

The best business practices of Sri Lankan firms

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- Author(s):** [J.A.S.K. Jayakody](#), (Faculty of Management and Finance, University of Colombo, Colombo, Sri Lanka), [W.M.A. Sanjeewani](#), (Corporate Division, People's Bank, Colombo, Sri Lanka)
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- Abstract:** *Purpose* – The present study was undertaken to identify what practices are considered best business practices by business firms in Sri Lanka and to explore whether there exist different practices in different sectors.

Design/methodology/approach – Data were collected from managers attending postgraduate and mid-career development programs in a large Sri Lankan university. A total of 71 managers responded to the questionnaire representing 71 firms. The data were analyzed with principal component factor (Varimax rotation) technique to identify the best practices and Tukey's post hoc test was employed to compare them across different sectors.

Findings – The findings indicate that the following are considered to be best business practices in Sri Lanka: a bias for action, quality focus, customer orientation, relationships with customers, relationships with employees and outsourcing. These best practices belong to four key performance areas, namely external market orientation, internal organizational process, current business performance, and internal customer orientation. It was also found that medium-sized firms are different from large, and service firms are different from firms in the trade sector in terms of a bias for action. Further, firms operating in the overseas markets and manufacturing firms are significantly higher in “quality focus” than their counterparts.

Research limitations/implications – The researchers suggest that future research be undertaken using large samples, taking the four-dimensional framework as the conceptual framework.

Originality/value – Though the history of best business practices runs into the early 1980s, empirical studies on the topic are limited both in the West and the East. During the last two decades a number of lists of best practices appeared with little empirical support, thus causing a research gap.