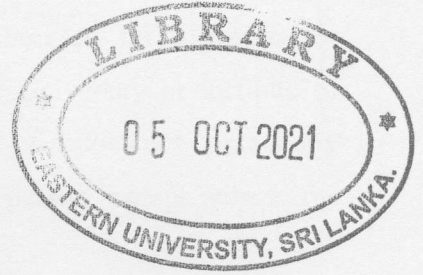


**IMPACT OF STRATEGIC ORIENTATION ON FIRM
PERFORMNACE OF SMEs**



By

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ABSTRACT

The purpose of this study is to examine the impact of strategic orientation on firm performance of SMEs in Ratnapura District. SMEs contribute to generation of employment, generation of income, contribution for social activities and reduction of poverty. SMEs have been recognized as an important strategic sector for promoting growth and social development of Sri Lanka. Organization response for environmental changes according to the strategic orientation. Furthermore, organizations have to face the competitive market with globalization and technological change. So there is a need to consider about SMEs' strategic orientation on firm performance.

The study was conducted by collecting primary data through a structured questionnaire by using a five-point Likert scale. For this study 344 SME owners/managers were selected. And used the random sampling method. Statistical Package for Social Sciences (SPSS) version 22 used to analyze the data. Data analysis is done by using Reliability, descriptive statistics, Pearson's correlation coefficient and regression analysis.

In this study determinants are Aggressiveness, Analysis, Defensiveness, Futurity, Proactiveness and Riskiness. The dependent variable of this study is firm performance. It has been measured by the perceived measures on profitability and the sales growth. This research study is an analysis of the personal information and the research information. As per the research findings the strategic orientation positively impacts on the firm performance in SMEs in Rathnapura district.

As a recommendation Supportive institutions such as Industrial Development Board, Provincial Council and Ministry of Small Industry should provide effective awareness programs, training programs and workshops to enhance and improve strategic orientation.

The results of this study are essential for the owners and managers of the SMEs to improve the firm performance through the strategic orientation. And also the quality makers and the regulatory bodies.

Keywords: Strategic Orientation, Analysis, Defensiveness, Futurity, Pro-activeness, Riskiness, Firm Performance

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