

Case story on leadership transformation & Patterning Organizational performance of Harischandra Mills PLC.

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I, Chandi Wijayasinghe, a doctoral student of the University of Kelaniya, hereby declare that I have obtained the necessary clearances from Harischandra Mills PLC, to publish its information, in good faith.

Synopsis

The authorized and published papers revealed that the persistence of family businesses is controversial in future. There is empirical evidence to prove the fact that only 30% of family businesses span to the second generation and that only about 10% to 15% survive by the third generation. The major reason behind this failure is improper succession planning. This case story describes the leadership transformation pattern of a well-known Sri Lankan family business called Harischandra Mills PLC. While this case focuses on the generational differences and the leadership transformation pattern between the founder and the successors of Harischandra Mills PLC, it also offers some important guidance for the micro and macro perspectives in entrepreneurship. The Company has a long history of over seventy-three years along with a household brand name with quality assurance.

During the period of 1943 – 2016, the contribution made by the family of the Harischandra PLC had been drastically declined to 57%. The conflicts existing among family members on succession process or their indifference towards business would have been the main reasons for this drastic reduction. Thus, this case review will pave a platform for the company to reconsider the succession gaps and take appropriate actions to ensure a solid succession process.

“Harischandra” is a well-known family-owned business, originated in the district of Matara of the Southern Province of Sri Lanka. The Harischandra Mill was founded by C. A. Harischandra, in 1943, with an initial capital of Rs. 25,000/- on a plot of land of 20 perches. The Company has a