

Editorial

In today's 'runaway world' (Giddens 2000) with unprecedented advances in technologies, highly competitive markets *and* erratic fluctuations in financial markets that keep reshaping our lives, creating and disseminating new knowledge become increasingly important to face the new challenges that confront organizations and society. The NSBM Journal of Management (NSBMJM) with the publication of its second issue continues to contribute towards meeting this need by presenting the findings of studies that cover a wide range of themes which are of topical interest to academia, industry and policy makers. They will have direct implications in managerial settings locally as well as in similar developing countries, and further, draw the attention of researchers in the developed world as they seek to understand their changing world of complexity and diversity.

The current issue of NSBMJM consists of seven papers: two positivist and three non-positivist studies, an action-based case study and a book review. The topics covered range from financial markets, innovation, consumerism, and ethics in accounting, gender issues and quality management. Thus, the journal has widened its scope to appeal to a wider readership with varied interests and needs. Further, NSBMJM continues to adhere to its policy of publishing papers with contrasting philosophical underpinnings, viz. ontological (*what is reality*) and epistemological (*how can I know reality*) owing to its firm conviction that the method should emerge (and not precede) the research question being studied.

With the advent of neo-liberalism and globalization sweeping across the world managing foreign exchange fluctuations is of prime importance in the wealth creation process. NSBMJM unfolds on a *global* note with the study of exchange rate fluctuations in three emerging market economies: Korea, Taiwan and Thailand. Prabhath Jayasinghe, the author, looks into the time-varying characteristic of exchange rate exposure coefficients by estimating a much used multivariate BEKK-GARCH-M model. He observes mean-reverting long-memory processes in two of the three cases with implications for investment and hedging strategies. The study is of direct relevance to Sri Lanka, a country attempting to reach middle income level status in the near future.

Zooming into the local context, the second paper is on innovation which is the gateway to prosperity in the current knowledge-based economy. As a result, organizations are being compelled to develop innovative knowledge to create value, gain competitive advantage, and thereby beat competition. In this evolving context, taking the less researched services sector in Sri Lanka as her empirical site, Seshika Kariyapperuma explores how activities should be organized with a view to generating and exploiting new forms of knowledge. Through a non-positivist approach, she identifies three work-related activities by which knowledge for innovation is generated. Kariyapperuma proceeds to explain how they provide common ground for knowledge creation and illustrates how conventional organizing tends to destroy such knowledge.

The present day consumerist society is ever expanding and constructing the identity of consumption is becoming increasingly important for marketing strategists. In the third paper, Dinuka Wijetunga, while lamenting the simplistic approach adopted in prior studies where consumption objects were relegated to the status of mere symbols, proceeds to unearth the associated complex meaning construction processes. This she carries out with respect to the mobile telephone consumption practices in Sri Lanka. Wijetunga

finds that different patterns of using a product could feature in the consumer's construction of identity in order to distinguish among them. Further, consumers manage multiple identities either by maintaining two conflicting identities simultaneously or by transiting from one identity to another.

In the fourth paper, Roshan Ajward investigates ethics in accounting, an important area of study which has re-emerged as an area of research in the aftermath of the recent global financial crisis, though at low intensity in the Sri Lankan context. In order to shed some light on this area the researcher uses a scenario-based questionnaire to collect data from a sample of professionals from the accounting and auditing disciplines. The findings show that the ethical perceptions of professionals differ according to the nature, direction, materiality and intention of the earnings manipulations involved. Further, it was revealed that the ethical perceptions of professionals are not impacted by the selected demographic factors considered in the study such as age, gender and educational and professional qualifications.

Though Sri Lanka has made significant advances towards gender equality, thanks to universal franchise and equal opportunities in education and employment, sexual harassment still seems to lurk in various forms in the local workplace. In her paper, Arsosha Adikaram probes different forms of sexual harassment that are fragmented through dialogue and information sharing among social networks involving friends, family, co-workers and sometimes superiors which sometimes transform the issue into an open, non-private and social phenomenon. A qualitative study based on the theory of social support accompanied by in-depth and focus group interviews, her findings will be of value to managers in dealing with sexual harassment in their organizations.

The penultimate paper, a case study on quality management, documents the implementation and implications of applying Six Sigma methodologies at a local wall tile manufacturing facility. Focusing on process inefficiencies resulting in defective items in the glazing and printing operations, the researchers D M A Kulasooriya and Nihal Kumarasinghe narrate how the systematic implementation of DMAIC, the five-step cycle, resulted in anticipated gains in production as well as cost savings. The case study with vivid descriptions provides a useful guide to managers to carry out similar experiments in their work settings. It is a known fact that many a workshop/seminar is conducted in Sri Lanka with large patronage but where the use of 'real life' examples are few and far between; this paper contributes towards bridging this gap.

The journal concludes with a review of *The Stronghold of Tradition and Tensions in Juxtapositions (Exploring the Sri Lankan MOD-TRADI Consumer)* by Dinuka Wijetunga. The review is a noteworthy attempt to build on Uditha Liyanage's previous work on the mod-tradi consumer with a view to developing a holistic body of knowledge on the subject. The reviewers Sumanasiri Liyanage and Chamari Jayani Wijayawardane aptly suggest areas that should draw the attention of those who venture to do further work in the area of study.

The Editorial Board wishes to place on record their appreciation of the efforts of the contributors, paper reviewers as well as those who were involved in desktop publishing and printing the journal. The continued support of the Board of Management of NSBM in this endeavor is also acknowledged.

Prof. Mangala Fonseka
Editor