

# **The Impact of Corporate Social Responsibility on Competitiveness of SMEs in Sri Lanka: Special Reference to Gampaha District**

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Corporate Social Responsibilities (CSR) has become an important strategy for gaining competitive advantage. Small and Medium Enterprise (SME) sector is playing a major role especially in a developing economy like Sri Lanka and trend to fail due to various reasons like lack of competitive Strategies. Therefore, it is necessary to identify how significantly the CSR influence on the competitiveness of the SMEs. The primary objective of the research is; “to investigate the impact of CSR on competitiveness of SMEs in Sri Lanka”. The secondary objectives were “to investigate the relationship between each factor of CSR and competitiveness of the SMEs in Sri Lanka” and “to identify the most influential factor of CSR on competitiveness of the SMEs in Sri Lanka”. A self-administered questionnaire was fielded to collect primary data over a conveniently drawn sample of 100 respondents who were the owners and the managers of SMEs. Descriptive statistics, correlation coefficient and regression analysis techniques were used to analyze the data. According to the findings social oriented CSR activities has the most significant impact on the competitiveness of the SMEs and environment oriented CSR activities has the least impact. Therefore the SME owners and manager should carry out CSR program to increase the impact of all these factors majorly social oriented CSR activities. Because it gives a strong significance. Since all four factors have a positive impact towards the competitiveness of the SMEs, by improving the impact of them will affect positively to the enterprise to gain long term competitive advantages.

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