influence of financial literacy of SME owners and along its export revenue and strong mediating effect of financial literacy of SME owners highlights that need of introducing SME owners targeted financial education initiatives. Government bodies in Sri Lanka such as Sri Lanka Export Development Board, The Ceylon Chamber of Commerce and the Ministry of Commerce Sri Lanka should design and conduct the financial literacy improvement programs for export-oriented SME owners focusing on mainly interpreting the financial statements, optimizing the working capital of the business and practical exposure in taking the informed financial decisions. These programs will support to SME owners to improve their financial knowledge, financial awareness and financial skills and translate those capabilities into effective strategic decisions enhancing the export revenue.

Third, since financial reporting does not directly affect export revenue, and full mediating effect of financial literacy towards relationship between financial reporting and export revenue, emphasizes that improving the quality of financial reporting alone is not sufficient to enhance the export revenue of SMEs. Therefore, Government bodies in Sri Lanka should conduct the trainings programs for export-oriented SME owners on improving the quality of financial reporting and also educate them on interpreting and understanding the outcomes of financial reporting to take the informed decisions to enhance its export revenue.

Finally, policymakers of Sri Lanka economy should prioritize the financial literacy development of SME owners when establishing the SME export development policies. Furthermore, export financing programs for SMEs should be linked with mandatory financial literacy training programs, particularly through government banks of Sri Lanka, and consider that participation in such training programs is a mandatory criterion for accessing export financing facilities.

Conflicts of Interest

The authors declare that there is no potential conflict of interests regarding the publication of this research paper in terms of personal, financial or institutional relationships that could have influenced towards the outcomes of this study.

References

- Abdallah, W., Harraf, A., Ghura, H., & Abrar, M. (2024). Financial literacy and small and medium enterprises performance: the moderating role of financial access. *Journal of Financial Reporting and Accounting*, 23(4), 1345–1364. <https://doi.org/10.1108/JFRA-06-2024-0337>
- Abd Razak, N., Ab Rahman, Z., & Borhan, H. (2016). Modeling firm resources –enterprise risk management relationships: An empirical finding using PLS-SEM. *World Journal of Entrepreneurship, Management and Sustainable Development*, 12(1), 35–49. <https://doi.org/10.1108/WJEMSD-05-2015-0026>
- Aboagye-Otchere, F., & Agbeibor, J. (2012). The International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMES): Suitability for small businesses in Ghana. *Journal of Financial Reporting and Accounting*, 10(2), 190–214. <https://doi.org/10.1108/19852511211273723>
- Ahmad, M. A. (2025). Assessing the Factors Influencing Students Satisfaction in Nigerian Tertiary Institution: A Principal Component Analysis Approach. In B. Alareeni & I. Elgedawy (Eds.), *Opportunities and Risks in AI for Business Development: Volume 2* (pp. 401–

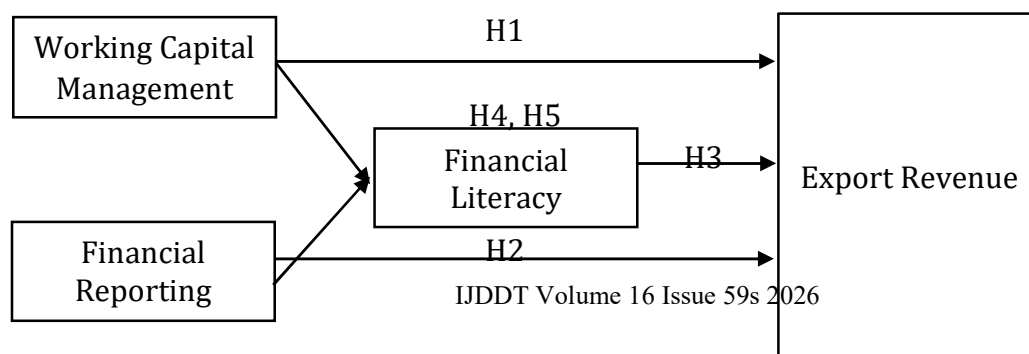
- 410). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-65207-3_35
- Ahmed, F. U., & Brennan, L. (2019). An institution-based view of firms' early internationalization: Effectiveness of national export promotion policies. *International Marketing Review*, 36(6), 911–954. <https://doi.org/10.1108/IMR-03-2018-0108>
- Bahri, M., St-Pierre, J., & Sakka, O. (2017). Performance measurement and management for manufacturing SMEs: a financial statement-based system. *Measuring Business Excellence*, 21(1), 17–36. <https://doi.org/10.1108/MBE-06-2015-0034>
- Balushi, Y. Al, Locke, S., & Boulanouar, Z. (2018). Islamic financial decision-making among SMEs in the Sultanate of Oman: An adaption of the theory of planned behaviour. *Journal of Behavioral and Experimental Finance*, 20, 30–38. <https://doi.org/https://doi.org/10.1016/j.jbef.2018.06.001>
- Chaldun, E. R., Yudoko, G., & Prasetyo, E. A. (2024). Developing a Theoretical Framework of Export-Oriented Small Enterprises: A Multiple Case Study in an Emerging Country. *Sustainability*, 16(24). <https://doi.org/10.3390/su162411132>
- Cheung, G. W., Cooper-Thomas, H. D., Lau, R. S., & Wang, L. C. (2024). Reporting reliability, convergent and discriminant validity with structural equation modeling: A review and best-practice recommendations. *Asia Pacific Journal of Management*, 41(2), 745–783. <https://doi.org/10.1007/s10490-023-09871-y>
- Cosima, T., Ahmed, E. M., & Elfaki, K. E. (2026). Working capital management impact on Zimbabwe's listed consumer services firms' profitability and the influence of external factors via governance policy. *Quality & Quantity*, 60(1), 147–170. <https://doi.org/10.1007/s11135-025-02250-3>
- Eniola, Anthony Abiodun, & Entebang, Harry. (2017). SME Managers and Financial Literacy. *Global Business Review*, 18(3), 559–576. <https://doi.org/10.1177/0972150917692063>
- Etemad, H. (2020). Managing uncertain consequences of a global crisis: SMEs encountering adversities, losses, and new opportunities. In *Journal of International Entrepreneurship* (Vol. 18, Number 2, pp. 125–144). Springer. <https://doi.org/10.1007/s10843-020-00279-z>
- Fornell, Claes, & Larcker, David F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.1177/002224378101800104>
- Gamage, S. K. N., Ekanayake, E. M. S., Abeyrathne, G. A. K. N. J., Prasanna, R. P. I. R., Jayasundara, J. M. S. B., & Rajapakshe, P. S. K. (2020). A review of global challenges and survival strategies of small and medium enterprises (SMEs). In *Economies* (Vol. 8, Number 4). MDPI AG. <https://doi.org/10.3390/ECONOMIES8040079>
- Hair, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109, 101–110. <https://doi.org/https://doi.org/10.1016/j.jbusres.2019.11.069>
- Halabi, A. K., Barrett, R., & Dyt, R. (2010). Understanding financial information used to assess small firm performance: An Australian qualitative study. *Qualitative Research in Accounting & Management*, 7(2), 163–179. <https://doi.org/10.1108/11766091011050840>
- Huang, X., Wang, X., Han, L., & Laker, B. (2023). Does sound lending infrastructure foster better financial reporting quality of SMEs? *The European Journal of Finance*, 29(5), 542–566. <https://doi.org/10.1080/1351847X.2022.2075281>
- Hussain, J., Salia, S., & Karim, A. (2018). Is knowledge that powerful? Financial literacy and access to finance: An analysis of enterprises in the UK. *Journal of Small Business and Enterprise Development*, 25(6), 985–1003. <https://doi.org/10.1108/JSBED-01-2018-0021>
- Iqbal, M., Mawardi, M. K., Sanawiri, B., Alfisyahr, R., & Syarifah, I. (2023). Strategic orientation and its role in linking human capital with the performance of small and medium enterprises in Indonesia. *Journal of Research in Marketing*

- and Entrepreneurship*, 25(3), 514–542. <https://doi.org/10.1108/JRME-11-2021-0150>
- Jayaweera, A., Bhaumik, A., & Liyanage, C. (2024). A Study on Factors Affecting Access to Trade Finance by Export Oriented Small and Medium Enterprises in Malaysia and Sri Lanka. *International Journal of Management and Human Sciences*, 08(02), 01–12. <https://doi.org/10.31674/ijmhs.2024.v08i02.001>
- Karadağ, H. (2018). Cash, receivables and inventory management practices in small enterprises: their associations with financial performance and competitiveness. *Small Enterprise Research*, 25(1), 69–89. <https://doi.org/10.1080/13215906.2018.1428912>
- Li, J., Zhang, L., Zhou, J., Wang, G., Zhang, R., Liu, J., Liu, S., Chen, Y., Yang, S., Yuan, Q., & Li, Y. (2022). Development and validation of self-management scale for tuberculosis patients. *BMC Infectious Diseases*, 22(1), 502. <https://doi.org/10.1186/s12879-022-07483-3>
- Madushanka, H., & Sachitra, V. (2021). Factors Influencing on Export Engagement of Small and Medium-Sized Enterprises in Sri Lanka: Resource Based View. *South Asian Journal of Social Studies and Economics*, 38–49. <https://doi.org/10.9734/sajsse/2021/v9i330244>
- Mamun, A. Al, Mohiuddin, M., Fazal, S. A., & Ahmad, G. Bin. (2018). Effect of entrepreneurial and market orientation on consumer engagement and performance of manufacturing SMEs. *Management Research Review*, 41(1), 133–147. <https://doi.org/10.1108/MRR-04-2017-0102>
- Mangana, K. M. (2026). Financial management practices and Agri-SME performance: does subjective financial literacy hold the key? *Cogent Business & Management*, 13(1), 2612787. <https://doi.org/10.1080/23311975.2026.2612787>
- Mangana, K. M., Hokororo, S. J., & Ndyetabula, D. W. (2024). An Investigation of the Extent of Implementation of the Financial Management Practices of Agri-SMEs in developing countries: Evidence from Tanzania. *Sustainable Technology and Entrepreneurship*, 3(1), 100049. <https://doi.org/https://doi.org/10.1016/j.stae.2023.100049>
- Mokhtarinia, H. R., Hosseini, A., Maleki-Ghahfarokhi, A., Gabel, C. P., & Zohrabi, M. (2018). Cross-cultural adaptation, validity, and reliability of the Persian version of the spine functional index. *Health and Quality of Life Outcomes*, 16(1), 95. <https://doi.org/10.1186/s12955-018-0928-5>
- Molina-García, A., Diéguez-Soto, J., Galache-Laza, M. T., & Campos-Valenzuela, M. (2023). Financial literacy in SMEs: a bibliometric analysis and a systematic literature review of an emerging research field. *Review of Managerial Science*, 17(3), 787–826. <https://doi.org/10.1007/s11846-022-00556-2>
- Nitzl, C. (2016). The use of partial least squares structural equation modelling (PLS-SEM) in management accounting research: Directions for future theory development. *Journal of Accounting Literature*, 37(1), 19–35. <https://doi.org/10.1016/j.acclit.2016.09.003>
- Nkundabanyanga, S. K., Akankunda, B., Nalukenge, I., & Tusiime, I. (2017). The impact of financial management practices and competitive advantage on the loan performance of MFIs. *International Journal of Social Economics*, 44(1), 114–131. <https://doi.org/10.1108/IJSE-05-2014-0104>
- Okello Candiya Bongomin, G., Mpeera Ntayi, J., Munene, J. C., & Akol Malinga, C. (2017). The relationship between access to finance and growth of SMEs in developing economies: Financial literacy as a moderator. *Review of International Business and Strategy*, 27(4), 520–538. <https://doi.org/10.1108/RIBS-04-2017-0037>
- Orobia, L. A., Byabashaija, W., Munene, J. C., Sejaaka, S. K., & Musinguzi, D. (2013). How do small business owners manage working capital in an emerging economy?: A qualitative inquiry. *Qualitative Research in Accounting & Management*, 10(2), 127–143. <https://doi.org/10.1108/QRAM-02-2012-0008>

- Otoo, F. N. K. (2024). Assessing the influence of financial management practices on organizational performance of small- and medium-scale enterprises. *XIMB Journal of Management*, 21(2), 162–188. <https://doi.org/10.1108/XJM-09-2023-0192>
- Padi, A., Musah, A., Blay, M. W., & Okyere, D. O. (2025). Small and Medium Scale Enterprise (SME) Owner financial literacy, entrepreneurial competencies and financial performance: the role of corporate governance. *Future Business Journal*, 11(1), 160. <https://doi.org/10.1186/s43093-025-00585-9>
- Palacín-Sánchez, M. J., Canto-Cuevas, F. J., & di Pietro, F. (2022). Examining the effects of the quality of financial reports on SME trade credit: An innovative approach. *International Review of Finance*, 22(4), 662–668. <https://doi.org/10.1111/irfi.12363>
- Pala, F., Erdoğdu, A., Ali, M., Alnori, F., & Barut, A. (2023). Analyzing the linkage between Islamic financial literacy and Islamic banking services adoption: evidence from Turkey. *Journal of Islamic Accounting and Business Research*, 15(5), 784–817. <https://doi.org/10.1108/JIABR-12-2021-0324>
- Perera, D., Chand, P., & Mala, R. (2022). Users' perspective on the usefulness of international financial reporting standards for small and medium-sized enterprises-based financial reports. *Meditari Accountancy Research*, 31(5), 1133–1164. <https://doi.org/10.1108/MEDAR-03-2020-0809>
- Rua, O., França, A., & Fernández Ortiz, R. (2018). Key drivers of SMEs export performance: the mediating effect of competitive advantage. *Journal of Knowledge Management*, 22(2), 257–279. <https://doi.org/10.1108/JKM-07-2017-0267>
- Salehi, M., Ammar Ajel, R., & Zimon, G. (2022). The relationship between corporate governance and financial reporting transparency. *Journal of Financial Reporting and Accounting*, 21(5), 1049–1072. <https://doi.org/10.1108/JFRA-04-2021-0102>
- Sardo, F., & Serrasqueiro, Z. (2021). Determinants of working capital: empirical evidence on manufacturing SMEs. *Journal of Economic Studies*, 49(3), 506–521. <https://doi.org/10.1108/JES-10-2020-0513>
- Sawarni, K. S., Narayanasamy, S., Chattopadhyay, S., & Chakrabarti, P. (2022). Working capital management, financial performance and growth of firms: empirical evidence from India. *Journal of Indian Business Research*, 14(4), 361–381. <https://doi.org/10.1108/JIBR-12-2020-0382>
- Seth, H., Chadha, S., Ruparel, N., Arora, P. K., & Sharma, S. K. (2020). Assessing working capital management efficiency of Indian manufacturing exporters. *Managerial Finance*, 46(8), 1061–1079. <https://doi.org/10.1108/MF-02-2019-0076>
- Seth, H., Chadha, S., Sharma, S. K., & Ruparel, N. (2020). Exploring predictors of working capital management efficiency and their influence on firm performance: an integrated DEA-SEM approach. *Benchmarking: An International Journal*, 28(4), 1120–1145. <https://doi.org/10.1108/BIJ-05-2020-0251>
- Shafiee, S., Zhang, L. L., & Rasmussen, K. M. (2024). Improving Financial Literacy and Supporting Financial Decisions: Developing a Personalized Configurator. *Journal of the Knowledge Economy*, 15(3), 14256–14285. <https://doi.org/10.1007/s13132-023-01651-9>
- Simon, S., Sawandi, N., Kumar, S., & El-Bannany, M. (2021). Economic downturns and working capital management practices: a qualitative enquiry. *Qualitative Research in Financial Markets*, 13(4), 529–547. <https://doi.org/10.1108/QRFM-09-2020-0181>
- Singh, H. P., & Kumar, S. (2017). Working capital requirements of manufacturing SMEs: evidence from emerging economy. *Review of International Business and Strategy*, 27(3), 369–385. <https://doi.org/10.1108/RIBS-03-2017-0027>
- Subramaniam, V. (2019). Export-Oriented Manufacturing: A Viable Engine of Economic Growth and Labor Generation for Sri Lanka. In S. Chaturvedi Sachin and Saha (Ed.), *Manufacturing and Jobs in South Asia: Strategy for Sustainable Economic Growth* (pp. 171–

- 195). Springer Singapore. https://doi.org/10.1007/978-981-10-8381-5_7
- Sureshchandar, G. S. (2021). Quality 4.0 – a measurement model using the confirmatory factor analysis (CFA) approach. *International Journal of Quality & Reliability Management*, 40(1), 280–303. <https://doi.org/10.1108/IJQRM-06-2021-0172>
- Taber, K. S. (2018). The Use of Cronbach’s Alpha When Developing and Reporting Research Instruments in Science Education. *Research in Science Education*, 48(6), 1273–1296. <https://doi.org/10.1007/s11165-016-9602-2>
- Tauringana, V., & Adjapong Afrifa, G. (2013). The relative importance of working capital management and its components to SMEs’ profitability. *Journal of Small Business and Enterprise Development*, 20(3), 453–469. <https://doi.org/10.1108/JSBED-12-2011-0029>
- Tsai, M.-C., & Wu, A. (2025). Order to optimize: evaluating the role of purchase orders and receivables in corporate financing. *Cogent Business & Management*, 12(1), 2577863. <https://doi.org/10.1080/23311975.2025.2577863>
- Tuffour, Joseph Kwadwo, Amoako, Awurabena Asantewa, & Amartey, Ernestina Otuko. (2022). Assessing the Effect of Financial Literacy Among Managers on the Performance of Small-Scale Enterprises. *Global Business Review*, 23(5), 1200–1217. <https://doi.org/10.1177/0972150919899753>
- Voorhees, C. M., Brady, M. K., Calantone, R., & Ramirez, E. (2016). Discriminant validity testing in marketing: an analysis, causes for concern, and proposed remedies. *Journal of the Academy of Marketing Science*, 44(1), 119–134. <https://doi.org/10.1007/s11747-015-0455-4>
- Weerasekara, S., & Bhanugopan, R. (2022). The impact of entrepreneurs’ decision-making style on SMEs’ financial performance. *Journal of Entrepreneurship in Emerging Economies*, 15(5), 861–884. <https://doi.org/10.1108/JEEE-03-2021-0099>
- Wijekoon, N., Sharma, U., & Samkin, G. (2023). SME owners and accountants’ perceptions of financial information in small- and medium-sized entities: a Sri Lanka case study. *Journal of Accounting in Emerging Economies*, 14(2), 422–449. <https://doi.org/10.1108/JAEE-10-2021-0308>
- Ye, J., & Kulathunga, K. (2019). How Does Financial Literacy Promote Sustainability in SMEs? A Developing Country Perspective. *Sustainability*, 11(10). <https://doi.org/10.3390/su11102990>
- Zhang, M. F., Dawson, J. F., & Kline, R. B. (2021). Evaluating the Use of Covariance-Based Structural Equation Modelling with Reflective Measurement in Organizational and Management Research: A Review and Recommendations for Best Practice. *British Journal of Management*, 32(2), 257–272. <https://doi.org/https://doi.org/10.1111/1467-8551.12415>

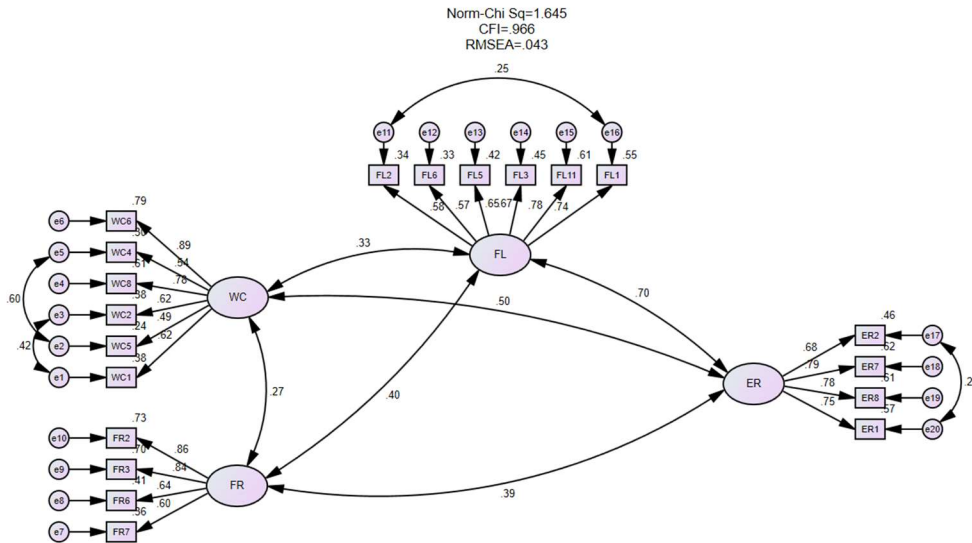
Figure 1: Conceptual framework



The Effect of Working Capital Management and Financial Reporting on Export Revenue of Export-oriented Manufacturing SMEs in Sri Lanka with the Mediating Effect of Financial Literacy of SME Owners

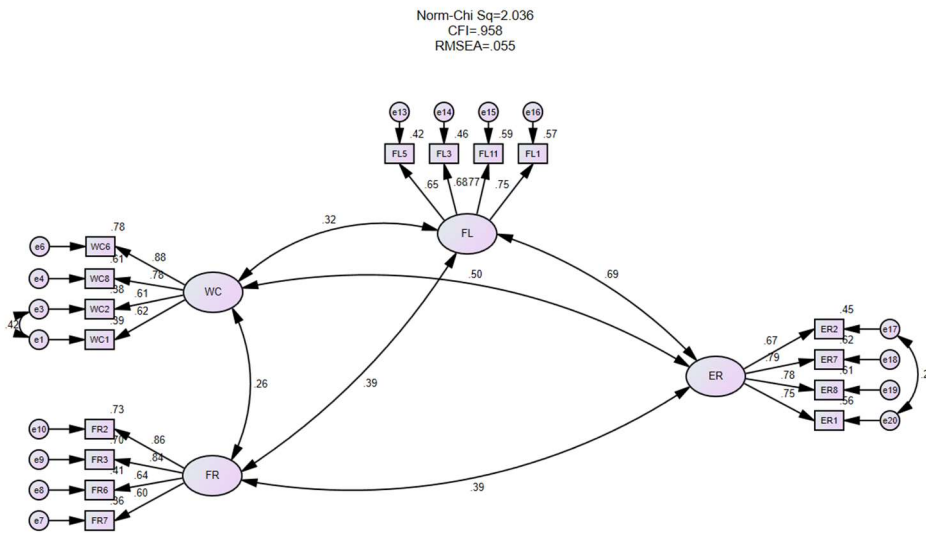
Source: Authors

Figure 2: Initial measurement model



Source: Authors

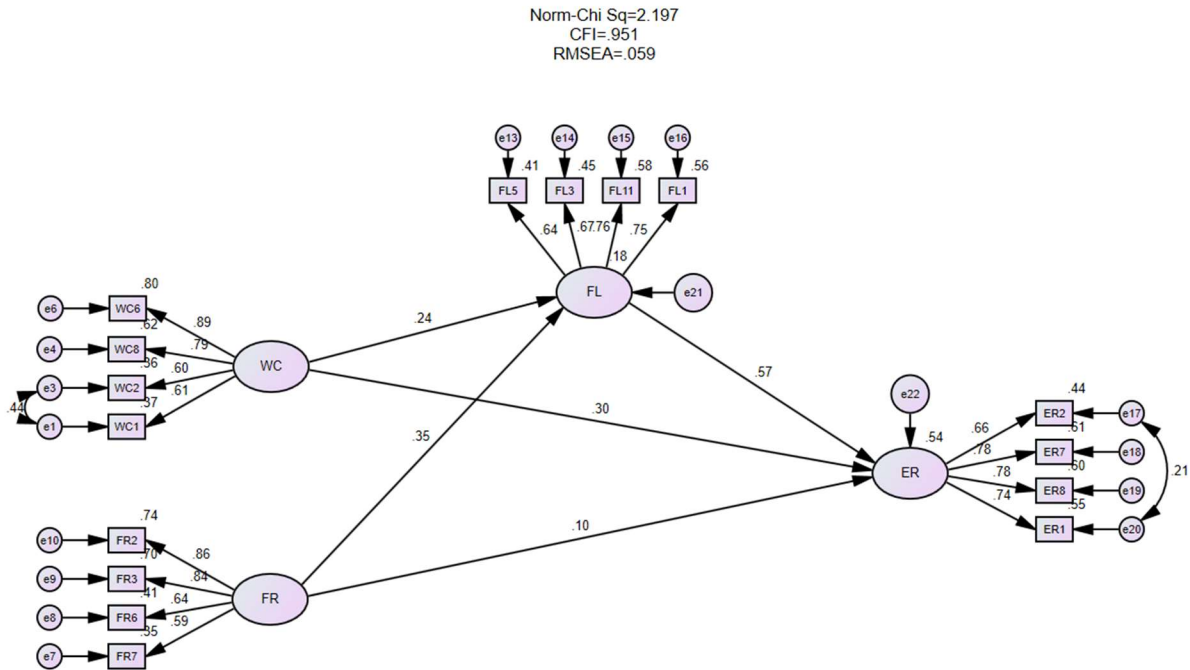
Figure 3: Modified measurement model



Source: Authors

Figure 4: Proposed structural model

The Effect of Working Capital Management and Financial Reporting on Export Revenue of Export-oriented Manufacturing SMEs in Sri Lanka with the Mediating Effect of Financial Literacy of SME Owners



Source: Authors

Table 1: Reliability and Convergent Validity

Attribute	Cronbach Alpha	Composite Reliability	Average Variance Extracted	Maximum Shared Variance
Working Capital Management	0.832	0.820	0.539	0.246
Financial Reporting	0.820	0.828	0.552	0.155
Financial Literacy	0.805	0.805	0.509	0.475
Export Revenue	0.842	0.837	0.564	0.475

Source: Authors

Table 2: Discriminant validity

Attribute	Working Capital Management	Financial Reporting	Financial Literacy	Export Revenue
Working Capital Management	0.734			
Financial Reporting	0.264	0.743		
Financial Literacy	0.318	0.394	0.713	
Export Revenue	0.496	0.386	0.689	0.751

Source: Authors

Table 3: Hypotheses testing based on Regression Weights

H. No	Paths	Estimate	S.E	C.R	P value	Remarks
-------	-------	----------	-----	-----	---------	---------

The Effect of Working Capital Management and Financial Reporting on Export Revenue of Export-oriented Manufacturing SMEs in Sri Lanka with the Mediating Effect of Financial Literacy of SME Owners

H1	Working Capital Management > Export Revenue	0.309	0.063	4.898	0.000	H1 Supported
H2	Financial Reporting > Export Revenue	0.109	0.061	1.783	0.075	H2 Not supported
H3	Financial Literacy > Export Revenue	0.600	0.085	7.096	0.000	H3 Supported

Source: Authors

Table 4: Mediating testing based on Indirect Effects

H. No	Relationship	Direct Effect	Indirect Effect	Confidence Interval		P Value	Conclusion
				Lower Bond	Upper Bond		
H4	Working Capital Management > Financial Literacy > Export Revenue	0.309 P=0.000	0.143	0.066	0.245	0.000	Partial Mediation - Supported
H5	Financial Reporting > Financial Literacy > Export Revenue	0.109 P=0.075	0.212	0.123	0.341	0.000	Full Mediation - Supported

Source: Authors