

**SUCCESSFUL FACTORS AND INFLUENCING MECHANISM OF
THE DIGITAL TRANSFORMATION IN SMEs IN NUWARA
ELIYA DISTRICT**



BY

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ABSTRACT

In today's digital economy landscape, digital transformation (DT) has emerged as a critical strategy for firms striving to stay competitive amidst relentless market dynamics. While larger enterprises often lead in adopting digital strategies, small and medium-sized enterprises (SMEs) face unique challenges due to limited resources and capabilities, resulting in a slower pace of digitalization. Understanding the pivotal factors influencing DT success in SMEs is essential for optimizing resource allocation. The study concentrates on the Successful factors and influencing mechanism of the digital transformation in the Nuwara Eliya District. Conceptually, this study only deals with government support, partnership, IT infrastructure, IT management capability, digital strategy, top management and digital transformation. The research was conducted based on a population study of SMEs in the Nuwara Eliya District. The version of SPSS 25 utilized to analyze research-related data. Correlation is a bivariate analysis that assesses the strength of link between two variables and the direction of that association. To examine testing hypotheses, the researcher selected simple regression analysis.

According to the descriptive analysis results government support, partnership have a high level and IT infrastructure, IT management capability, digital strategy, top management and digital transformation have a moderate level. According to correlation analysis there is a statistically and strong positive relationship and moderate positive relationship among government support, partnership, IT infrastructure, IT management capability, digital strategy, top management and digital transformation. Simple regression analysis indicates that indicate that government support, partnership, IT infrastructure, it management capability, digital strategy, top management significantly impacts digital transformation

Key words: *Government Support, Partnership, IT Infrastructure, IT Management Capability, Digital Strategy, Top Management and Digital Transformation*

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