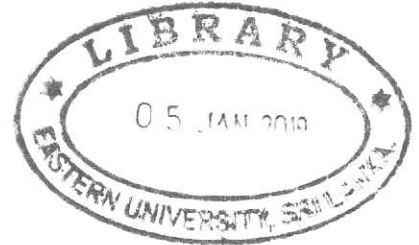


**THE IMPACT OF ENTREPRENEURIAL CHARACTERISTICS
ON FIRM PERFORMANCE OF SMALL SCALE FOOD AND
BEVERAGE MANUFACTURERS IN BATTICALOA DISTRICT**

By



ANUSHAYA MAHENDRAN
REG NO: EU/IS/2012/COM/71
INDEX NO: COM 1571



FCM 2094



Project Report
Library - EUSL

A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Commerce Honours (BComHons).

DEPARTMENT OF COMMERCE
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA

2018

PROCESSED
Main Library, EUSL

ABSTRACT

This research investigates the impact of entrepreneurs' characteristics on firm performance among small scale food and beverage manufacturers in Batticaloa district. The existence theory suggests that entrepreneurs' internal personality plays an important role in determining the performance of their firms. The study has utilized primary data and 200 small scale entrepreneurs were selected from food and beverage manufacturing industry in Batticaloa district, using a structured questionnaire.

This paper discusses different types of entrepreneurs' characteristics with specific analysis on the impact of entrepreneurial characteristics on firm's performance. With the intention of determining the nature and impact of the factors of entrepreneurial characteristics on firm performance, three explanatory variables have been studied as internal locus of control, need for achievement and need for cognition.

Descriptive statistics analysis and regression analysis has utilized as the main analyzing techniques. The survey result revealed that all the explanatory variables are positively impact with the entrepreneurial firm performance. Further, according to the research findings, entrepreneurial firm performance of small scale manufacturers are strong positive impact with entrepreneurial characteristics. Implications of the findings and recommendations are offered.

Key Words: *Entrepreneurial Characteristics, Small Scale Entrepreneurship, Food and Beverage Manufacturers, Firm Performance*

TABLE OF CONTENTS

Page
No.

Acknowledgement.....	I
Abstract.....	II
Table of Contents.....	III-VI
List of Tables and Figures.....	VII
List of Abbreviation.....	VIII
Chapter – 01 Introduction.....	1-6
1.1 Background of Study.....	1
1.2 Problem Statement.....	3
1.3 Research Questions.....	4
1.4 Research Objectives.....	5
1.4.1 Main Objective.....	5
1.4.2 Sub Objectives.....	5
1.5 Significance of the Study.....	5
1.6 Scope of the Study.....	6
1.7 Chapter Summary.....	6
Chapter-02 Literature Review.....	7-20
2.1 Introduction.....	7
2.2 Entrepreneur and Entrepreneurial Characteristics.....	7
2.3 Food and Beverage Manufacturing in Batticaloa District.....	9
2.4 Characteristics of Entrepreneurs.....	10
2.4.1 Internal Locus of Control.....	10
2.4.2 Need for Achievement.....	12
2.4.3 Need for Cognition.....	13
2.5 Approaches of Entrepreneurship.....	15
2.5.1 Economic Approach.....	15
2.5.2 Traits/Psychological Approach.....	16
2.5.3 Demographic/Social Approach.....	16
2.5.4 Behavioral/Managerial Approach.....	17
2.5.5 Human Capital Approach.....	17
2.6 Entrepreneurial Theories.....	17

2.6.1 Psychological Entrepreneurship Theory.....	18
2.6.2 Sociological Entrepreneurship Theory.....	18
2.6.3 Anthropological Entrepreneurship Theory.....	18
2.7 Entrepreneurial Characteristics and Firm Performance.....	19
2.8 Chapter summary.....	20
Chapter-03 Conceptualization and Operationalization.....	21-26
3.1 Introduction.....	21
3.2 Conceptualization.....	21
3.3 Conceptual Framework.....	21
3.4 Definition of key concepts.....	22
3.4.1 Entrepreneurial Characteristics.....	22
3.4.2 Dimension of Entrepreneurial Characteristics	22
3.4.3 Entrepreneurial Firm Performance.....	23
3.5 Operationalization.....	24
3.6 Chapter summary.....	26
Chapter-04 Research Methodology.....	27-33
4.1 Introduction.....	27
4.2 Research Approach.....	27
4.3 Study Setting, Design and Methods of Survey.....	27
4.4 Population and Sample.....	28
4.4.1 Population.....	28
4.4.2 Sample Size.....	28
4.4.3 Sampling Area.....	29
4.4.4 Sampling Method.....	29
4.5 Methods of Data Collection.....	30
4.5.1 Primary Data.....	30
4.5.2 Secondary Data.....	31
4.6 Data Presentation.....	31
4.7 Reliability Test (Cronbach's Alpha).....	31
4.8 Data Analysis.....	31
4.8.1 Descriptive Analysis.....	32

4.8.2	Correlation Analysis.....	32
4.8.3	Simple Regression Analysis.....	33
4.9	Chapter Summary.....	33
Chapter-05 Data Presentation and Analysis.....		34-47
5.1	Introduction.....	34
5.2	Reliability Test.....	34
5.3	Data Presentation for Personal Information.....	35
	5.3.1 Gender Distribution.....	35
	5.3.2 Age Distribution of the sample.....	36
	5.3.3 Race of the Respondent.....	37
	5.3.4 Work Experience of the Respondents.....	38
	5.3.5 Educational qualifications of the respondents...	40
	5.3.6 Business type.....	41
	5.3.7 Business life cycle.....	41
	5.3.8 Monthly Income of the Respondents.....	43
5.4	Data Presentation and analysis of Research Information and Research Objectives	44
	5.4.1 Univariate Analysis.....	44
	5.4.1.1 Assess the level of entrepreneurial characteristics.....	44
	5.4.1.2 Assess the level of Entrepreneurial Firm Performance.....	44
	5.4.2 Bivariate Analysis.....	45
	5.4.2.1 Correlation Analysis.....	45
	5.4.2.2 Simple Regression Analysis.....	46
5.5	Chapter Summary	47
Chapter-06 Discussion.....		48-52
6.1	Introduction.....	48
6.2	Discussion on Personal Information.....	48
	6.2.1 Gender of the Respondents.....	48
	6.2.2 Age of the Respondents.....	48

6.2.3 Race of the Respondents.....	49
6.2.4 Work Experience of the Respondents.....	49
6.2.5 Educational Qualification of the Respondents.....	49
6.2.6 Business Type.....	50
6.2.7 Business Life Cycle.....	50
6.2.8 Monthly Income of the Respondents.....	50
6.3 Discussion on Research Information.....	50
6.3.1 Entrepreneurial firm performance.....	51
6.3.2 Entrepreneurial Characteristics.....	51
6.3.3 Discussion of relationship between entrepreneurial Characteristics and Firm Performance.....	51
6.3.4 Discussion of impact of entrepreneurial Characteristics on Firm Performance.....	52
6.4 Chapter Summary.....	52
Chapter-07 Conclusions and Recommendation.....	53-56
7.1 Introduction.....	53
7.2 Conclusions.....	53
7.3 Recommendation of this Study.....	54
7.4 Limitations of the Study	55
7.5 Directions for Future Research	56
REFERENCES.....	57-62
APPENDIX- Questionnaire (English).....	63-67
Questionnaire (Tamil).....	68-72