



**AII-03**

**Management Practices across generations: two multi-generational cases from Sri Lanka**

*G.T. Wasantha Sriyani*

*Department of Management & Entrepreneurship, Faculty of Management & Finance,  
University of Ruhuna,*

In family firms, founder's vision, philosophy, and way of behaving laid a solid foundation on how to run the business. The "familiness" of firms continues to be the major driving force and they simply refuse to change in their core ways of working. The successors of the family firm adhere to follow the same set of values and guidelines, and the wishes of the founder. However, when the management of the family firm transform over the generations and transform over the dynamics in the business environment the practices follows to manage the firm will have to change. If the firms may not change, they do not benefit from change. It is possible that those firms do change perform better. While adapting over years many of the management practices to changes in the environment, some firms successfully institutionalize sound systems and retain core values. This double edge nature of the family firm management creates complexities and therefore it is difficult to predict the management practices followed by successors in family firms. Therefore, this current study adds an especially limited research focus to the qualitative empirical body of literature, the generational similarities and differences in management practices. The main purpose of this study is to review how managerial practices vary across successive generations in successful and less successful family firms. The research questions addressed from this study includes: i) How do managerial practices differ between first, second and subsequent generation of family firms ii) Which practices tend to be retained across generations and which undergo change? How are these patterns of retention and adaptation related to the performance of family firms? This is a comparative study of two multigenerational cases selected from Matara District. The findings concluded that the family or non-family management who continue the practices bounded by the shared vision and core values of the founder while adapting some practices as changes happened in the environment perform better.

*Keywords: Management Practices; Multi-generations, Family firms, Firm Performance*