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Résumé de l'article

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by
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INTRODUCTION

The world of business and management has changed dramatically over the years, especially in the last two decades. Markets have become global, developed as well as developing economies are becoming increasingly service-oriented, and rapid technological advances and their swift diffusions across the world have begun to spawn a new economy in many countries. The business of doing business itself has transformed. Since some of the old, established management theories have already become obsolete in this new environment, attempts are being made to discover new frameworks for study of evolving business and management practices. Put differently, business models and management paradigms have been shifting for some time now. And a key characteristic of this paradigm shift is the presence of market inside a firm. Once the market mechanism embraces a firm's internal administration and management, the threat of competition begins to regulate business practices. Relationships between stake holders and the firm become highly contestable (Capelli, 1999). This interface of external market orientation and internal organizational processes leads, in turn, to a new organizational culture, where roles and responsibilities of leadership itself are redefined. Empowering everyone to strive for best results in every aspect of business becomes the name of the game.

What makes a company the best in its class? How do its business practices differ from those of the rest, be they related to marketing or human resource management, or production operation? What are the messages that come from best practices of an organization to others? Is it the leadership, core value, a workforce of high-IQ people, or something else which sets an organization above the crowd? These are important questions, requiring attention at both conceptual and empirical levels. Debates, discussions and reflections on shifting fortunes of nations and companies, transforming work systems, the rise of a new economy, and its new operational modes have spawned a small but significant body of literature addressing these questions. The purpose of this essay is to recapitulate central themes of a subset of this literature so as to provide a frame of reference to the studies published in this Volume.

BEST PRACTICES AND HIGH PERFORMANCE ORGANIZATIONS

What is a best practice? How does one define best practices in an organizational context? What are the firm-specific attributes that distinguish the best from the rest? Do the best practices vary from one company to another, or are they universal in nature? These have been the key questions asked by scholars and practitioners interested in finding the best from the rest. In fact, the era of global competitiveness has compelled firms for a quest for answers to these questions.

To begin with, the term 'best practices' appears to be a kind of misnomer. While some people and organizations may try to be the best in comparative terms, the 'best' in absolute term is a moving target. Hence a better term to use will be 'better practices.' However, customary use of linguistic terms often results in new meanings. The notion of 'best practices' has to be understood in this semantic context.

A distant synonym for a set of best practices is a high-performance organization. Terms used to convey different aspects of business and management practices of these high-performance organizations include total quality management, quality circles, gain-sharing, self-managing work teams, and empowerment (Dalesio, 1998; Hiebele *et al*, 1998)). These attributes themselves have several dimensions. Take the case of quality. Performance, reliability, conformance, durability, serviceability, and aesthetics are some of its key dimensions (Garvin, 1987). High performance organizations have also been studied from a more functional perspective. For example, Betcherman *et al* (1994) have pointed out that an effective high-performance organization in relation to its human resource management practices would include a flexible work system, commitment to training, increased involvement and participation of employees, policies to promote sharing, a work process designed to improve health and reduce stress, and policies to support employees balance their work and domestic responsibilities.

However, a piece-meal approach to reengineering of an organization is not going to produce a high performance organization. All key functions of an organization such as marketing, manufacturing, and service provisions need to adopt best practices in an integrated and sustaining way. Put differently, a company needs an integrative approach to excellence to outsmart its competition (Stross, 1996). But an integrated approach to reorganization of a workplace and production system for high performance inevitably involves commitment and trust. These attributes cannot be demanded and need to be commanded from stake holders. Hence a culture of commitment and trust is a necessary condition for a company to join the rank of a high-performance organization. In fact, a culture of trust is a necessary condition not only for an organization but also for a society to remain functional and effective. Fukuyama (1995) has masterfully elaborated on the desirability and efficacy of trust for 'social virtues and creation of prosperity.' Most of the cases discussed in articles published in this volume indicate a commitment of high performance organizations for creating such a culture.

SOME KEY STUDIES

Business and management practices are often faddish. They come and go. Even if they do not disappear altogether, many tend to be deposed from their front-line position. The business of best practices has been in for some time now. Will it also disappear like other fads? Or, will it endure for a long time to come? It is difficult to predict the future.

Nevertheless, like other developments, it has had some contribution towards progress in developing new business models as well as new scholarship. This literature will most likely endure.

The classic work by Peters and Waterman (1982) is largely responsible for the development of best business practices research. It identified eight attributes of corporate excellence -- a bias for action, closeness to the customer, autonomy and entrepreneurship, productivity through people, hands-on value driven, stick to the knitting (do what you know best), lean staff, and simultaneous loose-tight properties (centralization and decentralization at the same time). These are the best practices and virtues of corporate excellence in America. As the authors of this classic work expounded (Peters and Waterman, 1982:86), 'More significant, both for society and for the companies, these institutions create environments in which people can blossom, develop self-esteem, and otherwise be excited participants in the business and society as a whole.' In fact, Peters and Waterman opened up a new window for research on the interface between managerial factors and business success.

Collins and Porras (1994) studied 'truly exceptional companies' and compared them with another set of very good companies. Their sample was comprised of a total of 36 companies -- 18 in each set. Their objective was to discover 'timeless management principles.' The key components of these principles, as they discovered, are (1) becoming a clock builder, not a time teller, (ii) choosing A and B rather than A or B, (iii) preserving the core and stimulating progress, and (iv) seeking consistent alignment. They also compared their findings with those of *In Search of Excellence*. Their research supported most of the attributes of excellent companies identified by Peters and Waterman (1982). What is more significant about Collins and Porras (1994) is that it elevated best management practices research to a new height.
Halim (1998) examined 95 companies from six Southeast Asian countries (Hong Kong, Indonesia, the Philippines, Thailand, and Singapore). These companies were compared to over 600 other companies and multinational corporations operating in these countries. The key attributes of the Asia's best included in-house facilities for a world-class training of their employees, providing and communicating value to customers, concentrating on core competence and a set of operational activities, managing alliances and joint ventures, and competing for the future. Jain (1998) studies 20 companies in India with a view to understanding 'the contents and processes in corporate strategy for producing consistent growth and excellent performances.' Strategic thinking, core values and purpose, vision and stretch and empowerment were the key attributes of corporate excellence for this sample.

A balance across best practices with respect to various dimensions of business and management practices is also considered important. Kaplan and Norton (1996) have pointed out steps in constructing such a scoreboard. And it has begun to be a common practice for many firms to benchmark their practices against those of "best practice" companies (Appelbaum and Batt, 1994:123).

Best management practices have become matters of concern in e-commerce arena as well. The best on-line experience for customer is the key to getting more hits and bringing more commerce, which generates more revenue and more profit. Zdnet.com recently published the best and the worst examples of e-commerce. Reel.com, amazon.com, babycenter.com, netgrocer.com were among the best examples, whereas starbucks.com, etoys.com, walmart.com and gap.com were the worst examples of e-commerce. Quick, easy one-click buying process, creative presentation of "product specials," and products with personality are some of the features of best practices. On the contrary, unnecessary frames, too many graphics, lack of a search feature, and confusing order processes were the examples of worst practices.

METHODOLOGY

While descriptive as well as inferential statistical techniques have proven to be useful in the discovery process of general business behavior, in-depth company case-study methodology has sometimes produced even deeper understanding and insights into best practices of companies built to last (Collins and Porras, 1994) and to excel (Peters and Waterman, 1982; Jain, 1998). Best practice research has been done so far in this tradition. For example, Peters and Waterman (1982) used a sample of sixty-two companies representing a cross-section of industries in the USA. Jain (1998) used twenty companies representing services, industrial and consumer goods sector in India. Halim (1998) used 95 companies from six Southeast Asian countries as a sample. Collins and Porras (1994) used 36 companies, most of them American. However, their methodology is unique in the sense that they examined the entire history of companies in the sample. This is no mean feat, indeed.

It is important to note that there is no one, unique method that is sufficiently powerful to elicit information on a complex organization. So is the case with respect to techniques used to analyze data for detecting patterns in best practices. Usefulness of using multi-trait, multi-method research strategy is clearly superior for this very reason. In fact, most of the landmark studies mentioned above have, by necessity, followed this research strategy. They have examined survey data, company history, and have brought new insights through interviews and examination of corporate missions and visions. It is in this tradition of research methodology that the studies presented in this volume are grounded.

CONTRIBUTION OF THIS VOLUME

An enduring interest in learning about how pioneering companies manage people, develop products and services, foster innovative and entrepreneurial culture, embrace new technology, and create customer delight persists throughout the world. While some work has been done on best business practices of companies mainly located in developed market economies, there is little on this theme in the context of developing economies. The special issue of the journal tries to fill in this gap in a limited but substantial way. It is limited because the sample firms come from one economy. This may have limitations for generalizability. But it is substantial because the cases discussed and analyzed are rich, both in scope and depth. The in-depth company case-studies enable researchers to dig deeper to discover new insights. They cover a wide range of spectrum in terms of economic activities -- manufacturing, trading, tourism, and banking and finance. Hence they add new insights to the growing body of literature on best management practices around the world.

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