



Entrepreneurial Behavior and Business Performance of Tourism SMEs: A Study Based on the Southern Province of Sri Lanka

E.K. Jayampathi *

Department of Management and Entrepreneurship, Faculty of Management and Finance,
University of Ruhuna, Sri Lanka

Abstract

Entrepreneurship is recognized as one of the most powerful economic weapons in developing countries. In Sri Lanka, the tourism sector has been recognized as one of the most pressing business sectors, which can have multiplier effects on local community. Tourism is considered as one of the main foreign exchange earning sources for any country and it has been recognized as a significant contributor for the social and economic development of the country. The succession of any firm depends on the entrepreneurial behavior of the business. The main focus of this study was to identify the impact of entrepreneurial orientation on the performance of tourism SMEs. Galle, Matara and Hambanthota districts (Southern province, Sri Lanka) have been selected as the research site for the present study. As the study population, the SME tourism entrepreneurs who are registered at the Chamber of Commerce and Industries of Matara, Galle and Hambanthota districts were selected. Out of the total population, 120 SME tourism entrepreneurs were selected as the sample using systematic probability sampling technique. A self-administered questionnaire was used to collect primary data and secondary data sources. Pearson correlation and regression analysis were applied to analyze the data. As per the study reveals, there is small to medium relationship between entrepreneurial orientation and tourism entrepreneurial performance ($r=0.312$). Risk taking, innovativeness, proactiveness and competitive aggressiveness are the key factors, which affect the entrepreneurial performance, where effect of autonomy is less. The study identified the necessity of introducing awareness programs and stimulation programs towards entrepreneurship for youth groups. Facilitating entrepreneurs with financial and non-financial resources would stimulate them towards entrepreneurial activities. Creating linkages between local tourism and local goods manufactures will provide more benefits to local communities. The government needs to create a legal platform to protect local Small and Medium scale tourism entrepreneurs from large scale direct investments.

Key words: *Entrepreneurial Orientation (EO), Performance, Tourism entrepreneurs*

***Corresponding Author:** *jayampathi2k@gmail.com*