



Assessing Entrepreneurial Skills of Small-Scale Agro-Entrepreneurs: A Case Study in Galle District, Sri Lanka

A.D.R. Karunaratne¹, M.A.P.D.P. Wickramaratne^{2}, W.N. De Silva²,
M.U.N. Gunawardana²*

¹ Department of National Botanic Gardens, Peradeniya

² Department of Agricultural Economics and Agribusiness, Faculty of
Agriculture, University of Ruhuna

**Corresponding author: aruni@agecon.ruh.ac.lk*

The development of small and medium-scale entrepreneurship is essential for strengthening Sri Lanka's agricultural economy. However, entrepreneur survival remains a major concern, as nearly 79.8% of Small and Medium Enterprises (SMEs) operate for only about three years after establishment. Low productivity, outdated production techniques, and limited innovation are the major factors contributing to this short lifespan. Therefore, enhancing entrepreneurial skills is essential for improving the sustainability and performance of small-scale agro-entrepreneurs. This study focuses on assessing the entrepreneurial skills of small-scale agro-entrepreneurs in Galle District to propose strategies for upgrading these skills within the agricultural sector. The study employed a pretested structured questionnaire to collect data from 60 randomly selected small-scale agro-entrepreneurs drawn from a list of 110 registered agro-entrepreneurs in the Galle District at the Department of Agriculture, Southern Province. Entrepreneurial skills were evaluated using an Entrepreneurship Skills Index (ESI) developed across seven dimensions: risk-taking ability, decision-making ability, self-confidence, innovativeness, communication, management, and leadership. Each dimension was measured using a five-point Likert scale and converted into sub-indices for analysis. Descriptive statistical methods were used, and the reliability of the data was confirmed with a Cronbach's alpha of 0.96. Results show that 58.2% of respondents rely on their enterprise as their main income source. Floriculture was the most common enterprise (40.3%), followed by organic farming and mushroom cultivation. Only 34% engage in value addition, primarily due to lack of knowledge. Promotions are limited, with 85% depending on word-of-mouth, and only 14% and 3% using social media and internet marketing, respectively. The ESI indicated that 63% of entrepreneurs have a medium level of entrepreneurial skills, with communication scoring the highest average (0.77) and innovativeness the lowest average (0.53). The study emphasizes the need to strengthen value-addition knowledge, innovation capacity, and modern agribusiness practices. Training on digital marketing, product diversification, financial literacy, and innovation-driven problem solving are recommended to enhance entrepreneurial skills.

Keywords: Agro-enterprises, Entrepreneurial skills, Entrepreneurship Skills Index, Small-scale