



# **Impact of Management Skills on the Success of Small and Medium Scale Enterprises in Sri Lanka: With special reference to Matara District**

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## **Abstract**

Fostering Small and Medium Scale Enterprises (SMEs) are paramount of economic development in any country. In Sri Lanka, the SMEs have become the backbone of the country as they furnish a significant contribution to the economy. Nevertheless, it is insufficient and failed to meet the desired level compared to the region because of the unacceptable failure rate. This is because the industries have been bedevilled by numerous factors which mitigate the performance level of SMEs and leading to a drastic failure. Inadequate access to capital and finance, inadequate industrial infrastructure, obsolete technology and lack of modern management skills are causing for the drastic failure and lack of management skills of owner-manager is the critical failure factor of SMEs. The management skills are the phenomena address in this paper and the impact of management skills on SMEs is under considered in Asian countries. Thus, the paper aims to reveal the key management skills which predict the SMEs success. Forty seven SMEs were surveyed by using self administered questionnaire and factor analysis extracted two main components of management skills named as conceptual skills and human skills. Regression analysis revealed cognitive skills and flexible and forward looking decision making skills are the significant management skills for the success of SMEs. The findings of the study would be important to SMEs to ensure the long term success

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