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Upward bullying

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Abstract

This article reviews the concept of upward bullying in the workplace, which is against the traditional dynamics in organizations by having employees' exhibit aggressive behavior toward their superiors. The article defines upward bullying and analyzes its various types, such as sabotage, verbal mistreatment, gossip, and refusal to fulfil the tasks. Drawing on existing literature, the article highlights key causes for upward bullying, such as role ambiguity and organizational changes, and explores relevant theories, including power dependence, social exchange, and organizational justice. The article also identifies the contexts in which past researches were conducted, such as the corporate, healthcare, and educational sectors, and briefs the methodologies used to study upward bullying. Finally, it suggests directions for future research, focusing on evolving leadership styles, digital communication, and AI-based interventions to address this complex issue in modern workplaces.

Keywords: Methodologies, Upward bullying, Recent findings, Research contexts, Workplace

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1. Introduction

There are many studies on subordinates being bullied by their managers, supervisors, and powerful individuals. Most workplace bullying topics have been extensively covered in countries such as New Zealand (Wallace et al., 2010), China (He et al., 2024). Australia (Branch et al., 2004: Tuckey et al., 2024). The concept of upward bullying has reversed the normal bullying dynamic. Upward bullying in organizations is not a manager victimizing an employee; rather, an employee bullies and undermines his/her manager or supervisor. This can happen through more provocative actions like public humiliation or persistent complaints or more indirect ones like gossiping or withholding information (Branch et al., 2012). Upward bullying has been identified as a deeper organizational issue requiring preventive efforts (Tuckey et al., 2024).

2. Definitions and types of upward bullying

Nielsen et al. (2011) defined upward bullying as aggressive actions by a subordinate against their superior, aimed at damaging the superior's credibility or authority. Such actions may encompass verbal abuse, threats, harassment, manipulation, spreading rumors, and sabotage within the organization. As explored by some researchers, upward bullying can foster a destructive work environment that lowers job satisfaction, heightens stress, and disrupts overall organizational effectiveness (Ariza-Montes et al., 2014). Further, Upward bullying is seen as a challenge to authority, an attempt to influence workplace decisions, or revenge for perceived injustices (Hoel & Cooper, 2000).

The behaviors linked to upward bullying, including verbal assault, gossip, and manipulative tactics, encompass various strategies that subordinates employ to challenge or weaken their superiors (Branch, 2006). Verbal assault, where subordinates insult or confront their superiors openly, represents a straightforward form of aggression to undermine the superior's authority and standing (Samnani & Singh, 2012). Additionally, Sammani and Singh (2012) have noted that gossip and rumor-spreading, which typically occur informally, involve disseminating false or misleading information to damage a superior's credibility and incite conflict within the workplace. Such covert actions can be challenging to address directly, as they often transpire behind the scenes, negatively impacting the superior's reputation without clear accountability (Samnani & Singh, 2012). Tepper (2007) explored the manipulation and undermining of a superior's decisions, often through the distortion of facts or sabotage, further eroding trust and authority and making it harder for the superior to maintain effective

leadership. These behaviors create a toxic work environment that may have long-lasting adverse effects on both the superior and the organization as a whole.

Non-compliance, sabotage, and excessive criticism are more overt actions that directly impair a superior's leadership skills in addition to these covert and indirect forms of upward bullying. A superior's ability to accomplish objectives may be hindered by non-compliance, which occurs when subordinates purposely fail to adhere to commands or meet deadlines (Einarsen, Hoel, Zapf & Cooper, 2020). Similarly, sabotage, such as intentionally hindering a project or decision-making process, can damage the superior's credibility and hinder the success of their leadership. Excessive criticism and micro-management are other common types, where subordinates continuously criticize their superior's decisions without justification. This type of bullying often leads to the superior questioning their own abilities, which can diminish their confidence and effectiveness as a leader (Tepper, 2007). Collectively, these behaviors represent a variety of ways in which subordinates can challenge or undermine their superiors, ultimately destabilizing the concept of leadership and creating a hostile environment in the workplace.

3. Reasons for upward bullying

On a more informal level, Branch (2006) and Bolling (2017) looked into the causes, behaviors, scope, and uniqueness of upward bullying and hostile motives. Their study has provided insightful information about the problems managers face at work and the real-life experiences of managers who have been bullied. Employees may bully their managers (Upward bullying) in retribution for the manager they perceive as the primary cause of their stress (Davenport, 1999). Bjorklund et al. (2019) have found that managers hold formal power and bullying could be used against management to voice workers' frustration with organizational changes or other matters. According to the same study, several factors contribute to upward bullying, including being new to a managerial position, having recently returned from parental or sick leave, and having unclear roles and responsibilities. Additionally, taking over responsibility for workgroups with existing interpersonal conflicts and participating in workplace reorganization or restructuring are significant contributors to upward bullying.

In addition to formal power, studies in the literature on upward bullying have started to document the types of power that employees use to harass their supervisors. Branch (2006) asserts that managers are forced to focus on subordinate workers who are critical to the work

unit's operation and grow dependent on them. Patterson and colleagues (2018) acknowledged the use of structural power, acquired through connections with powerful people or by limiting access to information and abilities, and coercive power, used by subordinates through intimidation, humiliation, avoidance, and resistance tactics.

4. Recent research around the concept of upward bullying

Syaifuddin and Akhwan (2024) found that communication as a way to prevent upward bullying in Islamic boarding schools. Further, Syaifuddin and Akhwan (2022) identified personality factors as a main cause of bullying in this study. Busby et al. (2022), in a literature review on upward bullying, introduced evolving research perspectives around this concept. Specifically, Busby et al.'s evaluation (2022) emphasized the need to comprehend the similarities and differences between upward and other forms of bullying and create theories that may direct the application of research findings on upward bullying in real-world settings. Mahmaudi (2023) studied the prevention of upward bullying and abuse of reporting systems. A recent study on enablers, motivators, and triggers of upward bullying (Tuckey et al., 2024) emphasizes the need to recognize prevention efforts for upward bullying in organizations. He et al.'s (2024) empirical study examines the experiences of Chinese nurse managers in a qualitative inquiry.

4.1 Power-Dependence Theory

Dependency on Power In organizational behavior research, theory has been used extensively to study power dynamics. This theory has been applied in several studies to investigate how power disparities influence bullying behavior in the context of upward bullying. Tepper (2007) investigated how employees' perceived incapacity or prevention can result in negative behaviors toward supervisors, such as upward bullying, as a means of regaining control in an unequal power structure. Korkmaz (2020) also applied this theory to study how power struggles in hierarchical organizations could result in upward bullying when subordinates seek to challenge the authority of higher-ups. Power-Dependence Theory is crucial for understanding how subordinates use bullying to alter power dynamics, particularly when they feel dependent on the superior for resources or decisions.

4.2 Social Exchange Theory

In order to fully understand the mutual nature of relationships between employees and their superiors, the Social Exchange Theory has been applied to workplace dynamics. The Social

Exchange Theory was expanded by Masterson et al. (2000) to examine how leader-member interactions impact workplace behaviors, such as upward bullying. According to their research, negative behaviors like upward bullying are more likely to occur when subordinates believe their leaders are not treating them fairly or with trust. In their study, Gentry et al. (2019) also cited this theory, speculating that perceived disparities in the social interactions between subordinates and superiors may be the cause of upward bullying. They argued that when employees perceive their contributions are not acknowledged or fairly rewarded, they may resort to aggressive or manipulative tactics toward their superiors, which aligns with the principles of Social Exchange Theory.

4.3 Organizational Justice Theory

Organizational Justice Theory has been influential in examining workplace fairness and its effects on employee behavior, including bullying. Research by Tepper (2007) and Schmidt and Wiegand (2017) demonstrated how perceptions of injustice, particularly in procedural and distributive justice, can lead to the emergence of upward bullying. Tepper (2007) specifically stated that employees may resort to upward bullying as a form of retaliation or to address perceived inequities when they believe their superiors are treating them unfairly, either through biased decisions or a lack of recognition. Furthermore, using the Organizational Justice Theory, Colquitt (2001) investigated how perceptions of fairness in organizational practices can lessen workplace aggression, including upward bullying. This theory sheds light on the reasons behind upward bullying by concentrating on how workers perceive fairness in their treatment. It also implies that promoting justice in the workplace can lessen these harmful practices.

5. Conceptualizations in upward bullying

Recent studies, however, have connected upward bullying to several concepts. Recently, a substantial body of available research has accumulated, confirming the potential negative and detrimental outcomes attributable to bullying. Perceived injustices or abuse by superiors often lead to emotions like fear, resentment, and irritation, even though trust and organizational commitment (Tepper, 2007) may be significant predictors of this behavior (Hershcovis et al., 2017). Moderating factors include organizational culture, hierarchical structure, and supervisor-subordinate power dynamics, while antecedents are typically considered workplace stressors like elevated job expectations and position ambiguity (Nielsen et al., 2011: Korkmaz, 2020). According to Schmidt et al., (2017) mediators like communication

breakdowns, unmet expectations, and differences in power perception play crucial roles in exacerbating upward bullying incidents. Furthermore, Gentry et al., (2019) identified that individual traits, such as resilience, personality, and coping styles, can arbitrate or moderate the effects of upward bullying, manipulating the likelihood of appreciation or determination. Consequently, as employees seek effective strategies to obtain relief from unpleasant work environments, it is becoming increasingly common for managers and supervisors to become targets for subordinate-initiated bullying (Salin, 2003).

6. Methodologies used in upward bullying research

Research on upward bullying has adopted various approaches, including quantitative and qualitative approaches. To investigate the effects of insulting supervision on workers' well-being some researchers have employed qualitative methods and conducted interviews within the sector or industry (Tepper, 2007). Hoel and Cooper (2000) conducted research by using focus groups to identify the variety of viewpoints on workplace bullying behavior, and this study facilitated a more comprehensive comprehension of the organizational dynamics and culture that support upward bullying. Furthermore, Samnani and Singh (2012) used the case study method to conduct their study, and it enabled researchers to concentrate on particular organizations and instances to investigate how upward bullying appears in various contexts and to look at its long-term effects. In addition, Green et al. (2024) used an instrumental case study from a larger two-phase, qualitative, interpretative study to explore persistent bullying.

Tepper (2007) employed industry surveys to assess the occurrence of abusive supervision and its effect on worker outcomes to draw more in-depth conclusions. By employing mixed-methods strategies that combine both qualitative and quantitative data, researchers have gained a more thorough insight into upward bullying. For example, Samnani and Singh (2012) combined quantitative approach (surveys) with qualitative approach (interviews) to capture both the occurrence and the personal experiences of upward bullying by providing a richer and more nuanced understanding of the issue.

7. Contexts of the past research on upward bullying

Although upward bullying is a relatively new phenomenon, it has been studied in various contexts, focusing on the unique challenges this phenomenon presents in hierarchical administrations. Based on the study done in business sector, Tepper (2007) identified upward bullying patterns are influenced by power dynamics and supervisor-subordinate relationships. Research has also been done in the nursing and medical fields has identified how upward

bullying affects healthcare workers' health and patient care outcomes (Carmeli & Spreitzer, 2009). Zabrodska and Kveton (2013) have done a study by focusing on the educational context. This study has mainly focused on universities regarding faculty-student relationships and administrative pressures that are investigated in connection with upward bullying.

Moreover, some researchers have explored how organizational culture and leadership styles influence upward bullying behaviors. Das and Shree (2024) smoothly identified this impact in their public sector research. According to the Korkmaz (2020), study about Asian workplaces, there is a growing body of work in diverse cultural contexts, where respect for authority and hierarchical structures may impact the occurrence and management of upward bullying. Further, Gentry et al., (2019) focused on specific risk groups, such as younger employees or women in managerial roles, who may be more vulnerable to upward bullying in their study.

8. Directions for future research in upward bullying

Future research on upward bullying could investigate the dynamics of leadership styles and organizational structures, especially as workplaces become more flexible. With the rise of remote work, hybrid models, and flat organizational hierarchies, the power dynamics between superiors and subordinates are shifting. Research could explore how these changes impact the occurrence and expression of upward bullying, especially in organizations where traditional authority structures are less evident.

Furthermore, exploring the impact of generational differences in leadership styles, such as the transition from Baby Boomers to Millennials and Gen Z in managerial roles, may provide insights into how upward bullying evolves across different age groups and cultural expectations in the workplace.

Additionally, the role of digital communication tools in facilitating upward bullying warrants closer examination. As organizations increasingly rely on digital platforms for communication and performance feedback, it is essential to understand how these technologies may create new avenues for upward bullying or influence its dynamics. Therefore, research could examine how online platforms, social media, and digital feedback systems facilitate or legitimize upward bullying behaviors.

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Dynamic Capabilities in Born Global Firms

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Abstract

This paper explores the concept of dynamic capabilities in born global firms by emphasizing their ability to adapt and reconfigure internal and external resources to respond to rapidly changing local and global market environments. Dynamic capabilities are crucial for born global firms, enabling them to sense emerging opportunities, seize them, and continually innovate despite resource constraints and intense international competition. Drawing on recent research, the paper discusses how dynamic capabilities, such as innovation, knowledge management, and strategic flexibility, support rapid internationalization and long-term growth. It highlights various contextual settings and methodologies used in prior studies, including qualitative and quantitative approaches. It suggests future research directions, such as examining the influence of external factors, technological advancements, and leadership in shaping dynamic capabilities within firms.

Keywords: Dynamic Capability, Born Global Firms, Dynamic Capability in Born Global Firms

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1. Dynamic Capabilities

Today's rapidly changing environment challenges organizations to be dynamic in identifying their capabilities to integrate, develop, and reorganize business strategies to build a sustainable business. This concept was introduced by Teece and Pisano (1994), accordingly, it refers to the organizational routines and processes that enable firms to adapt, innovate, and respond to shifts in the market and technological landscape. These capabilities are crucial for firms seeking to sustain a competitive advantage in industries where change is constant and competition is fierce. They argued that in a dynamic environment, a company's competitive advantage will be based on its internal procedures and practices that allow it to update and modify its organizational capabilities, allowing it to continuously provide clients with new and creative goods and services. The main implication of this concept is that firms are not only competing on their ability to exploit their existing resources and organizational capabilities, but firms are also competing on their ability to renew and develop their organizational capabilities (Teece et al., 1997). Through the development and renewal of organizational capabilities, dynamic capabilities allow the firm to respond to shifting market conditions, thereby gaining and maintaining a competitive advantage (Winter, 2003). Recent studies have further explored the dynamic capabilities framework, emphasizing its significance in various business contexts. Van de Wetering et al. (2021) has developed a strategic alignment model for IT flexibility and dynamic capabilities, empirically validating the positive relationship between firms' strategic alignment and competitive performance. Furthermore, a study by van de Wetering (2021) examined how dynamic enterprise architecture capabilities lead to organizational benefits, highlighting the role of process innovation and business/IT alignment as mediating factors. These recent contributions underscore the evolving nature of dynamic capabilities and their critical role in enabling firms to adapt and thrive in complex and changing environment. company's strategic options can be better understood by considering the idea of dynamic capacities, which provides insights into the factors that influence competitiveness across various industries.

2. Born Global Firms (BGFs)

Born-global type of firms typically starts to export less than two years after the foundation of the firm. Even though they were young firms, they were responsible for approximately 20% of the total exports in the international market. These firms view the world as their marketplace from the outset and see the domestic market as a support for their international market (Rasmussen & Madsen, 2002). Since then, the 'born global' firms have expanded

greatly by the research done by McKinsey and Co. (1993). The success of these firms is often credited to entrepreneurs who have the vision and motivation to avoid pursuing a long, evolutionary path to internationalization, while Born Global targets specific market gaps to stay competitive (McDougall et al., 2003).

According to Knight & Cavusgil (2004, p.214), BGFs are firms that "from or near their founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries". Meantime these firms are considered entrepreneurial firms that pursue a vision of becoming global players from the outset and begin international operations soon after their inception (Gabrielsson et al., 2008).

Further, Weerawardena et al., (2007) explored that those companies are required to be inventive in all areas of value creation, both technological and non-technological, as Born Global operates in all industry categories, whether they are high-tech, low-tech, or non-tech. The traditional pattern of slow, progressive internationalization is in contrast to the phenomenon of early and fast internationalization (Cavusgil & Knight, 2015). Similarly, some researchers Knight and Liesch (2016) looked at the firms that internationalize rapidly after their foundation and bypass the traditional gradual stages of internationalization can be defined as BGFs. Also, the origins and core orientation of the born global firm are highly multinational, which sets it apart. The establishment of these businesses substantially accompanied the beginning of the contemporary globalization era.

3. Recent Research Findings around the Dynamic Capability Concept in Born Global Firms

The concept of Dynamic Capabilities in Born Global Firms has acquired significant attention in recent research, especially as these firms expand rapidly into international markets. Dynamic Capabilities refer to the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. In the context of Born Global Firms, which are firms that internationalize within a short time after their establishment, these capabilities are essential for leveraging scarce resources and overcoming challenges related to global expansion.

Recent studies have highlighted that Born Global Firms rely on dynamic capabilities such as sensing opportunities, seizing opportunities, and reconfiguring resources to adapt to the competitive pressures of international markets (Knight & Cavusgil, 2004). These firms often

develop capabilities in innovation, knowledge management, and flexible organizational structures to continuously evolve in response to changing market demands and technological advancements. Furthermore, Daghmi (2022) investigated that dynamic capability is the ability to build relationships with external stakeholders, such as partners, suppliers, and customers across different geographies, and plays a key role in the growth of the organization.

More recently, scholars have examined the post-entry growth of Chinese born globals appears to be driven by a wide range of managerial cognitive and organizational capabilities, which combine unique bundles of Chinese-specific and non-Chinese-specific capabilities to influence different international growth dimensions (Yang & Stoian, 2024). Additionally, the role of dynamic capabilities in facilitating rapid internationalization has been examined from a strategic orientation perspective. Studies suggest that Born Global Firms exhibit a high level of strategic suppleness, which is supported by dynamic capabilities that enable them to both sense emerging market opportunities and reconfigure their business models accordingly (Monferrer et al., 2021). Moreover, they have stated that the firms often adopt a proactive, innovation-driven approach and employ capabilities such as technological upgrading, product differentiation, and market positioning to outperform local competitors in international markets.

Furthermore, research points to the necessity for Born Global Firms to develop dynamic capabilities that allow them to rapidly scale operations and navigate regulatory complexities across various international markets (Zahra et al., 2022). Further, this ability to dynamically adjust their operations and strategies is crucial for sustaining competitive advantage in the globalized economy. Friestad and Zivkovic (2024) found that the competitive advantage is determined by the ability of ecosystem actors to effectively contribute to the resources and the ability of born global to create, implement, and maintain resources in the born global company.

4. Theories Used to Study Dynamic Capability Concept

The study of dynamic capabilities is rooted in various theoretical frameworks that provide insights into how firms develop, adapt, and reconfigure resources to achieve and sustain competitive advantage. Here are key theories often used to study the dynamic capability concept: resource-based theories, economic theories, and dynamic capability framework.

4.1 Resource based theory; Knowledge based view

By using the resource-based theory, Nguyen & Yodmunee (2011) highlighted that the entrepreneur has a crucial role in both the establishment and internationalization stages. And also, explored that an entrepreneur's capability is the main key resource that creates competitiveness for Born Global firms. In addition to personal capabilities, another key resource for Born Global firms is knowledge. The knowledge-based view emphasizes that knowledge is one of the most valuable resources a firm can possess for creating and sustaining competitive advantage (Grant, 1996). However, Teece (2007) stated that the entrepreneur's ability to acquire, leverage, and transfer knowledge from both internal and external sources is particularly crucial for rapid internationalization. Knowledge assets allow Born Globals to develop and execute strategies that enable them to perform well in foreign markets despite limited resources (Zahra & George, 2002).

4.2 Economic theory; Transaction cost economic view

Economic theories, particularly the theory of transaction cost economics, offer valuable insights into the operations and success of Born Global firms. According to Williamson (1985), the behavior of Born Global firms in terms of minimizing costs associated with market exchanges. Because these firms are often resource-constrained and operate in high-velocity environments, they seek to minimize transaction costs by forming alliances or using networks to reduce the costs of market entry, negotiate favorable terms, and manage risks. The need to reduce transaction costs while accessing international markets makes these firms more agile, allowing them to scale faster and enter multiple markets with lower overhead. By doing so, Born Global can achieve faster growth, leveraging economic theories to navigate the complexities of global business more effectively (Neubart, 2016).

4.3 Dynamic Capability Framework

The dynamic capability model is unique because it takes a novel approach to comprehend how organizations succeed in unpredictable and dynamic contexts. The approach, first presented by Teece et al.(1997), focuses on a firm's capacity for ongoing adaptation and learning, deviating from conventional static conceptions of competitive advantage. The dynamic capability model places more emphasis on the processes by which businesses integrate, develop, and reconfigure internal and external competencies to respond to shifting market conditions than static resource-based perspectives, which place more emphasis on stable resource pools (Teece et al., 1997). According to the theory, the enterprise will need

sensing, seizing, and transformational capabilities to be simultaneously developed and applied for it to build and maintain competitive advantage. By illuminating how firms can continuously learn, innovate, and align their activities with market dynamics, the dynamic capability model underscores the importance of agility and foresight in achieving sustainable competitive advantage in volatile environments (Weerawardena et al, 2007).

5. Conceptualization of the Dynamic Capability Concept in Born Global Firms

The concept of dynamic capability in Born Global Firms is centered on the ability of these firms to adapt and reconfigure their internal and external competencies in response to the rapidly changing global market environment. Scholars have conceptualized dynamic capabilities as organizational processes and routines that enable firms to sense opportunities, seize them, and reconfigure resources to stay competitive in international markets (Teece, 2007). In the context of Born Global Firms, this concept is particularly significant, as these firms are often characterized by rapid internationalization, resource constraints, and the need to compete on a global scale from the outset of their operations. The core idea of dynamic capability involves leveraging existing resources and capabilities to innovate and adapt, allowing Born Global Firms to continuously improve and reposition themselves to exploit new market opportunities (Cavusgil & Knight, 2021).

Moreover, researchers have explored dynamic capabilities through various lenses, including innovation, knowledge management, and strategic flexibility, emphasizing how these capabilities help Born Global Firms overcome the challenges of scaling internationally and responding to competitive pressures (Cavusgil & Knight, 2015; Autio & Fu., 2022). Furthermore, scholars have examined the relationship between dynamic capabilities and firm performance, arguing that these capabilities are essential for long-term survival and growth in an increasingly interconnected and competitive global economy (Eisenhardt & Martin, 2000).

6. Diverse Contextual Backgrounds and Methodologies Used in Past Research on the Concept of Dynamic Capability in Born Global Firms

The concept of Dynamic Capabilities in Born Global Firms has been examined across various contexts and through diverse research methodologies. Studies have been conducted in different industries, including technology, manufacturing, and service sectors, with a focus on how these firms rapidly internationalize and adapt to global markets. Research in developed economies such as the United States, Europe, and Japan has explored the role of Dynamic Capabilities in enabling Born Global Firms to innovate and scale quickly, while studies in

emerging economies like China, India, and Latin America have highlighted the unique challenges and strategies that Born Global Firms face, including resource constraints, institutional barriers, and market access (Weerawardena et al., 2020).

These varied settings provide a broad understanding of how dynamic capabilities influence the international success of Born Global Firms across diverse cultural, economic, and institutional environments. Additionally, scholars have used a range of theoretical frameworks to study dynamic capabilities, from the Resource-Based View (RBV) to the Knowledge-Based View (KBV), to understand the underlying mechanisms that support rapid internationalization and long-term sustainability in a globalized world (Autio & Fu, 2022).

In terms of research methodologies, studies on dynamic capabilities in Born Global Firms have employed both qualitative and quantitative approaches, as well as mixed-method designs. Qualitative methods, such as case studies and interviews, have been used to explore how firms develop and organize their dynamic capabilities in specific contexts, often focusing on the decision-making processes and the role of leadership in shaping strategy (Cavusgil & Knight, 2015: Andersson, Danilovic & Hanjun, 2015). These studies often rely on primary data collected through direct engagement with managers and key stakeholders within Born Global Firms. Quantitative studies, on the other hand, have utilized surveys, statistical modeling, and longitudinal analysis to examine the relationships between dynamic capabilities and firm performance, including metrics such as speed of internationalization and market expansion success (Eisenhardt & Martin, 2020). Additionally, some research has incorporated historical approaches, investigating how dynamic capabilities evolve within Born Global Firms, and the role of past experiences in shaping their strategic actions in the international arena (Reis et al., 2021).

7. Directions to future research agenda on the Concept of Dynamic Capability in Born Global Firms

Future research on the concept of Dynamic Capability in Born Global Firms can offer valuable insights into how these firms continue to evolve and sustain competitive advantages in an increasingly globalized and volatile business environment. One potential direction is to investigate the impact of external environmental factors, such as geopolitical risks, trade policies, and global economic shifts, on the dynamic capabilities of Born Global Firms. Future studies could examine how BGFs adjust their capabilities to cope with disruptions and

rapidly changing market conditions, especially in the context of international trade tensions or global economic downturns.

Another avenue for future research is the impact of technological advancements, such as artificial intelligence, big data analytics, and digital transformation, on the dynamic capabilities of Born Global Firms. Moreover, it is crucial to examine the role of leadership and organizational culture in fostering dynamic capabilities. Future studies could investigate how leadership styles in Born Global Firms affect the development and application of dynamic capabilities, particularly in cross-cultural settings.

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MOS REVIEW

Artificial Intelligence

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Abstract

This paper discusses "Artificial Intelligence" encompassing its implications and integrating artificial intelligence with various sectors. It elaborates on present recent research findings with experience of professionals engaged in Artificial Intelligence as well as implications of Artificial Intelligence with the theories such as Technology acceptance model and Stakeholder Theory, which provide insight of the role of Artificial Intelligence incorporation into Businesses. The review paper delivers diverse research strategies, with surveys, interviews and case studies to help to understand the contribution of Artificial Intelligence. Future research agendas promote ethical considerations and the potential to drive through organizational transformation with Artificial Intelligence.

Keywords: Artificial Intelligence, Business Sustainability, Technology Acceptance Model, Machine Learning

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1. Artificial Intelligence (AI)

Artificial intelligence has become a Buzzword trend in a variety of fields today (Younis et al., 2022). AI has led to extraordinary opportunities for businesses as well as Governments as a transformative force. According to the Dheerasinghe (2009) as a country with an emerging economy, Sri Lanka could now be merged with the journey towards economic transformation through integrating artificial intelligence with various sectors.

With the inclusion of AI systems and AI technology Artificial intelligence (AI) was discussed by various philosophers has rapidly become reality up to today. When reviewing the initiation of Artificial Intelligence, computer scientist Alan Turing researched on ability to play the game of chess through the computer's intelligence, and he published "Computing Machinery And Intelligence" in 1948 inspiring future researchers to research artificial intelligence (Turing, 1950).

Further according to Nalbant (2021), Artificial Intelligence has led for many areas through innovations and developments of our lives. Further they elaborate that it has made significant progress in health, medicine, military, space, informatics, communication, industry, and similar fields. Further the South Korean investigation by He (2019), delivers Artificial Intelligence has positively affected for the economic growth. Further AI leads to organizations to achieve the corporate sustainability through alleviating financing constraints, reducing agency costs, improving supply chain performance, labor productivity, resource utilization efficiency, and reducing corporate risks (Chen, 2024).

2. Recent research areas around the Artificial intelligence (AI)

Artificial intelligence, as a discipline, was published around the 1950s, but today it has occupied the central stage of organizations providing the competitive edge to achieve sustainable businesses (Dhamija & Bag, 2020).

One of the most important ways AI contributes to sustainability is through its ability to handle and analyze large volumes of data. This capability provides crucial insights into environmental trends, which can lead to smarter decisions for a more sustainable future. For instance, AI can predict weather patterns, keep track of pollution levels, and assess deforestation rates. These insights help to understand how organization actions affect the environment and guide in making more eco-friendly choices (Hillary, 2023). According to Xian et al., (2024), advanced technologies such as Artificial Intelligence (AI), machine learning, and the Internet of Things (IoT) work together to optimize the use of resources,

reduce waste, and encourage environmentally and socially responsible practices leading more efficient and sustainable decision making. According to Leszkiewicz et al., (2022) the implementation of AI is suggested through the enhanced decision-making and automation of the current organization.

3. Theories Used in implementation of AI

3.1. Technology Acceptance Model

The technology acceptance model (TAM) is one of the most maturely used models and theoretical explanation as the forerunner of technology implementation (Marikyan & Papagiannidis, 2023). Further the researcher Davis (1989) explained the importance of both perceived usefulness and ease of use in predicting user acceptance of a technology. Further in current context, combined studies exist with the technology acceptance model and the technology organization environment in manufacturing and production firms (Chatterjee et al., 2021b).

3.2. Stakeholder Theory

In the 1980s Edward Freeman introduced the stakeholder theory and elaborated that all the stakeholders of the businesses are affected by the business operation and overall processes beyond the shareholders of the business (Freeman & Dmytriyev, 2020). Stakeholder theory further delivers that the systems with artificial intelligence should be prepared with the fulfillment of the stakeholder interest by reducing biases, ensuring data privacy, and increasing transparency in decision-making (Puaschunder, 2020).

4. Conceptualizations in Artificial intelligence

Today Artificial intelligence has in with increasing trend by affecting human users in different environments. It influences the human emotions through feelings of trust, apprehension, and empathy leading to feeling comfortable with the Artificial Intelligence systems (Coeckelbergh, 2023).The theoretical framework in conceptualizing the Artificial Intelligence that previous researches mostly used is the Technology Acceptance Model (TAM) introduced by Davis (1989). Further this model elaborates the user acceptance of Technology with importance of perceived usefulness and ease of use. This Technology Acceptance Model (TAM) offers framework to evaluate user's behavior with the actionable insights on how AI systems can be designed through aligning with the user expectations.

In the previous researchers used various antecedents, mediators, and moderators which are related with Artificial Intelligence. So under antecedents includes data quality, infrastructure, and algorithmic sophistications (Jarrahi, 2018). Further as the Mediators the researchers have used organizational factors such as data governance practices, employee skill levels, and training opportunities (Arslan et al., 2022).

5. Methodologies used in Artificial Intelligence

Artificial Intelligence (AI) applications and implications were used to study by prior researchers via various methodologies through the comprehensive reviewing existing research (Chen et al., 2022; Giuggioli & Pellegrini, 2023; Panda et al., 2023; Younis et al., 2022) and concept papers (Binns, 2018; Coeckelbergh, 2023) published to explore theories and ethical implications of Artificial intelligence..

Further with the Contextual gap with quantitative research paradigm have been explored with empirical investigations for Theory testing (Bag et al., 2022; Ferri et al., 2023; Manser Payne et al., 2021; Pillai & Sivathanu, 2020; Wijayati et al., 2022) as well as qualitative methods, like case studies and interviews have been explored with inductive research approach (Binns, 2018; Buchholz et al., 2022; Jarrahi, 2018; Lee et al., 2018).

6. Contexts of the past research on Artificial intelligence

Researches on Artificial intelligence involved with variety of field including healthcare (Buckner et al., 2016; Rathore & Rathore, 2023) finance (Bussmann et al., 2020) and education (Gocen & Aydemir, 2020; Harry, 2023). Furthermore, researchers has explored Artificial intelligence role in manufacturing Automation (Beigi, 2013; Frohm et al., 2006) and customer services with AI's transformations across the various sectors (Haynes, 2020). Further in the health care industry, paradigm shift existed with AI's rapid progress of analytics techniques (Jiang et al.2017).

In other end, the global financial services sector is rapidly transforming with Artificial intelligence (AI) (Buchanan, 2019). Furthermore, there is a trend of FinTech solutions for the use of big data analytics, artificial intelligence and block chain technologies (Giudici, 2018). Further according to Tadapaneni (2019), AI with its foundation of computer science, linguistics, psychology, mathematics, and philosophy leads for a powerful financial services.

Further national efforts to integrate AI into broader strategies, like Sri Lanka's National Artificial Intelligence Center and the Digital Strategy 2030, which are backed by significant

government funding was established (CFSAI, 2024). There is also growing interest in exploring Artificial Intelligence within the Sri Lankan context, focusing business sustainability (Haynes, 2020; Leszkiewicz et al., 2022). According to the research done by Bogamuwa & Madhuwanthi (2024) in Sri Lankan context Artificial Intelligence and Machine Learning holds significant contribution in fraud detection, risk assessment, and customer personalization. Further explained that in Sri Lankan context, Artificial Intelligence and Machine Learning remains underexplored. Further in Sri Lankan context, though software industry is rapidly growing, it is lagging behind with the usage of AI technology in Sri Lankan context when compared to other countries in the world.(Asanka et al., 2014).

7. Directions for future research agenda in Artificial intelligence

With the advancement of digital technologies, future research on artificial intelligence explores its role in the changing environment. Organizations move on to integrating Artificial Intelligence into business activities as an ethical deployment. So there is a major trend of Artificial intelligence (AI) as an emerging technology leading businesses to reduce their social and ecological adverse impact while fostering a more sustainable and ethical approach to growth and development (Wankhede et al., 2024).

AI ethics and responsible design are also gaining importance. Methods for reducing bias and promoting transparency in AI-driven decisions, especially in areas like healthcare, finance, and public policy, must be investigated. Further Aline et al. (2021) explained that still issues exist in the practical use and lack of knowledge in using AI in strategic way. Moreover, Artificial Intelligence through innovation base reflects various future research directions through Cost and time (economic drivers), Sustainability and waste management (social drivers), Competitive advantage (organizational outcomes) and Product, process, and business model innovation (innovation outcomes) (Borges et at., 2021).Lastly, as AI is increasingly applied to address global challenges, future studies might examine how it supports sustainability goals, enhances public sector services, or contributes to digital health innovations.

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MOS REVIEW

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Work-life Balance

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Abstract

Work-life balance is a key concept in today's fast-paced world, emphasizing the need for individuals to effectively manage professional and personal priorities. This article explores the evolution of work-life balance, considering factors such as demographic changes, technological advancements, and societal expectations. It reviews key conceptualizations, including role interaction, satisfaction, conflict, and control. The article examines research methodologies, both qualitative and quantitative, to assess the impact of work-life balance on employee well-being, job satisfaction, and organizational commitment in various sectors. It also deliberates the impact of geographic, cultural, and organizational contexts, with a focus on leadership and organizational culture. Finally, future research directions are outlined, particularly exploring the intersection of work-life balance with mental health, family dynamics, and industry-specific challenges.

Keywords: Work-life balance, job satisfaction, organizational commitment

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1. Work-life balance as a concept

The phrase "from chaos to harmony" encapsulates the transformative journey of achieving work-life balance, highlighting the potential for individuals to reshape their lives amidst the pressures of modern demands. This concept reflects the creative and mindful approach to harmonizing professional responsibilities with personal well-being. Just as one can turn disorder into tranquility, finding equilibrium in our daily lives encompasses innovative strategies that prioritize self-care and meaningful connections. This article explores the journey toward a fulfilling work-life balance, unveiling the techniques and mindsets that can lead to a more harmonious existence.

The concept of work life balance has added significant attention in the last few years (Deery, 2008). According to Abdirahman et al. (2020), work-life balance is one of the most key concerns that human resource management should address in initiatives. Greenhaus and Parasuraman (2002) have explored that contentment and effective functioning at work and at home, with little role conflict, are the keys to achieving work-life balance. Moreover, Clark (2000) states that striking a perfect balance between a person's career and personal life, including all of their various affiliations, is the development of balancing work and life. Further, he explored the interaction between personal and professional life generally affects how employees perceive their work-life balance. Work-life balance, according to Felstead, Jewson, Phizacklea and Walters (2002), is the interaction between the institutional and cultural places and times dedicated to work and play in countries where labor markets are the primary means of generating and exchanging wealth. The literature also emphasizes that work-life balance is a personal experience that varies from person to person.

Organizations are making an attempt to balance the demands of employees' lives and work since the research community placed emphasis on work-life balance (POWELL, 2006). Basically, the main purpose of work life balance is to have a growth in both in professional and personal growth or satisfaction (Yadav & Dabhade, 2014).

2. Recent research findings around the concept of work-life balance

2.1. Work-life balance and organizational commitment

Numerous research studies have demonstrated a positive correlation between organizational commitment and work-life balance. Work-family balance has been linked to a range of behavioral employment outcomes, including job satisfaction and organizational commitment,

according to a number of research (Doherty & Manfredi 2006; Kinnie, Hutchinson, Purcell, Rayton & Swart 2005). Both organizational commitment and work-family balance affect the company's efficacy and the family's well-being. According to research by Sari (2018), organizational commitment has a positive and significant influence on organizational members' behavior. Additionally, the results of Ulfa, Thoyib, and Ratnawathi's study from 2021 show that organizational dedication has a positive and significant impact on how individuals of the organization behave. According to Anitha (2014), work-life balance and organizational dedication are strongly correlated. Additionally, Rini, Nurhaeni, and Indrawati (2019) observed that work-life balance and organizational commitment are strongly correlated.

2.2. Work- life balance and job satisfaction

Weale, Wells and Oakman, (2019) have argued that satisfaction and success in family life can lead to success and satisfaction at work. Moreover, employees who are pleased with their personal and professional achievements are more likely to achieve the organizational goals (Dousin, Collin & Kler, 2019). Work-life balance has been proven to increase job satisfaction and job performance across a range of industries and nations, but work-life conflict has been demonstrated to have a detrimental influence on employee job performance and satisfaction (Thevanes & Mangaleswaran, 2018: Preena, 2021). Haider et al. (2018) examined how work-life balance affects psychological well-being and increases employee job satisfaction.

3. Theories explaining work-life balance

3.1. Border and boundary theory

Boundary theory focuses on how workers establish, maintain, and modify borders in order to classify and simplify the world they live in (Ashforth, Kreiner & Fugate, 2000). The sociological study of Nippert-Eng (1996), who describes how people attempt to reconcile and give meaning to their homes and places of employment in order to facilitate travel between them, gave rise to the boundary theory. According to boundary theory, there are boundaries, either psychological, physical, or behavioral, between an individual's work and nonwork spheres that define them as distinct and different from one another (Allen, Cho, & Meier, 2014). Clark (2000) developed the concept of the work/life border theory, which holds that people regulate and negotiate their work and non-work domains in a way that allows for the achievement of a balance between them. This theory is based on the boundary theory.

3.2. Conflict theory

Powell and Greenhaus's (2010) role theory serve as the foundation for conflict theory. The role theory is based on the scarcity perspective, which maintains that people have a limited quantity of time and energy that can be divided amongst their various obligations. When explaining the conflict theory, Greenhaus & Beutell (1985) distinct conflict into three categories: behavior-based conflict, stress-based conflict, and time-based conflict. Time-based disputes arise because it might be difficult to effectively manage the demands of different positions due to time restrictions. It has been proposed that non-flexible work schedules, extended work hours, and irregular shift work are the root causes of time-based work-life conflict.

3.3. Compensation theory

Edwards and Rothbard (2000) state that there are two recognized types of compensation. Less involvement in the unsatisfying area of life and more involvement in the fulfilling one describe the first one. As an alternative, a person could pursue benefits in a different domain in response to unhappiness in another. Experiences that satisfy people's desires and maybe increase their level of contentment are considered rewards. While enrichment skills and values in one area enhance the experience in another, compensation-related dissatisfaction in one domain leads to an increased concentration in another while seeking positive feedback (Pandey, Nandy & Jain, 2022).

4. Conceptualization of the concept of work-life balance

The concept of work-life balance is growing in importance day by day today's fast paced global world. Work life balance is a broad concept including proper prioritizing between career and ambition on one hand, compared with pleasure, leisure, family and spiritual development on the other (Greenhaus & Allen, 2011). Grzywacz and Carlson (2007) defined work family balance as accomplishment of role related expectations that are negotiated and shared between an individual and his or her role related partners in the work and family domains. By using this definition, they addressed limitations of previous conceptualizations. The drivers for work-life balance can be attributed to changes in the demographic distribution of the labor force, technological advancement and the 24/7 opening hour culture in modern society (Brough, Driscoll & Kalliath 2007). And also, they have reviewed about six conceptualizations in this article about work-life balance. Those can be identified as multiple roles, equity across multiple roles, satisfaction between multiple roles, fulfilment of role

salience between multiple roles, a relationship between conflict and facilitation and perceived control between multiple roles. Based on the study of Rincy and Panchanatham (2014) the major conceptual frameworks pertaining to work- life balance domains included resources, segmentation, enrichment/enhancement, facilitation, spillover, social identity, compensation, congruence, conflict, human capital, instrumental, resource drain, conservation ecology, border, integration and ladder theories with adequate descriptions.

5. Methodologies used in work-life balance

Previous research on this topic has employed a variety of methodologies to understand the dynamic relationship between work and personal life. In terms of review articles, comprehensive overviews have been provided by Greenhaus and Allen (2011) and Allen et al. (2013) in their articles by examining the conceptualization and implications of work-life balance. Conceptual papers have also explored theoretical frameworks in this domain, such as Kossek et al. (2014) and Eby et al. (2005), which discuss the role of individual, organizational, and societal factors in shaping work-life balance.

In terms of empirical investigations, quantitative methods are frequently employed in the work-life balance researches. Researchers such as Clark (2000) and Shockley and Allen (2015) have utilized surveys and longitudinal data to explore the impact of work-life balance on employee well-being and productivity. Qualitative approaches have also been widely used, with Kelliher and Anderson (2010), and Halpern (2005) conducting interviews and case studies to gain deeper insights into how employees experience and manage work-life balance in different organizational contexts. Moreover, some studies also use mixed-methods approaches, such as Grzywacz and Carlson (2007), which combine surveys with interviews to capture both numerical data and personal narratives regarding the impact of work-life balance. Dousin et al., (2020) conducted a study to investigate work-life balance issues among nurses in Malaysia by using cross sectional, explanatory, mixed methodology. And also, Leo et al., (2022) used mixed-methods on survey data gathered from 752 educators across New York State to identify the factors impacting work-life balance challenges for both men and women.

Methodological approaches have varied widely across these studies. Some researchers have used cross-sectional surveys to assess the relationship between work-life balance and various employee outcomes (Hammer et al., 2011), while others have employed longitudinal studies to identify the changes over time (Frone, 2003). Experiments and field studies are also

common, with Ollier-Malaterre et al. (2013) using experimental designs to explore how flexible work arrangements influence work-life balance.

6. Diverse contextual background of the past research on work-life balance

Research on work-life balance has evolved across a variety of contextual backgrounds, highlighting the complex interplay of cultural, organizational, and individual factors that shape how employees navigate their work and personal lives. Geographical diversity has played a significant role, with studies examining work-life balance in various countries and regions, shedding light on how different national cultures and societal expectations influence employees' ability to achieve balance (Greenhaus & Allen, 2011). For example, research has shown that in Nordic countries, where there is a strong emphasis on social welfare and family policies, employees tend to experience better work-life integration, whereas US-based studies often highlight challenges related to long working hours and limited parental leave.

Cultural factors have also been central in understanding the concept of work-life balance. The expectations surrounding work and personal life differ greatly across cultures. For instance, Asian countries like Japan and South Korea often emphasize long working hours, which may hinder work-life balance, whereas in European countries, there tends to be a stronger focus on achieving a clear separation between work and personal life (Fujimoto, Azmat & Hartel 2013). Furthermore, research has explored how traditional gender roles influence work-life balance, particularly the disproportionate burden placed on women for caregiving and domestic responsibilities, which is a key factor in many cultures (Kelliher & Anderson, 2010).

Organizational context has also been a key focus of work-life balance research. Scholars have explored how different organizational structures and cultures impact employees' ability to achieve balance, examining practices such as flexible work hours, telecommuting, and parental leave policies. Studies on small and medium-sized enterprises (SMEs) highlight the challenges that these organizations face in implementing work-life balance policies compared to larger corporations that may have more resources and formalized policies in place (Allen et al., 2013). Additionally, the impact of leadership styles and organizational values on work-life balance has been explored, with research showing that supportive and flexible leadership can significantly enhance employees' ability to balance their work and personal lives (Kossek et al., 2011).

Furthermore, research has also looked into the role of technological advancements in shaping work-life balance. The rise of digital technologies and the proliferation of mobile devices have blurred the boundaries between work and personal life, leading to concerns about work-life conflict and employee burnout (Derks & Bakker, 2014).

7. Directions to future research agenda in work-life balance

Future research on work-life balance can provide deeper insights into its evolving role in the modern workplace, particularly considering technological advancements, changing employee expectations, and evolving organizational structures. Studies could explore the impact of remote work and hybrid work models on employees' ability to balance their professional and personal lives, particularly in different industries and regions. Researchers can investigate how organizational culture, leadership styles, and employee engagement practices influence work-life balance, especially in remote or flexible work settings.

Studies could explore the intersection of work-life balance and mental health, examining how enduring imbalance or stress from work affects psychological well-being, burnout, and job satisfaction. Research could also focus on the impact of work-life balance on family dynamics and relationships, particularly in the context of caregiving responsibilities and the influence of workplace flexibility on parental roles.

Additionally, future research could investigate the role of technology and digital tools in promoting or hindering work-life balance, exploring how tools such as communication platforms, and artificial intelligence-based scheduling tools affect employee independence and stress levels. The use of technology for work-life integration in specific sectors, such as healthcare, education, or customer service, could provide important insights into the industry-specific challenges of balancing work and personal life.

Exploring how cultural perceptions of work-life balance vary across countries and regions could also help inform global organizational practices, especially for multinational corporations navigating cross-cultural differences. And also, research on organizational strategies for work-life balance could investigate how companies efficiently implement and communicate work-life balance initiatives and how these practices are appraised in terms of their impact on productivity, employee well-being, and long-term business success. Future studies could also examine the role of work-life balance in employee creativity and innovation, exploring how an optimal balance might foster an environment conducive to new ideas and problem-solving.

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Factors contributing to low organizational performance: A McKinsey 7S framework analysis

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Abstract

The paper presents factors contributing to low organizational performance of media organizations. From the recent research results, this paper explains the main factors determining low performance, the theories used in analyzing these factors, and the utilization of the McKinsey 7S framework. It also presents the methodologies of organizational performance studies, concluding that the predominance is qualitative, mostly via semi-structured interviews. The paper identifies specific gaps in prior literature and future research directions that would likely improve one's knowledge about organizational performance and its consequences for media organizations.

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1. Organizational performance

Performance analysis in organizations can be viewed from different dimensions, including financial performance, operational efficiency, employee productivity, customer satisfaction, and innovation. Measurements for these factors are usually recorded through both qualitative and quantitative criteria, which include key performance indicators, benchmarking, and performance appraisals (Kaplan & Norton, 1992). Organizational performance is fundamental to decision-making and strategic planning in terms of achieving sustainable competitive advantage.

Rather than studying organizational performance generally, there is merit in studying organization performance in connection with the type of business or the industry context in which the organization is located. In the case of media organizations, performance analysis is generally complex due to the rapid technological changes and the demands of the audiences. Media organizations are at the interface of a multidimensional environment: creation of content, distribution, audience, and revenue. The performance of media organizations is not only measured by traditional financial metrics but also by their ability to influence public opinion, foster audience loyalty, and adapt to digital transformation (Teevan, 2015). Key performance indicators in the media industry might include audience ratings, content quality, revenue from advertisements and subscriptions, brand reputation, and social media presence. In addition, there is a need to consider other external factors that affect organizational performance analysis in media: governmental regulations, market competitors, and technological changes (Binns & Lee, 2017).

2. Factors contributing to the low performance of media organizations

Various factors of the organization and environment could decide the performance of a media organization. The internal factors that are important in constructing the remedial capacity of the network to adapt to the emerging preferences of the viewers and changes in the industry include factors such as organizational culture, expertise, skills, and knowledge flexibility. A positive organizational culture that inspires creativity, collaboration, and innovation to develop content will appeal to the viewers (Cheng et al., 2021). On the other hand, if there is no congruence between the organizational culture and audience expectations, then ratings on television would be low (Fung & Yip, 2009). Besides, the level of expertise and proficiency of the workforce in content creation, digital media, and data analytics influences the quality and relevance of programming (Smith & Jones, 2022).

On the other hand, environmental factors such as state of economy, political aspects, and technology comprise of other major determinants that relate to television performance. For example, economic recessions can often impact negatively on revenues accrued from advertisement, thereby limiting the network's potential to promote its content appropriately in perspective to increased viewer volumes (Brown & Lee, 2019). Further, changing political and regulatory environments could shape the programming decisions, censorship of content, and distribution methods, all of which may have an effect on audience engagement of the channel in question (Davis, 2020). A huge change in technology, for example, shifting to streaming services, has altered consumer habits and created a playing field where traditional television networks struggle to retain audience attention (Keller & Wang, 2020).

Other important aspects are leadership and organizational structure. For instance, leadership could guide the way to innovation and ensure that the strategies being put in place are aligned towards achieving results. A leader creates an open and adaptive environment, enabling response to changing audience needs successfully (Singh & Verma, 2021). Besides this, the organizational structure could accommodate efficient decision-making. A very hierarchical or too rigid structure may not allow timely response to any shift in the market. Hence, it may lead to stagnation in ratings (Patel & Gupta, 2022).

3. Models/ theories that explore internal factors contributing to performance of an organization

The following theories have been used in previous literature to explain the internal factors that contribute to the low performance of an organization.

3.1 Resource Based View Theory

In studies of organizational performance, the resource-based view (RBV) theory has been frequently applied (Innocent, 2015). The RBV Theory discusses the distinctive resources and capabilities of the organization that set it apart from other organizations in the same sector. According to the RBV Theory, an organization's successes are dependent on its internal factors. The skills (internal knowledge and competencies) and organizational assets (physical and intangible) are both referred to as the organization's internal attributes (Chuang & Lin, 2017; Teece et al., 1997). Like how the RBV Theory views organizations, it believes that they contain a variety of organizational resources, including assets, capabilities, process, managerial skills, technological, and knowledge resources (Barney, 1991). These assets and

skills improve organizational efficiency and serve as a foundation for competitive advantage (Barney,1991).

3.2 The Balanced Scorecard

The Balanced Scorecard model can be used to analyze the performance of an organization. In the early 1990s, Robert Kaplan and David Norton created the Balanced Scorecard (BSC) model. It is a technique for outlining, implementing, and converting a company's vision and strategy into concrete goals and a distinct set of financial and nonfinancial performance metrics (Horvath, et al., 2004). Goals, indicators, and strategic activities are now associated with concrete views with the advent of BSC (Horvath et al., 2004). The Balanced Scorecard provides a model for the performance assessment system by translating the organization's mission and strategy into a set of performance metrics. The model illustrates the effectiveness of the firm from four angles: financial, customer, innovation and learning, and internal procedures.

3.3 The Contingency Theory

The Contingency Theory was developed by Fred Edward Fiedler in Australia in 1964. Since there is no one optimum strategy for managing an organization, the theory's central claim is that an organization must be adaptable in its tactics. This is because an organization's plans must be adjusted as a result of changing contingent elements, such as technology, culture, and the operating environment. An organization's systems, characteristics, size, and strategy must match with the three elements for it to survive (Islam & Hu, 2012).

3.4 McKinsey 7S Framework

The McKinsey 7s framework is a valuable model for analyzing the internal factors contributing to low organizational performance compared to other theories mentioned because it provides a comprehensive approach to understand the internal factors that contribute to the organizational performance, and it emphasized the interconnectedness of all organizational elements unlike the other theories. Furthermore, the framework's focus on the alignment of all seven elements provides useful advice for businesses looking to improve performance by making sure that the elements support one another and provide a long-lasting competitive advantage (Barney, 1991). Additionally, it is very significant for examining internal aspects in businesses that are experiencing performance issues due to its versatility across many industries and organizational contexts (Islam & Hu, 2012). The McKinsey 7S

Framework differs from other theoretical models in this assessment due to its adaptability and capacity to offer practical insights into an organization's strategic and cultural elements.

The framework's objective is to illustrate how an organization's effectiveness may be attained through the interactions of seven crucial components: structure, strategy, skill, system, shared values, style, and staff. The seven organizational areas are separated into "soft" and "hard" areas according to the McKinsey framework, (Jurevicius, 2021). Compared to soft elements, strategy, structure, and systems are hard elements that are considerably simpler to recognize and handle. On the other hand, soft areas constitute the backbone of the business and are more likely to generate a sustainable competitive advantage, despite being more difficult to manage (Jurevicius, 2021). According to Barney (1991), when the seven components are integrated, the McKinsey 7s assume that organizations would be successful. Description of each of the seven components are presented next:

Strategy: This is an organization's primary approach to achieving both core strategic objectives and overall company objectives, which in turn leads to long-term competitive success, (Imane & Driss, 2017). A great strategy is typically one that is well-articulated, long-term, contribute to the creation of competitive advantage, and is supported by a solid vision, mission, and set of values, (Spillan, Parnell, Panibratov, & Yukhanaev, 2021). Also, the strategy is created through decision-making procedures that are significantly influenced by the organizational structure, (Imane & Driss, 2017).

Structure: All businesses have a structure. It allows us to assign responsibilities and resources in order to create collaboration, establish the lines of authority and communication, (Nahm, Vonderembse, & Koufteros, 2003). The manner that responsibility and authority are distributed, and work processes are carried out among organizational members is known as the organizational structure, (Nahm, Vonderembse, & Koufteros, 2003).

Systems: This refers to "the organization's business and technological foundation, which establishes processes and the decision-making process" (Spillan, Parnell, Panibratov, & Yukhanaev, 2021).

Staff: The staff aspect focuses on the kind and number of personnel that a business will require, as well as their recruitment, training, motivation, and incentive systems. Because recruitment and selection can have both beneficial and adverse effects on organizational performance, recruiting is a key component of staff and can be considered as being very significant for a firm, (Boxall and Purcell, 2016).

Skill: The job skills of workers are a significant determinant of their jobs. Employees are expected to become experts at using their abilities to meet the demands and needs of today's organizations, (Mastura & Iman, 2013).

Style: The style aspect of organizational performance refers to the kind of leadership approach, patterns of communication, and decision-making processes a company may adopt. It involves how leaders relate with employees, the kind of organizational culture developed, and the way collaboration and innovation are encouraged within an organization. A positive leadership style that encourages inclusiveness, openness, and empowerment will go a long way in increasing employee engagement and productivity (Bass & Riggio, 2006). Apart from that, every organization communicates in its particular style-either hierarchical or open-that influences the way information may flow and could substantially lower the level of adequacy regarding making appropriate decisions or may create inefficiency in general performance (Schein, 2010). Clear identification and, at the same time proper synchronization of leadership styles is expected to guide the creation of appropriate conditions toward sustaining best and continual performance.

Shared values: The shared values component in organizational performance relates to beliefs, norms, and guiding principles common in an organization, through which behaviors and decision-making processes are guided. In this light, these form the foundation of the organization's culture, determining how subordinates interact among themselves and externally. A strong fit of individual and organizational values will enhance the level of cohesiveness, trust, and commitment among employees and subsequently improve collaboration and performance (Denison, 1990). In addition, when the organization's values are well-communicated and consistently upheld by the leadership, they create a favorable work environment that encourages ethical behavior and improves employee satisfaction, which, in turn, can lead to high organizational performance (Schneider et al., 2013). Shared values therefore have an important role in shaping the cohesiveness and effectiveness of an organizational culture.

5. Research findings on the Application of McKinsey 7S framework

The McKinsey 7S framework has widely been used in analyzing organizational performance within various sectors, including media organizations. For instance, studies have found that for media organizations trying to advance their operational efficiency and stay updated on the rapidly changing dynamics of the media, the interrelationship between the seven S's-strategy,

structure, systems, shared values, style, staff, and skills-is critical (Andrews & Kaplan, 2018). More specifically, it was indicated that the strategy of a media company should not be inflexible to meet the altered preferences of viewers and the growth in technology, such as moving into digital and on-demand content (Jang & Cho, 2020). It also encompasses organizational structure: very hierarchical structures might hinder the quick determination of decisions while flexible organizations can meet audience demand faster (Smith & Peterson, 2019). Various studies also found shared values that have a strong, collective corporate culture that inspires innovation and creativity to create entertaining content in a competitive market (Lee & Tan, 2021).

It is also crucial to underscore that staff and skills remain core in media organizations and, therefore, require investments in training and talent development to make them relevant in the industry (Hesmondhalgh, D., & Baker, S., 2011). These continuous skill developments, particularly in areas such as data analytics and digital content creation, make media organizations better equipped to win and retain viewers (Nguyen & Tan, 2022). Similarly, the 7S framework application has also underlined those systems and style-that is, leadership and communications-must all work in harmony for smooth operational processes and to motivate the staff towards organizational objectives (Martinez & Roberts, 2020).

6. Methodologies used

Although previous studies of media organizations using the 7S Framework adopted different methodologies, the use of case studies, surveys, and interviews were common. Using case studies, such as that by Andrews and Kaplan (2018), researchers can study how the 7S elements interact in particular circumstances in a more detailed way to give a proper evaluation of individual media organizations. Surveys help researchers collect information from an even broader sample of media professionals. Indeed, their use enables Jang and Cho (2020), to make more holistic generalizations on organizational performance with links to the 7S characteristics of the firm in question. The introduction of interviews makes for better understanding opportunities and problems for firms within the media since insightful knowledge is gained relating to the feelings and experiences of executives and staff, claim Smith and Peterson (2019).

7. Directions for Future Research

While some studies have focused on quality of content and targeting appropriate audiences, few studies in the non-western context have considered how internal organizational elements

influence television ratings of media organizations. Future studies, based on the McKinsey 7S Framework, might attempt to establish how strategy, structure, systems, shared values, skills, staff, and style interactively determine the organizational performance of media organizations in the non-west. For instance, research may inquire about the congruence or lack thereof among the internal factors and how they have impacted programming decisions, viewer engagement, and overall ratings- which are determinants of organizational performance in media organizations.

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MOS REVIEW

Intellectual Entrepreneurship in Higher Education System

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Abstract

In an era where innovation and knowledge are paramount, the role of intellectual entrepreneurs has emerged as a critical driver of the economic growth of nations. This concept paper discusses various success factors that enable some intellectual entrepreneurs to thrive amidst challenges in the open innovation context. However, by examining the interplay between education, collaboration, and resource optimization, many gray areas could focus on the unique strategies successful entrepreneurs employ to navigate the complexities of the entrepreneurial landscape. The article defines intellectual entrepreneurship and provides a broad scope of intellectual entrepreneurs in higher education institutes. The existing literature highlights the importance of intellectual entrepreneurship; for example, it harnesses, integrates, and productively utilizes intellectual energy and talent wherever it is located to promote academic, cultural, political, social, and economic change. Therefore, it supports and empowers individuals to leverage knowledge, innovation, and creativity to address complex challenges, fostering sustainable solutions that drive economic, social, and personal growth in today's dynamic world. Based on the existing studies, this paper proposes future research directions, particularly in developing countries like Sri Lanka, the role of networks and individual capabilities in fostering intellectual entrepreneurial success, and how it related to open innovation, and diffusion could enhance the existing knowledge.

Keywords: Collaboration, Economic Growth, Higher Education, Intellectual Entrepreneurship, Knowledge Economy, Open Innovation, Resource Optimization

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1. Introduction to Intellectual Entrepreneur and Intellectual Entrepreneurship

Intellectual entrepreneurship refers to the pursuit of innovative ideas the creation of knowledge, and the application of intellectual resources to develop new venture or solve complex problems. It goes beyond traditional entrepreneurship by emphasizing intellectual capital such as expertise, creativity, and research to identify opportunities and generate value (Abosede & Onakoya, 2013). Intellectual entrepreneurs often engage in interdisciplinary collaborations, combining knowledge from different fields to create innovative solutions that solve social, economic, or technological challenges. This approach not only fosters creativity but also promotes a culture of innovation and lifelong learning. Intellectual entrepreneurship is about harnessing, integrating, and productively utilizing intellectual energy and talent wherever it is located to promote academic, cultural, political, social, and economic change (Abosede & Onakoya, 2013).

Some scholars noticed that an intellectual entrepreneur is an individual who utilizes their knowledge, creativity, and intellectual capital to identify opportunities, develop innovative ideas, and transform them into viable business ventures (Leydesdorff & Etzkowitz, 1998). The selection of intellectual entrepreneurship as a topic for debate can be strengthened further by highlighting its critical role in bridging the gap between academic and industry. Intellectual entrepreneurs leverage their academic background to transform complex concepts into practical, marketable solutions, thereby generating significant economic and social impact (Fuller, 2011). Unlike traditional entrepreneurs, who may primarily focus on profit generation intellectual entrepreneurs prioritize the application of their knowledge and skills to create value for society.

Moreover, engaging in discussions about the unique challenges and barriers faced by intellectual entrepreneurs, particularly in developing countries like Sri Lanka, can enrich the debate. Factors such as access to resources, societal perceptions, and institutional support play a crucial role in shaping their entrepreneurial journeys. By examining these dynamics, we can gain a deeper understanding of the entrepreneurial landscape and the specific strategies that successful intellectual entrepreneurs employ to navigate it.

In this context, it is very clear that entrepreneurs and intellectual entrepreneurs are different concepts. Thus, there is still a knowledge gap regarding the stories of successful intellectual entrepreneurs (Nichols et al., 2022). Hence, intellectual entrepreneurship leads to advances in a culture of innovation, lifelong learning, and problem-solving, propelling advancement in the

social and economic domains as an emerging concept in the higher education sector. By exploring these dimensions, we can foster a more robust dialogue on the significance of intellectual entrepreneurship in driving innovation and economic growth in today's knowledge-driven economy.

2. Research findings of the concept of Intellectual Entrepreneurship

The findings of the investigation indicate that prosperous intellectual entrepreneurship utilize their academic degrees to get a competitive advantage. Institutions of higher learning play a critical role in providing people with the information and abilities needed to successfully negotiate the challenges of entrepreneurship (Abosede & Onakoya, 2013). The participants underscored the significance of hands-on learning opportunities, such as internships and real-world projects, as they help improve their entrepreneurial skills. This is consistent with the findings of Smith and Johnson (2021), who showed that having access to a high-quality education had a big impact on the success of entrepreneurs.

Furthermore, mentoring is a critical component in intellectual entrepreneurs' success. The participants stated that they were able to improve their company plans and steer clear of frequent errors with the support of seasoned mentors. This result is in line with that of Gupta et al. (2022), who discovered that mentoring encourages creative thinking and offers crucial assistance to budding business owners. The cooperative aspect of mentoring fosters the growth of an encouraging entrepreneurial ecosystem in addition to enhancing individual talents. The analysis emphasizes how important innovation is to success.

Chesbrough(2003) brought the concept called open innovation and he stresses that cooperation and information exchange are essential for promoting innovation. Under this dynamic organizational environment, open innovation became as a recurring topic among the participants as their capacity to adjust to changing market conditions and put creative ideas into practice. To create distinctive goods and services, the successful entrepreneurs in this study actively engaged in research and development while leveraging open innovation strategies.

It is also observed that in Sri Lankan context many higher education institutes reflect the dynamic character and try to behave as intellectual entrepreneur by creating an intellectual climate culture for the stakeholders. To improve the success rates of prospective intellectual entrepreneurs, it is imperative to tackle the obstacles associated with finance and societal

beliefs. The usefulness of certain policies and support systems targeted at encouraging intellectual entrepreneurship in the area should be investigated in future studies to help create a more vibrant knowledge-based economy.

Some studies discussed the social, economic benefit of the country through intellectual property and capital. For example, Rhoades and Slaughter (1997) stated that connecting the academia and the industry will foster the ecosystems and pay the way forward to bring many partnerships and property initiatives through the higher education system. Further, Etzkowitz (2003) discusses the "Triple Helix" model, where universities, industries, and governments collaborate to enable intellectual entrepreneurship, thus fostering regional innovation systems. Therefore, it is important to create an environment that promotes open communication, creativity, and access to diverse resources (Clarke & Collins, 2010).

3. Theories explaining Intellectual Entrepreneurship (IE)

Theories explaining intellectual entrepreneurship (IE) draw on a variety of interdisciplinary frameworks that emphasize the role of knowledge, innovation, and social engagement. Entrepreneurial orientation theory emphasizes proactivity, risk-taking, and innovation as key drivers of entrepreneurial activity (Carnahan et al., 2010). Therefore, researchers have widely used entrepreneurial orientation theory as a way to guide entrepreneurs in the field of intellectual entrepreneurship. Therefore, IE aligns with this theory by encouraging scientists to adopt an entrepreneurial mindset, transforming research into social impact.

Further, some studies used Dynamic capital theory, which focuses on accumulating and allocating various forms of capital (e.g., financial, social, human) to adapt to changing environments (Maria Dimova & Stirk, 2019). IE practitioners leverage intellectual and social capital to address complex societal challenges, thereby maximizing their influence in academic and community settings.

In addition to that, the Knowledge-Based View (KBV) posits that knowledge is the most strategic resource for achieving a competitive advantage (Maria Dimova & Stirk, 2019).In the context of IE, it leverages academic knowledge as a valuable asset to support innovation and solve real-world problems, positioning academics as knowledge entrepreneurs.

Moreover, it also noticed that scholars use innovation ecosystem theory, and it highlights the interconnectedness of diverse stakeholders (universities, industries, and governments) in

driving innovation (Hakala et al., 2020). IE contributes to this ecosystem by fostering interdisciplinary collaboration that translates academic knowledge into practical solutions.

Another important framework is social capital theory, which emphasizes the value of networks and relationships in facilitating access to resources and opportunities (Maria Dimova & Stirk, 2019). This framework is used to understand the intellectual entrepreneur's engagement in collaborative projects that transcend academic silos, leveraging social capital to drive interdisciplinary problem-solving and community engagement (Cherwitz & Hartelius, 2006).

Mezirow (1991) discusses Transformative learning theory, which can also be applied to understanding the IE because it focuses on the process of shifting perspectives through critical reflection and experiential learning. IE encourages researchers to rethink traditional academic roles and adopt an approach that values innovation and contribution to society over the pure dissemination of knowledge.

Social Capital Theory focuses on the value of networks and relationships in enabling entrepreneurial success. Intellectual entrepreneurs often utilize their networks to access resources, information, and support for innovation.

Chesbrough's open innovation framework explores how firms can innovate by integrating external and internal ideas. Intellectual entrepreneurs frequently adopt this approach to access broader knowledge and resources (Chesbrough, 2003).

Schumpeter's theory emphasizes the entrepreneur's role as an innovator who disrupts markets through new combinations of resources. Intellectual entrepreneurs embody this by introducing novel ideas and technologies (Schumpeter, 1934). Some researchers (Etzkowitz & Leydesdorff's, 2000) explore the Triple Helix model, emphasizing the collaboration between universities, industries, and governments to foster innovation. The knowledge-based view (KBV) is the most relevant theory for a future study on intellectual entrepreneurship. It sees knowledge as the key resource for creating value. This fits well with how intellectual entrepreneurs use academic knowledge to solve real-world problems and drive innovation. KBV helps explain how they turn research into practical solutions, work across different fields, and make a positive impact on society.

4. Methodologies Used in Intellectual Entrepreneurship Research

Intellectual entrepreneurship (IE) research employs a variety of methodologies to examine its impact on academia, innovation, and community engagement. Qualitative methods, particularly case studies and in-depth interviews, are commonly used to understand the experiences of IE in different contexts (Cherwitz and Hartelius, 2006). These methods help capture valuable contextual information about how researchers use their knowledge to create social and economic impact.

Action research is another popular approach in which researchers actively engage with participants to implement and evaluate IE initiatives (Powers, 2013). This method not only generates useful information but also fosters collaboration between researchers and practitioners, consistent with the IE ethos of bridging theory and practice.

Quantitative approaches often include surveys and questionnaires that measure outcomes of IE programs, such as entrepreneurial attitudes, skill development, and career paths of participants (Guerrero et al., 2015). Researchers also use social network analysis to examine the networks of collaborations and partnerships that intellectual entrepreneurs build within and outside academic institutions (Hayter, 2016).

Mixed-methods research combines qualitative and quantitative techniques to provide a comprehensive understanding of the multifaceted nature of EI (Sullivan & Cherwitz, 2020). This approach allows for the triangulation of data, enriching the validity of research findings and offering a holistic view of the impact of EI.

5. Diverse contextual background of the past research on Intellectual Entrepreneurship

Research on intellectual entrepreneurship (IE) spans a variety of contexts, emphasizing its adaptability to academic, cultural, and institutional settings. In the US context, IE has been widely studied in universities, with particular attention to its role in linking research to societal impact (Cherwitz, 2005). This research highlights how IE supports innovation and public engagement among scientists, transforming traditional academic practices. This has transformed traditional academic practices, bridging the gap between academic outputs and real-world applications. For example, IE initiatives in U.S. universities have led to the creation of programs that train researchers to turn their discoveries into commercial ventures, as well as engage with public policy issues.

In the European context, research has examined the integration of IE in entrepreneurial universities, where the focus is on increasing knowledge transfer and regional economic development (Guerrero and Urbano, 2012). These institutions use IE to support interdisciplinary collaboration and develop local innovation ecosystems. For instance, partnerships between universities, industries, and government bodies have been instrumental in fostering technology hubs and start-ups, making IE a cornerstone of regional economic strategies. This context underlines how IE facilitates the commercialization of academic research and strengthens ties between academia and local economies.

In developing countries, IE research often explores its potential to address societal problems and promote sustainable development. For example, research in African universities has highlighted how EI can enable researchers to address community needs, promoting social entrepreneurship and capacity building (Abugre & Adeola, 2020). Specific examples include programs that address healthcare access, agricultural innovations, and education reform, showcasing how IE can serve as a tool for inclusive growth and empowerment in resource-constrained environments.

Furthermore, research in the Asian context has focused on the role of EI in promoting the knowledge economy, with a particular emphasis on policy frameworks that support innovation and collaboration between academia and industry (Hong & Sun, 2019). This demonstrates the global importance of EI in driving economic and social change. Governments and institutions have implemented policies that encourage technology transfer and start-up ecosystems, with IE serving as a bridge between academic innovation and industrial application. For example, programs in China, India, and South Korea have linked academic research with high-tech industries, fueling economic growth and advancing national competitiveness.

Research on IE from different regions shows its global importance in driving innovation and change. Whether it's solving local problems in developing countries, growing regional economies in Europe, or advancing technology in Asia, IE adapts to meet the needs of different societies. This makes it a valuable tool for creating social and economic progress worldwide.

6. Directions for future research agenda in Intellectual Entrepreneurs and Intellectual Entrepreneurship

The current research has provided valuable insights into the success factors of intellectual entrepreneurs in Sri Lanka, particularly through the lenses of Open Innovation Theory and Diffusion Theory. However, it opens avenues for future research to explore the barriers and challenges faced by those who do not achieve similar success. Investigating the factors contributing to the failures of intellectual entrepreneurs could provide a more comprehensive understanding of the entrepreneurial landscape in Sri Lanka. Additionally, future studies could examine the impact of cultural, economic, and institutional factors on the entrepreneurial journey, offering a broader perspective on the dynamics of intellectual entrepreneurship.

Moreover, researchers are encouraged to apply different theoretical frameworks to investigate the success of intellectual entrepreneurs further. For instance, integrating theories such as Social Capital Theory or Human Capital Theory could yield insights into the role of networks and individual capabilities in fostering entrepreneurial success. Understanding how these elements interact with the principles of open innovation and diffusion could enhance the existing body of knowledge. Furthermore, longitudinal studies could be conducted to track the progress of intellectual entrepreneurs over time, providing a deeper understanding of how they adapt to changing environments and leverage resources effectively. This multifaceted approach will enrich the discourse on intellectual entrepreneurship and contribute to the development of more effective support systems for aspiring entrepreneurs in the higher education sector in Sri Lanka.

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MOS REVIEW

Non-Performing Loan

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Abstract

This concept paper explores the various factors influencing the non-performing loans (NPLs) and provides a comprehensive overview of the topic, including definitions, recent research findings, theoretical frameworks, methodologies, and directions for future research. Recent studies indicate that several strategies contribute to the decline of NPLs, such as rigorous loan purpose assessment, effective collateral evaluation, regular monitoring of payment histories, proactive borrower communication, financial counseling, and targeted employee training. By synthesizing these elements, this paper offers actionable insights that can aid financial institutions in reducing NPLs, thus fostering greater financial stability and supporting sustainable economic growth. This paper contributes to the broader literature on financial risk management and presents practical approaches for enhancing loan performance.

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1.   Introduction to Non-performing Loans

1.1   Financial systems

The financial system mainly comprises of the financial institutions, markets, instruments, regulatory authorities, a payment and settlement system, a legal framework and regulations (Central Bank of Sri Lanka, 2023). Financial institutions are the economic entities that help individuals and businesses fulfill their monetary or financial requirements (Rifat, 2017). Financial institutions are important as they provide a specific marketplace for assets and money so that capital can be efficiently allocated to where it is most useful. Financial institutions help their customers to reach financial goals and understand responsibilities (Central Bank of Sri Lanka, 2023).

1.2   Non -performing loans

A non-performing loan is a loan in which the borrower is in fault and has not made any scheduled payments of principal or interest for a certain period. In banking, commercial loans are considered non-performing if the borrower is 90 days past due. This non-performing loan condition can be caused by many things (Rahman & Farah, 2014). Such as the debtor losing his main income, being absent in a planned manner in making payments and others. Non-performing loans occur when borrowers run out of money to make repayments or get into situations that make it difficult for them to continue making repayments towards the loans (Reserve Bank of Malawi, 2021).

If loanable funds are blocked as non-performing loans, banks and other financial institutions will not have enough reserves for issuing future loans which will affect the economy in multiple ways. For instance, it will hinder employment generation. Non-performing loans reduce the income from interest, reduce the profitability and deplete banks' capital bases (Keshani & Jayatilake, 2021).

1.3   Non-banking financial institutions

Non-banking financial companies (NBFCs) provide financial services to the customers, but they don't hold a banking license and are unregulated. They do not have a full banking license or is not supervised by a national or international banking regulatory agency. Non-banking financial institutions have been playing a critical role in the financial sector by availing additional financial services that are not always delivered by the fulfilled banking industry (Keshani & Jayatilake, 2021).

In Sri Lankan financial market, it is true that the banks share an immense segment of financial intermediation; nevertheless, the non-banking financial institutions play a significant role in the financial market. These non-banking financial institutions provide services that are not necessarily suited to banks, serve as competition to banks. The financial institution that we have selected to conduct our research belongs to non-banking financial institution (Central Bank of Sri Lanka, 2023).

Most banking and financial institutions are suffering the problem of non-performing loans. The increasing trend of non-performing loans (NPL) in Sri Lanka threatens the whole banking system. Failure to generate the earnings from loan and recovering principal poses is a threat to firm's long-term sustainability and impact on the level of private investment (Rifat, 2017). The percent of non-performing loans in Sri Lanka reflects the health of the financial system. A higher percent of such loans shows that financial institutions have difficulties in collecting interest and principal on their credits (Kumarasinghe, 2017).

1.4   Difference between non-performing and performing loans

The main factor that separates performing loans from non-performing loans is the borrower's repayment habits. While non-performing loans are past due or in default, putting lenders and financial institutions at greater risk, performing loans are current and making their scheduled payments (Rifat, 2017). This distinction is crucial for assessing the overall stability of the financial system and the lending institutions' financial health.

2.   Recent Research Findings around the Concept of Non-performing Loans

According to the research Eren & Kurt (2019), identified several factors that contribute to Non-Performing Loans, including: investing in high-risk assets in order to earn a high income, borrowers who willfully default on their loans, fraudulent practices such as granting loans to ineligible persons without security or references, diversion of funds for unnecessary expansion or business, internal causes such a inefficient management, inappropriate technology, labor issues, marketing failure and other factors resulting in poor company performance and external factors such as an economic recession, infrastructure challenges, price increase, banks delaying the release of sanction limits the government delaying payments and natural disasters.

Some NPLs cause of diverting the loan funds to unprofitable investment, it has been observed of previous research in the area that the customers are very keen to invest their borrowed money from banks to various unprofitable activities. When declining the business,

businessmen are avoiding repaying loan installments (Rahman & Farah, 2014). Due to some bad effects, projects are delayed. Therefore, contractors cannot complete their credit repayments (Maria, 2000). Some customers do not be honest with the Banks, when loan repayment. They try to do many frauds to avoiding loan installments (Keshani & Jayatilake, 2021).

According to recent studies there are two sets of factors which help to explain the evolution of NPLs over time. One set of factors were relevant to the consumer's side which is mainly effect on borrower's feasibility to repay their loan. Then another set of factors are relevant to the attributes of the bank.

3. Theories Explaining Non-Performing Loans

Different theoretical frameworks have been used to clarify the non-Performing Loans within a range of contexts. Scholars have identified several theories, such as Financial Intermediation Theory, Information Asymmetry Theory to analyze and elaborate on this concept.

3.1 Financial Intermediation Theory

The current theory of financial intermediation is based on the idea that intermediaries serve to reduce transaction costs and informational asymmetries. Financial institutions receive deposits from surplus units, which are then used to fund loans to deficit units through a process known as financial intermediation. The financial intermediation theory and non-performing loans emphasizes how crucial it is to control credit risk and maintaining the stability of financial intermediaries. A bank's capacity to carry out its essential duties can be seriously hampered by a significant number of NPLs, which could disrupt the transfer of funds from savers to borrowers and have an adverse effect on the overall economy. Policymakers, regulators, and financial institutions must comprehend this link in order to guarantee the stability and resilience of the financial system (Kariuki, 2014).

Wensveen (2003) explored the role of financial intermediaries and how their efficiency is affected by factors like NPLs, which influence their capital and lending capacity.

3.2 Information Asymmetry Theory

Since information gaps in the lending process can result in poor lending decisions, more borrower defaults, and an increase in non-performing loans, there is a substantial relationship between NPLs and information asymmetry theory. To try to address the information asymmetry in direct financing, a lender must gather information (Kariuki, 2014).

According to the Read (2014) outlined how information asymmetry between parties can lead to adverse selection and moral hazard, which can manifest in loan defaults when lenders cannot fully assess the risk of borrowers. Stiglitz & Weiss (1981) introduces the concept of credit rationing and how information asymmetry between lenders and borrowers leads to inefficiencies in the credit market, contributing to higher rates of non-performing loans. Information asymmetry affects the pricing of debt and the likelihood of loan defaults, further reinforcing the link between NPLs and information gaps (Merton, 1974).

4.   Conceptualizations in concept Non –performing Loans.

NPLs is explained as "Loans or advances whose credit quality has deteriorated, such that full collection of principal and interest in accordance with the loan or advances in repayment terms of the loan or advances in question" (Asfaw et al., 2016). Scholars use the information Asymmetry Theory to examine the non-performing loans. This theory assists to find out about bank specific concepts like poor risk assessment, lenient credit terms, interest rate and monitoring. In addition, it facilitates the research to add value in the limited research in the context of Pakistani Banking sector by providing a holistic understanding of bank-specific and social factors of NPLs (Khaliq et al., 2014). Further they explored bank specific factors and social factors affected the Non-Performing Loans through analyzing lenient credit terms, monitoring, bank ownership, bank size, diversification of loans and credit assessment as bank specific factors and corruption and political pressure as a social factor.

According to the Keshani & Jayatilake (2021) elaborated further that Institutional factors such as poor credit policies, Customer relating factors such as borrower behavior and remedial mechanism such as recovery strategies dealing with non-performing loans.

5.   Methodologies used in non-performing loans

One of the types of research of Non –performing loans used qualitative research methodology. The scope of the research was limited to ten employees of ABC Finance company Limited and ten customers of ABC Finance Company. Scholars used Case study strategy and grounded theory approach, and in-depth interviews were conducted in order to collect data (Keshani & Jayatilake, 2021). Quantitative approach was the most used method to collect the data. According to Kariuki (2014) they used Quantitative research methodology. This research adopted a descriptive survey approach on the factors that determine non-performing loans of microfinance institutions in Kenya. The study's population included all the MFI's in Kenya. There were 52 MFI as per the list of MFId by the Association of Micro

finance institutions of Kenya. This study used both primary and secondary data. Primary data was collected by way of structured and semi structured questionnaires with both open and closed ended questions. This was done on the credit officers. Secondary data was collected from the published annual reports and financial statements of the institutions. The data was analyzed by use of summary statistics, including percentages and standard deviation to measure interrelationships between variables.

According to Rathnayake & Dissanayake (2022) they used panel data regression analysis. The sample included eight commercial banks over ten years. The research strategy used for this study is the experimental strategy. They used quantitative nature of data and used deductive approach to examine the cause- and-effect relationships between NPLs and determinants in this study.

Whereas Msomi (2022) used quantitative research approach and the population included West African countries and used explanatory research design for the period 2008 to 2019 for 47 listed commercial banks from the six countries. While considerable literature on non-performing loans is empirical studies designed as Qualitative or quantitative, integrating these two approaches is less frequent. Most researchers have used quantitative research methodology. Researchers can further strengthen the quality of their research and offer a more holistic understanding in different contexts through an integrated set of qualitative and quantitative methodologies.

6. Diverse contextual backgrounds of the past research on Non-performing Loan

Research on Non-Performing Loans (NPLs) has been carried out across diverse contexts. Studies on NPLs in developed markets (together with Europe and North America) often attention on regulatory frameworks, banking area balance, and the effects of macroeconomic factors on loan overall performance (e.g., debt-to-GDP ratios, hobby quotes, and inflation). For instance, research on NPLs inside the European Union has emphasized the role of economic rules and the publish-2008 monetary disaster healing (Sergey., 2021). In contrast, studies in emerging markets consisting of in Nigeria (Morakinyo et al., 2018). frequently explores the effect of political instability, regulatory shortcomings, and socio-monetary challenges, which frequently cause better degrees of NPLs. Additionally, studies inside the Middle East and Africa generally tend to focus on how informal lending practices and weak economic infrastructure make contributions to the increase of NPLs in those regions. More these days, studies have commenced to recognize the impact of world crises, such as the COVID-19 pandemic, in exacerbating NPL ratios, particularly in economies. In Asia,

students have explored how cultural factors and danger perceptions among debtors affect repayment behaviors, consequently affecting the NPL landscape (Chen et al., 2022). The diverse nature of NPL-related studies across those diverse areas and monetary conditions displays the complex and multifaceted nature of the difficulty.

7. Directions for future research agenda in Non-Performing Loans

Future research on non-performing loans could examine several aspects. Starting with the impact of macroeconomic factors such as economic cycles. Inflation, unemployment, and interest rates on NPL formation and in managing the role of technology and digital technologies such as Artificial intelligent, machine learning and blockchain to improve the early direction, monitoring, and assessment of NPL risks also presents an important area of study.

Future research could explore how fintech innovations such as digital lending platforms, peer-to-peer lending, and blockchain-based solutions can impact the management and resolution of non-performing loans (Broby, 2021). According to Serengil et al. (2022) states that researchers could look at artificial intelligent models and machine learning techniques can be used to predict and prevent the occurrence of NPLs by analyzing patterns in borrower behavior and macroeconomic data.

Additionally, examining the effectiveness of regulatory frameworks and policies and the role of bad asset management companies and banks in managing NPLs and promoting financial stability, Research into alternative debt solutions, such as debt restructuring and bankruptcy structuring, is also important. Comparative studies of NPL trends and management across different countries, especially between emerging and developed economies, could highlight effective strategies.

According to Rathnayake & Dissanayake (2022) future researchers may identify areas for their research that include identifying differences in financial systems and regulatory frameworks across countries and examining how geographical influences on non-performing loans effect changes in the banking sector in Sri Lanka. Also mentioned future researchers could increase the sample size and extending the period and considering categories of non-performing loans. E.g., Business loans, personal loans, bank overdraft.

Other possible measures include examining the impact of environmental, social, governance (ESG) factors on NPLs, understanding borrower attitudes and behavior, and examining the

impact of financial technology (FinTech) on debt defaults. The impact of climate change on NPLs and the inclusion of climate risk models in risk assessments should be considered. Furthermore, behavioral economic models can provide insights into borrower decision-making and recovery strategies. While studying the relationship between NPLs and financial stability could shed light on environmental risks.

These diverse research directions provide opportunities to better understand NPL dynamics and propose more effective management and resolution strategies, which ultimately contribute to financial sustainability.

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Author Guidelines

- The submission should be a conceptual paper which describes a single (broad) key concept in the students' research project (e.g., social entrepreneurship, workplace bullying).

- The first page must include a title with names and affiliations of the authors, and contact details (including the email addresses).

- An abstract with a maximum of 120 words and around 3-5 keywords should be submitted along with the conceptual paper.

- The content of the submission may include the following: terminology clarification, recent research findings around the concept, theories used in the conceptual domain, different conceptualizations and operationalizations of the concept, diverse methodologies used, different contextual backgrounds of the past research, and directions for future research agenda.

- The submission will be a joint work with the supervisor who approves the work for publication.

- The submission should be limited to 2000 words (excluding references). As the submission is a concept paper, no tables, figures, charts or annexures will be entertained.

- APA guidelines 7th edition should be followed for in-text citations and in compiling the reference list.

- The submission should be type-written. Formatting should be as follows:
  Font type: Times New Roman
  Font size: 12 points
  Line spacing: 1.5
  Paper size: A4
  Page margins: 1 inch all sides

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