

The practice of soft process technologies in Sri Lankan Small and Medium Scale Enterprises

LW Dasanayake¹

In Sri Lanka Small and Medium Scale Enterprises (SMEs) account for over 98 percent of manufacturing establishments and contribute considerably to economic growth. Despite, the majority of industries are SMEs the economic performance of a significant number of enterprises has been less than satisfactory level due to practice of inefficient technologies and productivity improvement programs. Therefore, the primary objective of the study is to identify the current status of Soft Process Technology (SPT) adoptions and the effectiveness of these technology adoptions for the economic growth of SME sector in Sri Lanka.

The study is based upon survey approach to collect the primary data from 70 SMEs in Gampaha district based on stratified random sampling technique. Collected data was analyzed in a descriptive way to search of the usage of SPTs in SMEs. Moreover, the study examined the efficacy of the adoption of SPTs in operation improvements and the impact on the growth of an enterprise.

The study revealed that 38.8 percent of enterprises have used one or more SPTs and majority of them had been applied ISO 9000. As well as, 27.14 percent of enterprises not even heard of SPTs other than ISO 9000 and 10 percent of SMEs consider the deployment of SPTs is not an efficient management tool for productivity improvement. Nevertheless, the most remarkable finding of the study was 91 percent of the firms which have employed SPTs had a positive impact on the growth of enterprises.

Key words: Small and Medium Scale Enterprises, Soft Process Technology, Productivity improvement, Management tools, Sri Lanka

¹ Department of Economics, University of Kelaniya, Sri Lanka