

**THE IMPACT OF ENTREPRENEURIAL COMPETENCIES
OF ENTREPRENEURS ON FINANCIAL PERFORMANCE OF
SMEs IN KALUTARA DISTRICT**



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Abstract

The economic growth of developing countries can be sustained by the expansion of private sector, especially small and medium enterprise as they are the engine of growth. Accordingly this study aimed at investigating the level of Entrepreneurial competency of owner(s) of SMEs and the relationship between Entrepreneurial competencies and business performance of SMEs in Kalutara District.

The entrepreneurial competencies instrument used by Man (2001), was identified to measure the entrepreneurial competencies. Ten groups of competencies were identified based on the literature review namely opportunity, relationship, analytical, innovative, operational, human, strategic, commitment, learning and personal strength competencies.

The study mainly analyze the objective of the impact of entrepreneurial competencies on financial performance of SMEs. The study mainly considers the primarily collected data. The data were collected through a structured questionnaire from 200 SMEs from selected areas in Kalutara District and used univariate and bivariate analysis, Multivariate and Analysis of variance techniques in order to analyze data and find the results of study objectives.

The results show that each dimensions of entrepreneurial competencies and the overall entrepreneurial competency have high level of attribution as their mean values reflects very high and positive correlation on financial performance of SME's. Furthermore the opportunity competency dimension has high level of impact on financial performance . And there was no any significant relationship between the demographic factors of the entrepreneurs and their entrepreneurial competencies.

Key words : Entrepreneurial competencies, Financial performance

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