

## **Entrepreneurial Orientation and Business Performance: The Case of Micro Scale Food Processors Operating in a War-Recovery Environment**

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**Abstract :** The functioning of Micro and Small Scale (MSS) businesses in the northern part of Sri Lanka was vulnerable due to three decades of internal conflict and the subsequent post-war economic openings has resulted new market prospects for MSS businesses. MSS businesses survive and operate with limited resources and struggle to access finance, raw material, markets, and technology. This study attempts to identify the manner in which entrepreneurial orientation puts into practice by the business operators to overcome these business challenges. Business operators in the traditional food processing sector are taken for this study as this sub-sector of the food industry is developing at a rapid pace. A review of the literature was done to recognize the concepts of entrepreneurial orientation, defining MMS businesses and the manner in which business performance is measured. Direct interview method supported by a structured questionnaire is used to collect data from 80 respondents; based on a fixed interval random sampling technique. This study reveals that more than half of the business operators have opted to commence their business ventures as a result of identifying a market opportunity. 41 per cent of the business operators are highly entrepreneurial oriented in a scale of 1 to 5. Entrepreneurial orientation shows significant relationship and strongly correlated with business performance. Pro-activeness, innovativeness and competitive aggressiveness shows a significant relationship with business performance while risk taking is negative and autonomy is not significantly related to business performance. It is evident that entrepreneurial oriented business practices contribute to better business performance even though 70 per cent prefer the ideas/views of the support agencies than the stakeholders when making business decisions. It is recommended that appropriate training should be introduced to develop entrepreneurial skills focusing to improve business networks so that new business opportunities and innovative business practices are identified.

**Keywords :** Micro and Small Scale (MMS) businesses, entrepreneurial orientation (EO), food processing, business operators

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