

ENTREPRENEURIAL ORIENTATION AND INNOVATION: A STUDY OF CEYLON CINNAMON VALUE CHAIN

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sri Lanka is most famous for the availability of high-quality exotic spices. This study focuses on the Cinnamon as a silent & big player which is providing a greater contribution to the Sri Lankan economy. The Sri Lankan market share has not increased during recent years with grown global demand due to high competition from the global Cinnamon industry. Therefore, Sri Lanka has to strive to maintain high-quality standards and add value to expand its market share. This study is undertaken to identify innovative practices adopted by value chain actors, Entrepreneurial Orientation (EO) of actors and their training needs. Survey data gathered from 302 value chain respondents using Stratified random sampling technique data. Principle Component Analysis (PCA) performed to test the EO concepts and identify the factors that mostly affect the EO dimensions. As results, 61% and 78% of exporters are practicing automation and applying technical advancements in their companies and exporting activity. 87% of exporters are adding value to their products and use special promotion methods. 78% of exporters are using special packaging materials/packaging and 70% of exporters have their own processing units. 57%, 48%, 43%, 43%, 22% and 9% of exporters have obtained GMP, ISO, Organic, HACCP, GAP, and FSSC certifications respectively. There are only 17% of exporter have patents for their products. 30% of exporters have obtained the pure cinnamon logo. Among the respondents, 30% and 26% of firms were automated and using high-tech equipment in manufacturing. Further, results revealed that the majority of the growers were small-scale operators, practiced conventional farming and they were not entrepreneurially oriented. Similarly, the Processors also were not entrepreneurially oriented since their small-scale operation capacity. Whereas, the exporters were entrepreneurially oriented and showed a high level of proactiveness, risk-taking, and innovativeness. While the traders were proactive but did not show high levels of risk-taking and innovativeness. Further, SWOT analysis was performed to identify the needs of training for the upstream value chain and the result reveals the Entrepreneurial training, especially to enhance the innovative capacity of upstream actors as the major needs of training.

Keywords: *Ceylon, Cinnamon, Entrepreneurial, Orientation, Value-Chain*