

The Impact of Micro-Financial Support on The Growth of SMEs (With Special Reference to Rathnapura District)

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ABSTRACT

Introduction: The main objective of the study was to examine the impact of micro-financial support on the growth and development of SMEs.

Design/Methodology/Approach: In this study, the researcher used a quantitative approach. The primary data were collected by using structured questionnaires and 140 SME holders in Rathnapura District were used as the sample. Financing of SMEs, financial literacy skills, development of management skills and marketing facilitation were chosen as the independent variables and growth and development of SMEs was the dependent variable for the study. Descriptive Statistics, Correlation and Regression Analysis were used to analyze the collected data.

Findings: Based on the regression analysis result, it can be concluded that there is no significant impact of financing of SMEs and marketing facilitation on the Growth and development of SMEs. Further, there is a positive significant impact of financial literacy and development of management skills on the Growth and development of SMEs.

Conclusion: Microfinance institutions should organize seminars and workshops to train SMEs on financial literacy and managerial skills.

Keywords: *SME holders, Micro financial support, Growth and development of SMEs, Entrepreneurship*