

## **Identifying Barriers in Commencing Own Business: Evidence from Hospitality and Tourism Graduates in Sri Lanka**

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Tourism has become a booming industry in Sri Lanka in recent decades. As a result, higher educational institutes such as universities tend to focus their attention on the development of tourism industry by offering various tourism related courses. These courses have been designed to create graduates who will reinforce tourism industry in a proper manner by considering contemporary requirements and the output of these courses will be directly or indirectly involved with the tourism industry. As a result, graduates are coming up with new business ideas which in turn to help the development of Sri Lankan economy. But there is a lack of start-ups in this sector though the new business ideas arise from tourism graduates. Understanding common start-up problems can help entrepreneurs to find the right path. Hence a study was carried out to identify the barriers in commencing own business who has been already followed up hospitality and tourism courses in Sri Lanka. Among the population of students who have already followed up tourism related degrees, 120 graduates in three universities namely, Uva Wellassa University of Sri Lanka, Sabaragamuwa University of Sri Lanka and Rajarata University of Sri Lanka were selected as the sample using the convenience sampling technique. Data was collected using self-administrated questionnaires. They were analysed using Principle Component Factor Analysis Method. Results revealed that three major factors affect as the barriers to start a business. They are aversion to risk, socio cultural influence and negative perception. Further they overlook on the competition in the market and avoid preparing business plans and tend to find jobs in the industry. Study also revealed that to mitigate such type of barriers, obtaining the attention of financial institutions, which reinforce the upliftment of tourism graduates through the universities, build up positive perception toward entrepreneurship by conducting different programs.

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