ENTREPRENEURSHIP ORIENTATION, BUSINESS PERFORMANCE
APPRAISAL OF SMALL AND MEDIUM SCALE ENTERPRISES:
REFERENCE TO HAMBANTHOTA DISTRICT, SRI LANKA

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ABSTRACT
Small and Medium Scale Enterprises (SMEs) in Sri Lanka have great potential to generate
economic benefits. This study investigates the level of entrepreneurship involved in fifty-
seven manufacturing SMEs in the Hambanthota District of Sri Lanka, and attempts to assess
the degree to which proactiveness, innovativeness, and risk taking (collectively referred to as
“Entrepreneurship Orientation) have had an effect on Business Performance. Semi-
structured interviews and questionnaires were used as the main instruments for data collection.
Qualitative and quantitative techniques were applied for data analysis. Simple Linear
Regression was used for analyze the relationship between Entrepreneurship Orientation and
Business Performance.

The results of the study show that “innovativeness” and “proactiveness” made a significant
impact on business performance. The most important variable was "innovativeness". The
study found that “innovativeness” as a measure of business performance increased as the
number of employees increased.

KEYWORDS: Small & Medium Scale Enterprises, Entrepreneurship Orientation, Business
Performance, Hambanthota District, Sri Lanka

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