International Journal of Multidisciplinary Conference Proceedings
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Role of Working Capital Management, Financial Flexibility, and Firm Age on Operational Efficiency

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KEYWORDS

Working Capital Management, Financial Flexibility, Firm Age, Operational Efficiency, Resource Allocation.

ARTICLE HISTORY

Date of Submission: 23-11-2024
Date of Acceptance: 28-11-2024
Date of Publication: 30-12-2024

Conference Organizer(s)

Research Consultancy on Social & Management Development
&
Thal University Bhakkar

ABSTRACT

This study explores the influence of working capital management, financial flexibility, and firm age on operational efficiency in the corporate sector. This research aims to understand how these three factors interact to optimize operational outcomes. The study employs a quantitative research design, utilizing secondary data from financial reports and industry databases. The sample includes publicly listed firms across various industries over a five-year period. Data were collected from financial reports and industry databases. Key variables were analyzed using multiple regression techniques. The moderating effect of firm age on the relationship between working capital management and operational efficiency was also examined. Findings reveal that efficient working capital management significantly enhances operational efficiency by reducing cash flow disruptions. The study highlights the need for firms to adopt an integrated approach to managing working capital and maintaining financial flexibility while leveraging firm age advantages. Policymakers and managers are encouraged to implement strategies that enhance resource allocation and foster adaptability. Future research could explore industry-specific dynamics and the role of technological advancements in shaping operational efficiency.

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Volume-Issue-Page Number: 1(1) 53

Citation: Adeel, R., Bhatti, K., & Ali, M. H. (2024). Role of working capital management, financial flexibility, and firm age on operational efficiency. *Proceedings of the 1st International Conference on Innovation and Sustainability in Management and Social Sciences, International Journal of Multidisciplinary Conference Proceedings, 1(1).*