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The Impact of Financial Literacy on Business Performance of Women-Owned SMEs in North Central Province of Sri Lanka

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Background: Despite the increasing presence of women entrepreneurs in the region, many face challenges in accessing and applying financial knowledge, which limits their ability to achieve sustainable business growth.

Objective: This study examines the impact of financial literacy on the business performance of women-owned Small and Medium Enterprises in the North Central Province of Sri Lanka.

Methods: A quantitative research design was adopted, guided by positivist philosophy and a deductive approach. Using convenience sampling, data were collected from 138 women entrepreneurs through a structured questionnaire. Statistical analysis was conducted using SPSS, including reliability and validity testing, descriptive statistics, correlation analysis, and multiple regression.

Results: The findings reveal that financial knowledge, financial skills, and finance-related awareness have a significant positive effect on business performance. Financial attitude, while positively correlated, did not show a statistically significant impact. These results underscore the importance of practical financial competencies and awareness in enhancing profitability, operational efficiency, and customer satisfaction.

Conclusion: The study concludes that improving financial literacy among women entrepreneurs can lead to better business outcomes and contribute to inclusive economic development. It offers region-specific insights and empirical evidence that can inform future research, policy design, and targeted financial education programs.

Keywords: Business Performance, Financial Literacy, Women Entrepreneurs