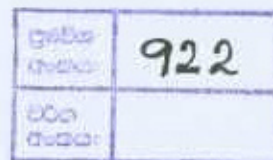


ENTREPRENEURIAL TRAITS AND VENTURE GROWTH

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Abstract

SMEs are considered to be important for economic development of any country. As far as the small and medium sized enterprises are concerned, individual entrepreneurs play a significant role in terms of innovations, economic growth, and contribution to employment growth. Venture growth is a vital factor to achieve these outcomes.

Growth of a venture is a prime purpose of a business. However, some ventures report higher growth whereas others do not. There are different explanations with regard to the venture growth. Personality traits of entrepreneurs, organizational factors and environmental factors have been studied by the entrepreneurship researchers as causes of new venture success. As far as the personality traits are concerned the researchers have studied much about conventional traits such as need for achievement, locus of control and risk taking propensity. But, the emphasis for non-conventional traits such as passion, tenacity, new resource skill and self-efficacy is less. Therefore, this research study focused on to find out whether there is an impact of selected non conventional traits on venture growth.

Several hypotheses were formulated in this regard using theory and empirical studies. Growth was measured using sales growth and employment growth.

In this regard the study was conducted of three hundred (300) small and medium sized enterprises registered in Gampaha District. Data was collected by using a self administered questionnaire. The respondents to the questionnaire were entrepreneurs of SMEs. The data were analyzed at three levels. Descriptive analysis, mean and standard deviation, were the statistical techniques used under univariate analysis. Correlation analysis was used under the bivariate analysis, while multivariate analysis was deployed by using the statistical technique of multiple regression analysis.

The results show that all four traits have shown significant positive linear relationships with sales growth, employment growth and self-efficacy. It has also been found that among the four traits, passion and new resource skill have shown positive relationship

with the venture growth. It was also found that the self-efficacy mediates the relationship between passion and venture growth as well as new resource skill and venture growth.

Attention needs to be focused on to develop new resource skill of the entrepreneurs and enhance the facilities for entrepreneurs to obtain new resources. Also the entrepreneurs' awareness about entrepreneurial passion needs to be enhanced.