

ENTREPRENEURIAL CULTURE AND BUSINESS PERFORMANCE: A STUDY OF SMALL AND MEDIUM- SIZED TOURIST HOTELS IN SRI LANKA

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The tourism industry of Sri Lanka is inevitably dominated by small and medium-sized enterprises. Notwithstanding the poor development of economic health, accommodation and food service activities have historically shown a positive sectoral distribution. Moreover, small and medium-sized tourist hotels (SMTHs) are currently recognized as one of the fastest growing segments. Hence, an argument can be made that such hotels have a substantial impact on the sociocultural and socioeconomic development of Sri Lanka. As a distinct cultural typology, entrepreneurial culture has not been commonly exposed to academic research. Moreover, few scholars have previously investigated the correlation between entrepreneurial culture (EC) and business performance (BP) and the effect of EC on BP and yielded positive results. Thus, the purpose of this study is to uncover the impact of EC on the BP of the SMTHs in Sri Lanka and the relationship between the two variables. This study is a survey-based, cross-sectional quantitative study, and the SPSS Statistics 20.0 software package was relied upon for data analysis. Of the 159 classified tourist hotels listed with the Sri Lanka Tourism Development Authority, 68 and 59 one-and two-star hotels have been identified as the sampling frame and sample, respectively. Simple random sampling was employed for data collection. A positive and moderate correlation has been recorded, indicating a statistically significant linear relationship between EC and BP. Moreover, 33.3% of the variation in BP is explained by the movements in EC. Perusing the findings, a conducive entrepreneurial culture improves the business performance of SMTHs by anticipating new market trends and favorable opportunities.

Keywords: Business performance, Entrepreneurial culture, Small and medium-sized tourist hotels, Tourism