

**HIGH PERFORMANCE ORGANIZATION FRAMEWORK AND
ORGANIZATIONAL PERFORMANCE: A STUDY BASED ON
FINANCIAL INSTITUTIONS IN BATTICALOA**



BY:

MATHURSHANA RAJARETNAM

REG NO: EU/IS/2019/MS/137

INDEX NO: MS 2317



FCM2975

**Project Report
Main Library, Eastern University, Sri Lanka**

A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfilment of the requirement for the Degree of Bachelor of Business Administration Honours.

**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

2025

ABSTRACT

This study explores the impact of the high performance organization framework on organizational performance in financial institutions in Batticaloa, Sri Lanka. The high performance organization framework, developed by De Waal (2010), comprises five key dimensions: management quality, quality workforce, long-term orientation, openness and action orientation, and continuous improvement. Despite its global recognition, limited empirical evidence exists regarding its relevance in the Sri Lankan context. This research aims to assess the current level of high performance organization practices, analyze their relationship with organizational performance, and determine the individual influence of each dimension.

A quantitative research design was adopted, using structured questionnaires to collect data from 291 respondents across 15 financial institutions in Batticaloa. Data were analyzed using univariate, bivariate, and multiple regression techniques. Findings indicate that all five high performance organization framework factors are moderately practiced and significantly related to organizational performance. Notably, continuous improvement and quality workforce showed the strongest positive influence.

The study concludes that adopting high performance organization practices can enhance efficiency, service delivery, and competitiveness in the financial sector of Batticaloa. It offers practical recommendations for management and contributes to the academic understanding of high performance organization in financial institutions, paving the way for future research in similar contexts.

Keywords: high performance organization, organizational performance, financial institutions, management quality, quality workforce, long-term orientation, openness and action orientation, continuous improvement

TABLE OF CONTENTS

ACKNOWLEDGEMENT	i
ABSTRACT	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	viii
LIST OF FIGURES	x
ABBREVIATION	xi
CHAPTER - 1	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of Problem.....	3
1.3 Research Questions.....	4
1.4 Research Objectives.....	4
1.5 Significance of the Study	4
1.6 Scope of the Study	5
1.7 Chapter Organization	6
1.8 Chapter Summary	8
CHAPTER - 2	9
LITERATURE REVIEW	9
2.1 Introduction.....	9
2.2 High Performance Organizational Framework	10
2.2.1 Concept of High Performance Organization Framework	10
2.2.2 Dimensions of High Performance Organization Framework	10
2.2.2.1 Management Quality.....	10
2.2.2.2 Quality Workforce.....	11

2.2.2.3 Long-Term Orientation	11
2.2.2.4 Openness and Action Orientation	12
2.2.2.5 Continuous Improvement.....	13
2.3. Organizational Performance	13
2.4 Empirical Review and Development of Hypotheses	18
2.4.1 Management Quality and Organizational Performance.....	18
2.4.2 Quality Workforce and Organizational Performance.....	19
2.4.3 Long-Term Orientation and Organizational Performance	20
2.4.4 Openness and Action Orientation and Organizational Performance	21
2.4.5 Continuous Improvement and Organizational Performance.....	21
2.5 Chapter Summary	22
CHAPTER - 3.....	23
CONCEPTUALIZATION AND OPERATIONALIZATION.....	23
3.1 Introduction.....	23
3.2 Conceptualization	23
3.3 Conceptual Framework.....	24
3.4 Definitions of Key Concepts and Variables	25
3.4.1 Management Quality.....	25
3.4.2 Quality Workforce.....	25
3.4.3 Long-Term Orientation	25
3.4.4 Openness and Action Orientation	25
3.4.5 Continuous Improvement.....	26
3.4.6 Organizational Performance	26
3.5 Operationalization.....	26
3.6 Chapter Summary	28

CHAPTER – 4..... 29

RESEARCH METHODOLOGY 29

4.1 Introduction..... 29

4.2 Research Design and Methodology 29

 4.2.1 Research Philosophy 29

 4.2.2 Research Approach 30

 4.2.3 Research Strategy..... 30

 4.2.4 Methodology Choice..... 31

 4.2.5 Time Horizon 31

 4.2.6 Unit of Analysis 32

4.3 Population and Sampling 32

 4.3.1 Population of the Study..... 32

 4.3.2 Sampling Technique and Method 32

 4.3.3 Sample Size and Sampling Framework 33

4.4 Method of Data Collection..... 34

 4.4.1. Research Instrument..... 34

 4.4.2. Source of Measurement 34

 4.4.2.1 Method of Measuring Personal and Organizational Information 34

 4.4.2.2 Method of Measuring Research Information..... 35

4.5 Method of Data Analysis 36

 4.5.1 Pilot Study..... 36

 4.5.2 Validity and Reliability of Instruments 37

4.6 Method of Data Evaluation 37

 4.6.1 Univariate Analysis..... 38

 4.6.2 Bivariate Analysis 38

4.6.2.1 Pearson Correlation Analysis	38
4.6.3 Multiple Regression Analysis	39
4.7 Testing Hypothesis	40
4.8 Ethical Consideration	40
4.9 Chapter Summary	41
CHAPTER - 5.....	42
DATA PRESENTATION AND ANALYSIS.....	42
5.1 Introduction.....	42
5.2 Reliability Analysis.....	42
5.3 Demographic Data Analysis	43
5.4 Data Presentation for Research Information.....	45
5.4.1 Objective One	45
5.4.2 Objective Two	50
5.4.3 Objective Three.....	51
5.5 Hypothesis Testing.....	55
5.5.1 Hypothesis One.....	55
5.5.2 Hypothesis Two.....	55
5.5.3 Hypothesis Three	56
5.5.4 Hypothesis Four.....	56
5.5.5 Hypothesis Five	57
5.6 Chapter Summary	58
CHAPTER - 6.....	59
DISCUSSION OF FINDINGS.....	59
6.1 Introduction.....	59
6.2 Discussion of Personal Information of the Respondents	59

6.3 Discussion of Objectives.....	60
6.3.1 Objective One	60
6.3.2 Objective Two	61
6.3.3 Objective Three.....	62
6.4 Discussion of Research Hypotheses	63
6.5.1 Hypothesis One.....	63
6.5.2 Hypothesis Two.....	64
6.5.3 Hypothesis Three	64
6.5.4 Hypothesis Four.....	65
6.5.5 Hypothesis Five	65
6.5 Chapter Summary	66
CHAPTER - 7.....	67
CONCLUSION AND RECOMMENDATION.....	67
7.1 Introduction.....	67
7.2 Conclusion	67
7.2.1 Objective One	67
7.2.2 Objective Two	68
7.2.3 Objective Three.....	68
7.3 Contribution of the Study.....	69
7.4 Recommendations.....	70
7.5 Limitations of the Study.....	72
7.6 Direction for Future Research.....	72
7.7 Chapter Summary	74
REFERENCES.....	75
APPENDIX: RESEARCH QUESTIONNAIRE	86