

INSTITUTIONAL READINESS TO ADDRESS THE TECHNOLOGICAL CHALLENGES OF AGRO-BASED SMEs IN SRI LANKA: RELATIVE NOTIONS OF DIVISIONAL SECRETARIAT LEVEL OFFICERS

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Abstract

Purpose: To afforce the existing literature by providing empirical evidence on divisional secretariat level officers' relative notions on institutional support for Agro-based SMEs in Sri Lanka facing technological challenges.

Methodology: A qualitative, case study-based methodology was used. The data were collected via a well-organized series of in-depth key informant interviews using a well-developed and pre-tested interview guide. The study collected data from thirteen SMEs related to the agri-business sector in Sri Lanka in thirteen institutions. The purposive sampling method was used in selecting the sample respondents. The study's data saturation point was 13 units, indicating that the inquiry was sufficient to study the phenomena. The recorded interviews were transcribed, and thereafter the data coding and triangulation were done. Following an in-depth topic area examination, the researchers discovered the key technology difficulties faced by SMEs.

Findings: The study discovered the following technology difficulties faced by SMEs; challenges to innovation-utilization of new scientific discoveries, challenges related to the social capital approach, challenges related to information communication technology (ICT), challenges to technology transfer with MNCs/ TNCs/ Large-scale companies, and challenges related to productivity-enhancing technologies. It revealed the lack of human resources in institutions in a variety of ways, the importance of restructuring institutional responsibilities with the necessary administrative support and funding and, an emphasis on officers' strategic recognition and decision-making abilities when hiring. The association between Agro-based SMEs' technology challenges and the generality of institutional imperfections emphasized the importance of strengthening policies that lessen weaknesses in the institutional setting.

Research limitations: The data collection process was disturbed by the travel restrictions imposed due to the COVID-19 pandemic. Moreover, it was difficult to build trust with respondents using phone interviews. But this could not realistically be avoided. Similar interventions adapted to the new normal situation would help to further clarify the research methods.

Implications: Proper acknowledgment of the study findings by policymakers and the respective authorities is crucial to upgrading the institutional setting. Moreover, to obtain a long-term and sustained decline in the SMEs' failing rate, it is necessary to apply strategies and cause-specific alterations such as improved consulting, expanding access to finance, establishing a favorable working environment, improving management skills, promoting research activities, upskill workforce, establishing closer relationships between SMEs and institutes, intensifying SME awareness programs, intensifying training, and establishing a specific institutional set up to support to upgrade firms' technological base. In terms of enforcing institutes and the officers, policy adjustments and reforms are necessary according to the present and future needs of the SME sector. Especially, the accountable government bodies in developing countries like Sri Lanka must make substantial involvement in answering these problems and constraints.

Keywords: Institutional readiness, SMEs, survival strategies, technology challenges