

The Determinants of Green Innovation Adoption of Small and MediumScale Enterprises in Kurunegala District

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Abstract

Green innovation has received increasing attention from business firms in the past decade and researchers also attempted to examine the green innovation adoption in the larger firms. However, no sufficient attention is given to such practices in SMEs. Therefore, this study aims to investigate determinants of green innovation adoption of SMEs in the Kurunegala district. The study, based on the literature review, identified relative advantage, quality of the human resource, organizational support, environmental uncertainty, government intervention and stakeholders' pressure as the main predictors of the green innovation adoption of SMEs and examined the factors with the data collected from 100 manufacturing SMEs in Kurunegala District. A convenience sampling procedure was used in the sample selection. A survey method was administered in the data collection and a structured questionnaire was used for the purpose. The main variables of the study were measured using Likert Type five scale questions and the validity and reliability of these constructs were tested before the final data collection. The data analysis was mainly performed with descriptive statistics, correlation analysis and regression analysis. The result reveals that relative advantage and organizational support are significant factors in determining the green innovation adoption in SMEs. According to the survey results, there was a positive and significant relationship between relative advantage and adoption of green innovation. And also reveals that there was a positive relationship between organizational support and adoption of green innovation. The study highlights the necessity of supporting SMEs for green innovation to make their operations more complete and environmentally friendly. Also, this study recommended that there is a need to focus on not only manufacturing SMEs but also focus on Service sector SMEs too. Other than that, recommended using more variables for future research.

Keywords: Green innovation, organizational support, SMEs