

Executive Summary

This case study explores how two specific firm level behaviours, namely entrepreneurial orientation and market orientation act as drivers of business performance. This phenomenon was studied in relation to the business performance of Hameedia.

Hameedia is a business entity operating in the field of menswear fashion in Sri Lanka. From the spark of an idea to tailor make clothes for the neighbours Hameedia has made remarkable progress since its inception in 1949 to become an internationally renowned Sri Lankan Brand. Driven by the vision to be “Sri Lanka’s most desired and trusted men’s clothing specialist of international repute” the main strength of Hameedia is originality and quality. Hameedia became Sri Lanka’s first clothing brand to launch itself in the international market with its own homegrown brands becoming the only readymade menswear company of Sri Lanka to be exposed to the international market and its fashions. The work force of Hameedia has grown continuously over the years and they view Hameedia as a fertile place, best suited for the growth of their abilities. Hameedia has recorded a year –on-year top line and bottom line growth of over 20% consistently over the past decade.

The business performance of Hameedia was measured using financial and non-financial performance indicators. The economic performance was measured using the dimensions of growth and profitability. Non-financial measures included indicators such as satisfaction, goal attainment, how managers’ perceive business performance in relation to company objectives and competitor performance, reputation, public image, good will, the commitment and satisfaction of employees. The entrepreneurial orientation dimensions of innovativeness, risk taking propensity, pro activeness, competitor aggressiveness and autonomy were explored in the behavior of Hameedia. Further, dimensions of market orientation such as intelligence generation, intelligence dissemination, organizational responsiveness, customer orientation, competitor orientation and inter-functional coordination was also studied.

In-depth interviews were carried out with 12 past and present employees who had worked for over five years in the company at a senior management level. The Managing Director and the Deputy Managing Director were also interviewed. A survey was conducted among the present employees of Hameedia to further strengthen the arguments based on the findings from the interviews.

The study revealed that Hameedia is a pioneer in the retail fashion market in Sri Lanka who drives innovation in the industry continuously. It was also observed that the senior management of Hameedia tends to invest in high risk projects and that their business strategy is characterized by a strong tendency to take risks. Hameedia has also mastered the art of identifying and exploiting market opportunities to meet hidden and expressed customer needs as they constantly monitor customer needs and respond to those needs, in order to satisfy customers. The growth of Hameedia was found to coincide with its innovativeness, risk taking propensity, autonomy within the organization, customer focus and interdepartmental connectedness.

The entrepreneurial orientation and market orientation dimensions exists at various levels in Hameedia. Out of the entrepreneurial orientation dimensions Hameedia shows high levels of innovativeness, risk taking and pro-activeness and moderate levels of autonomy and low levels of competitive aggressiveness. Among the market orientation dimensions Hameedia shows high levels of intelligence dissemination, organizational responsiveness, customer orientation, inter-functional coordination and moderate levels of intelligence generation and low levels of competitor orientation. It was evident that Hameedia's business performance had a positive relationship to the firm level behaviours of entrepreneurial orientation and market orientation.

It was also noted that the complimentary effects of entrepreneurial orientation and market orientation allow the organization to exploit opportunities that are accepted by customers. Through further observations it was concluded that entrepreneurial oriented behavior is more likely to be a driver of performance when market orientation is strong and that market orientation and entrepreneurial orientation has a complimentary effect on business performance. The maximum positive effect on performance could be achieved when a firm's entrepreneurial orientation and market orientation are aligned.

At the end of the case study recommendations derived from the writers' observations are shared in detail. These recommendations emphasize the importance of certain dimensions of entrepreneurial orientation and market orientation to the business performance of Hameedia.

With the third generation coming into the business and as the business moves on to the international market Hameedia is optimistic about the future of the business and continues setting the bench mark in the men's fashion industry of Sri Lanka.