

**DOES THE DEGREE OF ENTREPRENEURIAL ORIENTATION CONTRAST
THE LEGAL FRAMEWORK OF TEA SMALLHOLDINGS IN SRI LANKA?**INNOVATIVENESS, RISK-TAKING AND PRO-ACTIVENESS OF ENTREPRENEURIAL ORIENTATION DIFFER
THE LEGAL FRAMEWORKS OF TEA SMALLHOLDINGS**H K G S Ranasinghe**

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Abstract — The study attempts to determine how the entrepreneurial orientation varies with the legal framework of tea smallholdings in Sri Lanka. The component of entrepreneurial orientation is frequently used as a dimension that specifies the level of entrepreneurship in an institution. The importance of entrepreneurial orientation in establishments is increasing in spite of size, age, and industry, based on the substantial effect on success and its growth. The popular model of unidimensional conceptualization of entrepreneurial orientation discusses three components namely Innovation, Risk taking and Pro-activeness that co-vary and depend on each other and further could combine into a single scale too. Several realistic research presented a complex model of entrepreneurial orientation which described entrepreneurship as an establishment level behavior and highlighted that not only persons, but organizations too can display entrepreneurial behavior. The legal frameworks of the businesses have been created to represent the ownerships of businesses that perform institutional, organizational and operational process with diverse disciplines or opinions. Legal framework of tea smallholdings or the type of legal structure could be assigned to either sole proprietorships, partnership, companies and other category. The study survey was carried out with 400 tea smallholdings in the Kaluthara district in Sri Lanka to analyze the contrast of the entrepreneurial orientation with the legal framework of their ownership styles, using One-Way Analysis of Variance technique. The findings of the study indicated that there were no mean differences in the groups among the ownership styles of tea smallholdings in Kaluthara district in Sri Lanka.

Keywords- Entrepreneurial Orientation, Innovation, Pro-activeness, Risk-taking, Legal framework.

I. INTRODUCTION

It is evident from modern literature that internal aspects play the most significant role in sanctioning of survival and competitiveness of a business, in comparison with the external factors. It is not easy to frame a long term growth strategy on the basis of external features in the highly ambitious and dynamic vibrant environment. Because of that these external constituents tend to change continuously [47], It is rational to give greater concern to internal features such as the Entrepreneurial Orientation (EO) in businesses for enhancing their performance and viability since these are more results oriented and coherent [19].

This explanation agrees with the recommendation of Asian Productivity Organization to establish the degree of entrepreneurship of businesses to be a highly feasible approach for the development of Asian economies [13]. Majority of the authors point out that EO could be used successfully to increase the performance of businesses [28].

The legal framework of a company tend to have an effect on the processes such as lending decisions of the creditors and the credit applications of the borrowers [8]. The property or assets required to secure the loan (collateral) can vary depending on the legal framework. Sole Proprietorship, Partnership and Corporation are the three main legal frameworks that are documented in the legal framework of businesses [23]. If the debtor defaults the holder's assets to be liquidated as repayment of the loan as much as possible while no other guarantee is required under Sole Proprietorship. Except the fact that two or more persons own the business in Partnerships otherwise similar to sole proprietorships. However, these have a more complex framework than a sole proprietorship [38]. The partnership need to be ruled by a partnership agreement and Corporation at the time of applying for loan. If the bank observes that adequate security is not shown by the business to secure the loan, a personal guarantee might be required.

Since the legal configuration of the business establishment is considered to have an effect on performance of the businesses, Aliyu (2015) stated that legal framework of the business along with the size of the firm affect the business performance. It was revealed that on stabilising the legal configuration of the business and size of the organization there was a significant positive association between EO and performance. Hence, strict legal alignment of the business establishment result in inhibiting EO. Clark and Weerakkody (2015) investigated the financial appraisal of a German model and studied the link between the legal framework of the business establishment and EO. Further, the legal framework of the business firm and market performance were examined. They realized that the establishment having a concentrated legal framework helps to have a long-term competitive and business plan. They also acknowledged that financial markets reduce legal framework of the business firm but the legal framework of the business establishment has a significant negative relationship with the EO. According to the early literature, it can be stated that there is a link

between legal framework of the business attributes and EO. The type of the legal framework of the business institutes could be categorized into four as sole proprietorship, partnership, limited liability companies and other types [23]. Based on the information from different sources in the literature. there are six foremost tea producing province namely Kaluthara to the south of the island; Ratnapura, about 65 Km east of the capital city Colombo; Kandy, the low region near the antique royal capital; Nuwaraeliya, the uppermost area that produces the premium teas; Dimbula, west of the central mountains; and Uva situated east of Dimbula. Out of which Kaluthara district was selected for this particular study. The main tea producing provinces in Sri Lanka presented in the figure 1 below.



Figure 1: The main tea producing provinces in Sri Lanka presented

Provinces are the first level administrative division in manufacturing tea in Sri Lanka. British government first established of Ceylon in 1833. In the next period, most of the administrative processes were established to the districts wise in Sri Lanka, as the second level administrative division. By the middle of the 20th century, the provinces had develop merely ceremonial. This changed in 1987 when, succeeding several decades of increasing demand for a decentralization, the 13th Amendment to the 1978 Constitution of Sri Lanka established provincial councils [53].

Tea Commissioner's Division – 2014 highlighted that the tea smallholdings in Sri Lanka provides greater extent of employment to around two million people - mostly females in the estates - while an equal number depends on tea-related supplementary activities for their employment. The number of tea holding by provinces in Sri Lanka is illustrated in the table 1 given.

Table 1: Number of Tea holders by Provinces in Sri Lanka

Province	No. of Tea Holding
Western	8,525
Central	26,000
Southern	101,818
North Western	135
Uva	15,440
Sabaragamuwa	55,138

(Source: Tea Commissioner's Division - 2014)

Tea Commissioner's Division – 2014 expressed the views that it is of immense importance to study this aspect as required for the development of the businesses and to be more knowledgeable to the success of the firms. Nevertheless, there are a clear gap of studies in relation to this aspect in the modern society. Therefore, this study proposes to investigate the relationship between the entrepreneurial orientation and legal framework of tea small businesses in Sri Lanka. Hence, this study focuses the research question as whether the level of entrepreneurial orientation differ the legal framework of tea smallholdings in Kaluthara district of Sri Lanka.

II. LITERATURE REVIEW

Major attention is given to examine the necessities of legal arrangement of the businesses and how it affects the entrepreneurial orientation. An attempt will be made to study this area explain it using valuable theories, approaches and models. Thereafter, EO will be looked at from the theoretical perspectives on which the major attention of this study is addressed. Subsequently, the important aspect in relation to legal framework of the businesses will be explained. Finally, definitions and meanings would be deliberated emphasizing the implications of these factors with a view to enhance the understanding.

2.1 ENTREPRENEURSHIP

Swarupa and Goyal, (2020) indicated that entrepreneurship is an important source to the development of economies in countries, which have stated as developed, or developing. It is an individual approach to tri, behavioral and cognitive

approach [44]. Entrepreneurship is the mindset and process by which an individual or group identifies and successfully exploits a new idea or opportunity” [31]. Entrepreneurship is the process through which persons chase opportunities not showing any concern to their current resources [33]. Established entrepreneurship to be the procedure of generating a new item of value by spending the time and strength expecting the connected financial, mental, and social risks and doubts to receive the subsequent monetary benefits and possible satisfaction rewards. Entrepreneurship defined by Kuratko (2012) as a vibrant procedure of vision, change, and creation. It needs energetic practice and urge on the way to the formation and operation of new thinking and innovative solutions. The vital components comprise the enthusiasm to take calculated risks in relation to time, impartiality or occupation; the talent to build a competent business team; the inventive ability to organize necessary resources; the essential ability of formulating a compact trade plan; and, lastly, the capability to distinguish opportunity wherever others observe commotion, incongruity, and perplexity.

2.2 ENTREPRENEURIAL ORIENTATION

The element of EO is regularly considered to be a dimension that indicates the level of entrepreneurship in a establishment [11]. Based on its substantial effect on success and growth [10]. A significance of EO among all the establishments regardless of size, age, and industry is increasing. Danny Miller developed a model which is known as unidimensionality conceptualization of EO in the present, since it was explained that three components namely Innovation, Risk taking and Proactiveness co-vary and depend on each other and also could combine in to a single scale (Alam, 2015). Several pragmatic research offered a complex model of entrepreneurial orientation which pronounced entrepreneurship as a establishment level behaviour and emphasized that organizations can exhibit entrepreneurial behavior not only persons [4].

Based on the behavior styles of the entrepreneurs, Theory of Planned Behavior (TPB) can be considered as the theory applied for the study. Further to fulfill the strong theoretical environment, focusing with empirical views, Taatila framework (2012), Lumpkin and Dess framework (1996), and Kaunda framework (2012) and other few adaptations from the literature were taken into consideration in the unique constructions of this study. EO consists of five dimensions viz. entrepreneurial desire, innovativeness, pro-activeness, risk-taking and networking capability [49]. Most prominent dimensions of EO identified as innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness are associated with this model [40]. Contingency method suggests two way relationships which denote the associations between EO and circumstances of external environment or EO and internal environment, and the effect of EO along with the contexts on dependent variable [34]. Research proves that when main variables are affiliated in an appropriate manner the association between EO and main constructs can be enhanced [48]. Academics are of the view that EO-Performance associations can be moderated by the aspects of internal variables, strategic variables and external variables [7]. The category of internal variables comprise organizing framework, top management values & philosophies, organizational resources and competencies, and organizational culture [3]. Strategic variables consist of mission strategy, business practices and competitive tactics. External environmental factors, technological sophistication, dynamism and, hostility come under external variables [2]. Initially, EO identified as a model business-level entrepreneurial process that consist of three key dimensions: the enthusiasm to involve in product innovation, to carryout risks to come up with new products and to be further proactive than business rivals in obtaining benefits of new market prospects [25]. Based on this view some scholars explained EO as combinations of dimensions [25], namely: innovativeness, pro-activeness and risk-taking. This is known as the unidimensionality model. Figure 2 presented the definitions and measurement of model of EO as bellow.

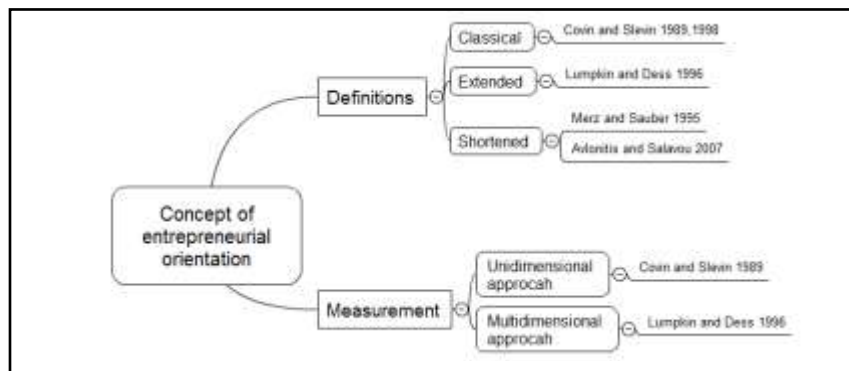


Figure 2: Model for Definitions and Measurement of Entrepreneurial Orientation
(Source: Beliaeva, 2014)

Conceptual framework of EO, Miller, (1983, 2011) was the basis for many of the studies of EO and many researchers have used it for carrying out a variety of research studies [17]. In order to that, few variables of the EO construct are described as follows.

2.2.1 INNOVATIVENESS

The enthusiasm to assist creativity and experimentation in offering new products or the ability to introduce innovations are known as innovativeness [11]. It is noted that the innovation is an ability of the organization to discover new ideas, new product and new processes fruitfully [17]. Innovativeness reveals imperative ways through which businesses recognize new opportunities and it is also explained as a business tendency to get engaged in new processes and actions with a view to create novel solutions to problems in the business, and considered as a major constituent of EO [42]. Further, this includes novel and high tech leadership along with research and development in formulating new procedures as well as innovative management practices. A study developed on innovation practices as a path to business growth performance in the tea estate: In respect of the above a study of small tea holdings businesses in the emerging Asian markets using a sample of 500 tea holdings proved the positive relationship between innovative practices and business growth progress [9]. This view is supported by the fact that innovativeness refers to the ability of the business to discover new ideas, new products and new processes fruitfully. Innovativeness reflects the enthusiasm and the capability of an establishment to demand the status quo, which is the present position [14]. Hence, it is beneficial to carry out new concepts creating value addition and acts as a main factor for the financial growth and enlargement of ventures of small tea holding too [32]. Especially, it is needed to consider the process of planting to until get the harvest from the plans, innovation can be applied through the creativeness.

2.2.2 RISK TAKING

Risk-taking can be described as the willingness of the businesses to move away from the original known business venture into the unknown [29]. Risk taking is explained as the capacity to take fearless actions similar to extending into unfamiliar new trades, contributing large amounts of resources to uncertain businesses, and/or to be obtain excessive loans. The eagerness of a business to assign resources including finances for projects when results are uncertain is the risk taking character of the entrepreneur [14]. The importance of risk-taking is highlighted due to the uncertainty in the internal and external business environments which are increasing on a daily basis[35]. This is supported by a study conducted in Thailand with a sample of 179 entrepreneurs on the effect of entrepreneurial orientation on the success of community enterprise [48]. The findings of the study have proved that innovativeness, proactiveness and autonomous entrepreneurs show high job satisfaction while risk taking entrepreneurs get more life satisfaction. It is indicated that in the past, several types of risks were taken small tea holders namely; unpredictable and risky self-employment, involve in unfamiliar businesses, assessing a large amount of assets, run into heavy borrowings, and face financial failures of high cost in the literature.

2.2.3 PRO-ACTIVENESS

Pro-activeness is referred to as the nature of behaviour in foreseeing future and early planning to face the situations without waiting until something occurs and then reacting. Pro-activeness refers to businesses acting with the expectation of future problems, requirements and change, which involves recognition, and assessment of new opportunities [43]. Pro-activeness can be defined as an ability of a business to predict future consumer problems and requirements to make relevant adjustments prior to competitors [17]. In the case of an entrepreneur, pro-activeness means active behavior in looking for opportunities, futuristic perspective of bringing in new products and services prior to competition and working in expectation of the demand ahead to make alterations as well as form the environment. Nevertheless, to be inventive and futuristic it is not necessary being the first since even the second establishment entering a new market would become a leading business similar to the first venture.

This view was supported by the finding of a comparative cross-country study carried out in Russia and Finland on antecedents and performance outcomes of entrepreneurial orientation, applying samples of 101 in Russia and 109 in Finland. The results proved that international BP is benefitted by implementing EO. Aggressive business environment was a barrier to entrepreneurial position and not a facilitator and proactiveness of EO depend on the circumstance and not universal [17]. The important fact is to enter the markets at the ideal stages of the product life cycle. This paper focuses on the legal framework of establishments with a view to EO. In order to study this investigation, four types of legal framework are taken into consideration for this article.

2.3 LEGAL FRAMEWORK OF BUSINESSES

A business framework can be a legally accepted type of organization having a given authority and identified by the legal definition of that particular organization. The sole proprietorship, partnership, and corporation are the well-known forms of businesses. A Limited Liability Company (LLC) is identified as a business setup that has government injunction. Further, legal and tax provisions assist in selecting a business setup. Several theoretical expressions regarding the legal framework of businesses were deliberated in the literature to show the comprehensive background and solicitation of the legal frameworks of the diverse institutes [52].

Introduction of Analytical Framework

The legal frameworks of the businesses have been formulated on the institutional, organizational and operational dimensions with varied opinions to represent the ownerships of organizations [45]. An analytical framework consisting three dimensions of legal structure of the businesses presented in the figure 3 below.



Figure 3: A tri-dimensional analytical framework
(Source: Ayadi and Ouchene, 2016).

As above figure, shows each dimension relates to certain variables or criteria identification of the legal structure of the businesses: Institutional level depicts the ownership framework of the organization, which is investigated the purely on the typology of ownership structure from the business models monitor [1]. The global framework of each business is considered by organizational level. This framework comprises the ultimate whole businesses with its subsidiaries and/or more path to the ownership structure.

In the present context Sri Lanka has businesses of four types of ownership frameworks which are the sole proprietorship, partnership, corporation and the other category of the businesses. Legal framework of the businesses is depicted in the figure 4 below.



Figure 4: Legal framework of the businesses
(Source: <https://corporatefinanceinstitute.com>)

The precise characteristics of the legal framework of the businesses are distinct. The unique features of these are presented in the figure 5 below.

	 Sole Proprietorship	 Partnership	 Corporation	 LLC	 Franchise
Legal form	<ul style="list-style-type: none"> Owner not separate from business Profits and losses flow directly to owner Ends on death of owner 	<ul style="list-style-type: none"> Made up of 2 or more people Partnership agreement dictates how profits & losses distributed Ends on dissolution of partnership agreement or terms within agreement 	<ul style="list-style-type: none"> Business is its own economic entity Profits and losses remain in company - distribution to owners is through dividends Indefinite life 	<ul style="list-style-type: none"> Made up of members, which can be sole individuals, partners, or corporations Profit distributions flow through to the members 	<ul style="list-style-type: none"> Franchisee has the right to sell or distribute products/services made available through the franchisor, under the franchisor's brand.
Tax issues	<ul style="list-style-type: none"> All business transactions flow through personal tax return 	<ul style="list-style-type: none"> Partner's share of profits and losses reported on personal tax returns Partnership information return may be required 	<ul style="list-style-type: none"> All business transactions remain within company Corporate tax return is filed 	<ul style="list-style-type: none"> Profit distributions are reported on the members' individual returns 	<ul style="list-style-type: none"> All business transactions remain within company

Figure 5: Specific Characteristic of legal framework of businesses
(Source: <https://corporatefinanceinstitute.com>)

The business model of the organization is regarded at operational level. The typology of the business model from the organizational models monitor is considered by this dimension [1]. Many other models too can be referred to as indicators that relate to the main business lines that enables to be evaluated by an asset- liability or activity-funding combination of the business and compared with the critical functions as shown in the literature [4].

2.3.1 THE SOLE PROPRIETORSHIPS

Cornell Law School Legal Information Institute, (2020) defined that the simplest business form is sole proprietorship where a single individual can run a business. The sole proprietorship is not regarded as a legal entity. It simply belongs to an individual who owns the business and its debts and responsibilities are that person's responsibility [20]. The owner can run a sole proprietorship under that person's name or it can operate business having a fictitious name, which simply is a trade name. This does not form a legal body separate from the sole proprietor owner. Figure 6 presents the sole proprietorship as follows.



Figure 6: The Sole Proprietorship

(Source: Cornell Law School Legal Information Institute, 2020)

Based on simplicity, easiness of setup, and insignificant cost, the sole proprietorship is a popular business type. It is merely required to register the person's name to obtain a local licenses and the sole proprietor can operate the business [26]. Owever a prominent disadvantage is that the owner of a sole proprietorship is individually liable for all the business's debts. Therefore, in the case of financial trouble, creditors can take legal action against the owner of the sole proprietor business. Cornell Law School Legal Information Institute, (2020) expressed that the owner is required to pay the business debts with his or her own money if the other party is successful.

The owner of a sole proprietorship in his or her own name normally signs the contracts, since under the law the sole proprietorship does not have a separate identity. The customers too write checks in the owner's name, even though the business has a fictional name (Daft, 2014). Sole proprietor owners very often intermingle private and business property and funds which partnerships, LLCs and corporations are not allowed. Sole proprietorships normally maintain their bank accounts in their own names. Sole proprietors do not carry out procedures such as voting and conducting meetings related to more complex business forms. Further they can take legal action and also can be sued under the name of the sole proprietor owner. Many businesses are started in the form of sole proprietorships and lead to more composite business systems as the business develops [50].

2.3.2 THE PARTNERSHIP

A business partnership is a company that is owned and occasionally operated by two or more individuals or bodies [50]. The partners tend to share the profits or losses among them. Although partnerships show similarities with sole proprietorships the difference is that two or more people own the business. These have more complex frameworks unlike sole proprietorship. Further, a partnership agreement is required for the partnership operation. Based on the Cornell Law School Legal Information Institute, (2020), Figure 5 presented the forms of partnerships The partners in the business invest money and each of them gains from any profits and bears portion of any losses. Figure 7 presents the types of partnership as follows.

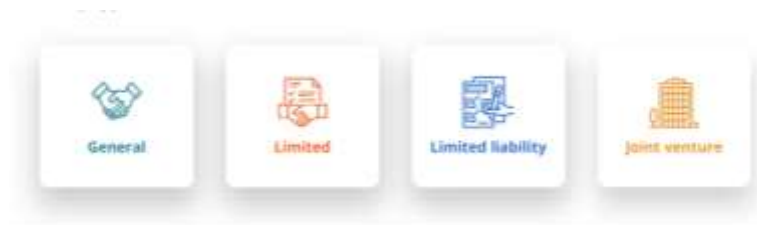


Figure 7: The Partnership types

Very often a business partnership is formed by legal relationship with a written agreement between two or more persons or bodies. The partnership needs to be registered as a business where it operates business. Cornell Law School Legal Information Institute, (2020) stated that different provinces might have diverse forms of partnerships allowed and it is vital to know the regulations before it is registered. Sometimes few individuals who work in the business form partnerships, while some partners have restricted participation and also partial liability for the business's debts and any legal action against it [50].

North Dakota Secretary of State (2020) indicated that partners involve in the day-to-day activities in a general partnership (GP) and they have responsibility as owners for debts and any legal action. One or more general partners manage the

business in a limited partnership (LP) and hold responsibility for its decisions. While one or more limited partners do not get involved in the activities of the business and they do not hold liability. California Secretary of State, (2020) stated that legal protection from liability is provided to all partners, including general partners in a limited liability partnership (LLP). Partners in the similar professional type, such as accountants, architects, and lawyers, usually form a limited liability partnership. The partners are protected by partnership from the responsibility of the actions of other partners.

2.3.3 A LIMITED LIABILITY COMPANY

Cormier and Magnan (2003) and Eng and Mak (2003) formulated a dichotomous basis for identification of businesses based on research, using 1 for companies having 20% government holdings, and 0 for companies with non-government holdings. A Limited Liability Company formation has a international LLC company model which is flexible, seaward, has a wide foundation that allows the company to have its flexible framework as per their own rules. Its Company model provides a comprehensive base for overseas business activities. A Limited Liability Company can be formed by the following popular prerogatives. Owners of the Limited Liability Company are not personally liable for the company's debts or liabilities. These are amalgamated bodies which has combined the features of a corporation with some characteristics of a partnership or sole proprietorship. The liability nature is equal to that of a corporation while the taxation process applied to the members of an LLC is a characteristic of partnerships. Figure 8 presents the limited Liability Company framework as shown below.



Figure 8: The limited Liability Company framework

A functional agreement and submission of relevant documents of the organization are required for the opening of a limited liability company (LLC). The owners of an LLC possess direct management power of the company similar to the principals in a partnership, and the company is required to submit information returns to the Revenue Department. The owners submit their own individual information returns as per the income they receive directly from the business which shows the amount of revenue paid to each partner.

LLC can be distinguished from a partnership by the fact that the former is setup to separate the business assets of the company from the private assets of the owners. Therefore, the owners refrain from being personally responsible for the debts and liabilities of the company. When one of the owners leaves or dies, a business continuation agreement is required to effect the transfer of interests or the sale.

2.3.4 THE OTHER CATEGORY OF THE OWNERSHIP

Many of the new businesses begin as sole proprietorships (Cormier and Magnan, 2003; Eng and Mak, 2003). which is the simplest type of ownership for a single owner and needs few other requirements in addition to a tax identity number. Nevertheless, the presence of taxation, liability issues or businesses with several owners lead to, formation of other organization types.

The most appropriate organization for business is to be decided upon considering the type of business, the number of owners, and the amount of consideration relating to taxation and liability issues [46]. The two business setups are the similar in most other features. A board of directors control the business in both cases, which is accountable to the shareholders. The board hires the senior management team. The company owns the Business assets and liabilities while the sale or transfer of interests can be performed by the sale of different goods (Basile, 2012). Finally, the owners' level of interest in relation to management control, liability limits, tax issues, and business transfer concerns remain responsible for selecting the type of business organization. However due to the tax and legal consequences it is necessary to have guidance from a professional tax attorney in selecting the appropriate form of ownership Table 2 presented the One way ANOVA results as follows.

Table 2: The One-way Analysis of Variance (ANOVA) Test Results

Descriptives								
Total								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
					Lower Bound	Upper Bound		
Single Ownership	306	3.7589	.72437	.04141	3.6775	3.8404	2.06	5.00
Partnership	53	4.0404	.68735	.09441	3.8509	4.2298	1.89	5.00
Private Ltd	19	3.9371	.70101	.16082	3.5993	4.2750	2.86	5.00
Other	5	3.6000	.59043	.26405	2.8669	4.3331	3.00	4.42
Total	383	3.8047	.72171	.03688	3.7321	3.8772	1.89	5.00

III. DATA ANALYSIS TECHNIQUE AS ONE WAY ANOVA

The objective of this study is to examine the level of EO characteristic variations with the legal framework of tea small holdings, using the technique as One way Analysis of Variance (ANOVA). It is required that the variances within the group or between groups should be similar. All groups need to be fairly normal and the condition is homogeneous. Multivariate analysis was conducted through SPSS while Levene's test was used to find whether the assumption is confirmed or not. The ANOVA test results for the achievement of objective is presented in the table 2 below.

3.1 ANOVA- DESCRIPTIVE STATISTICS

3.1.1 TEST OF HOMOGENEITY OF VARIANCE

The results of the Homogeneity of Variance was presented through the Levene's Test. Table 3 indicates the values for the Levene's test as shown below.

Table 3: The values for the Levene's test

Test of Homogeneity of Variances			
Total			
Levene Statistic	df1	df2	Sig.
.312	3	379	.817

Based on the table 3, it is clear that Levene's test for equality of variance is 0.312 which is more than 0.05. Therefore, equality of variances assumption is met. There is no difference between the groups

Alternative Hypothesis - **H1: There are level of entrepreneurial orientation differences between four groups**
ANOVA

The result of the ANOVA test presented in the table 4 below.

Table 4: Results of the ANOVA

ANOVA					
Total					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.127	3	1.376	2.676	.047
Within Groups	194.842	379	.514		
Total	198.969	382			

Findings:

1. The P-value for the Levene's Test for equality of variance was 0.312, which was higher than 0.05. Thus equality of variances assumption was met.
2. The F value was 2,676 and the degrees of freedom were 3 and 379.
3. The P-value of the ANOVA test was 0.47, which was higher than 0.05. Hence, there is no significant mean difference between the groups.

The mean total Entrepreneurial Orientation among legal formation of small tea holdings of Sri Lanka does not indicate any differences. Legal formation of small tea holdings of Sri Lanka presented in table 5.

Table 5: legal formation of small tea holdings of Sri Lanka

Total legal formation of small tea holdings		
Tukey B ^{a,b}		
Nature of Business	N	Subset for alpha = 0.05
		1
Other	5	3.6000
Single Ownership	306	3.7589
Private Ltd	19	3.9371
Partnership	53	4.0404
Means for groups in homogeneous subsets are displayed.		
a. Uses Harmonic Mean Sample Size = 14.558.		
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.		

IV DISCUSSION AND CONCLUSION

The hypothesis of the study is that Tea Smallholding, Sole Proprietors, Partnership holders, Corporation and Other category of businesses in the down south of Sri Lanka exhibit various levels of entrepreneurial orientation in relevant setups. In order to determine the results for the objective, Test of ANOVA applied in this study. The results of the ANOVA test for the accomplishment of the objective, the output of the test is given in the table 1. The sample mean values of 3.76 ± 0.724 , 4.04 ± 0.687 , 3.93 ± 0.751 and 3.69 ± 0.590 were obtained respectively for the Tea Smallholding, Sole Proprietors, Partnership holders, Corporation and Other category of businesses in the Kaluthara district in Sri Lanka. The Levene's Test of the homogeneity resulted a value of 0.312 for the equality of variance which was more than 0.05. Hence, the equality of variances assumption was met. No difference was noticed between the four groups in order to the difference the characteristics of EO. Further, study findings indicated that the P-value for the Levene's Test for equality of variance was 0.312, which was higher than 0.05. The F value was 2.676 while the degrees of freedom were 3 and 3.89. The P-value of the ANOVA test was shown to be 0.312, which was higher than 0.05. Henceforth, there is no means significant difference between the groups for the variance of innovation, risk-taking and pro-activeness of EO.

Sole Proprietors, Partnership holders, Corporation and Other category of Small Tea holding, in the Kaluthara district of Sri Lanka do not show means difference of the ownerships in order to the variation of the characteristics such as innovation, risk-taking and pro-activeness of EO. The EO of tea smallholdings were not contrast by legal frameworks while they believed that innovation, risk-taking and pro-activeness could show the positive results in their actions orientation in the past historical views. [6; 18]. Tea smallholding under examination in this study come across similar issues as found in many other developing countries in respect of different disciplines [1]. Hence, it can be shown that the conclusion remarks of this study is compatible with the previous findings of few research. The conversation stated above indications the contrast of independent variables on the dependent variable

V. RECOMMENDATIONS, IMPLICATIONS AND FURTHER STUDIES

It was possible for the independent variables to create there are no variation or difference among the types of legal frameworks of the tea small holders in the industry. In fact that other variables in relation to the EO, which were not considered in this study, should be the factors that may account for the unexpected factors in legal frameworks of tea small holders in this industry. According to the findings of the research, there is no divergence of the variation of EO for the legal frameworks of tea small tea holdings in the tea industry. Therefore, innovation, risk-taking and pro-activeness of EO of small tea holdings are significant element to determine the legal structure of the all small tea holdings in the industry. The findings of this research study would be important on the theoretical as well as practical scenario in the future research too. As a major approach of studying the legal framework of the small tea holdings of the tea industry, the programs relating to the enhancement of the processes are to be implemented successfully.

Further, action could be focus on uplifting and encourage research based on new technology, which can be deployed, as well as botanical and sociological research. These recommendations can be given with reference to the improvement of the industry. Further research studies are suggested to carry out to examine the effects of these factors on legal framework of tea small holders in tea industry in Sri Lanka. In the context of researching the effect of these variables on the ownership styles, essentially future researchers may have to encounter serious difficulties in measuring the variables, as there is no measurement instruments correctly developed than the needful of the study with the many constrains.

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