

**IMPACT OF ENTREPRENEURIAL ORIENTATION IN
PRODUCTION FUNCTION ON THE FINANCIAL
PERFORMANCE IN THE SMES IN THE ANURADHAPURA
DISTRICT.**



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ABSTRACT

The purpose of this study is to explore the impact of entrepreneurial orientation on financial performance of manufacturing small and medium enterprises in Anuradhapura District. Manufacturing small and medium enterprises play a vital role in die economy of Sri Lanka and these have been recognized as an important strategic sector in Sri Lanka for generating high economic growth, reducing unemployment, inequality and poverty. In literature, there is an empirical and theoretical knowledge gap of relationship between the entrepreneurial orientation and financial performance. Therefore, die problem of this study is: "how entrepreneurial orientation impact on financial performance of manufacturing small and medium enterprises in Anuradhapura district?"

This study used quantitative approach. In this approach, the data were collected from a randomly selected sample of 100 owners in manufacturing small and medium enterprises which belongs to food, beverage and tobacco, Textile, wearing's, apparel and leather, Wood, wood production and furniture and Other manufacturing industry in Anuradhapura District by using structured questionnaire which consisted of 13 statements with five point Likert scales. The data analysis included die univariate, bivariate and multivariate analysis with the SPSS (19.0 versions).

This study found out that there was a significant positive moderate relationship between entrepreneurial orientation and financial performance of small and medium enterprises in Anuradhapura District Further, there was a positive impact of the level of entrepreneurial orientation dimensions on financial performance. It is concluded that there was a significant positive impact on entrepreneurial orientation on financial performance of manufacturing small and medium enterprises in Anuradhapura District

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