

ABSTRACT

Export is one of the most important factors influencing economic growth. Small and Medium – Sized Enterprises (SMEs) play a vital role to develop export performance of Sri Lanka. The purpose of this study is to identify the impact of entrepreneurial orientation and innovation capability towards export performance of SMEs in Sri Lanka and also identify the impact of entrepreneurial orientation on innovation capability of SMEs and measure the mediating effect of innovation capability on relationship between entrepreneurial orientation and export performance. There are limited researches available to identify the mediating effect of innovation capability on the relationship between entrepreneurial orientation and export performance. Accordingly, this study intended to test the mediating effect of innovation capability on the relationship between entrepreneurial orientation and export performance. The operational population of this study is 3095 SME exporters. Data was collected through the database maintained by the Sri Lanka Export Development Board distributing questionnaires among 200 SME exporters. In this context, 143 exporters were respondent. Both descriptive and inferential statistics techniques were used to analysis the collected data using SPSS 20. Study result revealed that direct effect of entrepreneurial orientation and innovation capabilities on the export performance. Moreover, relationship between the entrepreneurial orientation and export performance partially mediated by innovation capabilities. According to the result, entrepreneurs are encouraged to improve their educational level in order to improve the success of businesses and also entrepreneurs should be more innovative to retain in the export market. Further, product quality is important factor to compete with other competitors in the export market.

Key Words- Entrepreneurial Orientation, Innovation Capability, Export Performance, Small and Medium Entrepreneurs and Internationalization.