



22nd INTERNATIONAL CONFERENCE ON BUSINESS MANAGEMENT

Inclusive and Responsible Management for a Circular Economy and Digital Future

PhD Colloquium

PROCEEDINGS

18th February 2026



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Inclusive and Responsible Management for a Circular Economy and Digital Future

Proceedings of the PhD Colloquium 2026

Faculty of Management Studies and Commerce
University of Sri Jayewardenepura
Nugegoda
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Message from the Vice Chancellor, University of Sri Jayewardenepura



It is with great pleasure that I extend my warmest greetings to all participants of the PhD Colloquium, conducted in parallel with the 22nd International Conference on Business Management (ICBM 2026) and hosted by the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura. The PhD Colloquium reflects our enduring commitment to strengthening research capacity and nurturing the next generation of scholars who will shape knowledge, policy, and practice in Sri Lanka and beyond.

Aligned with the overarching theme of ICBM 2026, “Inclusive and Responsible Management for a Circular Economy and Digital Future,” the PhD Colloquium provides a valuable forum for doctoral candidates to present their work, receive constructive scholarly feedback, and refine their research contributions. In an era marked by sustainability challenges, digital disruption, and evolving expectations of organisations and leaders, doctoral research plays an essential role in producing rigorous evidence, new theoretical insights, and practical solutions.

The University of Sri Jayewardenepura takes pride in supporting platforms that elevate academic quality and promote collaboration across institutions and disciplines. I trust that the dialogue fostered through the Colloquium will encourage intellectual rigour, critical reflection, and meaningful networks among doctoral researchers, senior academics, and practitioners.

I extend my sincere appreciation to the organising committee, the PhD Colloquium chairs, reviewers, discussants, and the faculty leadership for their dedicated efforts in making this event a success. I also congratulate all doctoral candidates whose work is featured in this proceedings volume, and I wish you every success as you advance your research journeys and scholarly impact.

Senior Professor Pathmalal M. Manage

Vice Chancellor

University of Sri Jayewardenepura

Message from the Dean, Faculty of Management Studies and Commerce



On behalf of the Faculty of Management Studies and Commerce (FMSC), University of Sri Jayewardenepura, I warmly welcome you to the PhD Colloquium of ICBM 2026. The Colloquium is an important academic platform that supports doctoral researchers in strengthening their scholarship through high-quality feedback, academic exchange, and engagement with senior researchers and peers.

Doctoral research has a unique role in advancing theory, improving practice, and informing policy. In this context, the PhD Colloquium held under the broader conference theme “Inclusive and Responsible Management for a Circular Economy and Digital Future” encourages researchers to explore contemporary challenges such as sustainable transformations, inclusive governance, responsible innovation, and digitally enabled organisational change, while remaining grounded in rigorous conceptual and methodological foundations.

As a faculty, we are committed to fostering a vibrant research culture and creating opportunities that elevate the quality and visibility of emerging scholarship. This proceedings volume reflects that commitment by showcasing doctoral work that is diverse in topic, discipline, and approach yet united by a shared focus on relevance, responsibility, and scholarly excellence.

I express my sincere gratitude to the PhD Colloquium chairs, reviewers, discussants, and organising teams for ensuring a robust academic process, and I warmly acknowledge the doctoral candidates for their valuable contributions. I trust that the Colloquium will inspire confidence, clarity, and scholarly momentum and that it will lead to stronger research outputs and fruitful collaborations in the years ahead.

Professor Dushan Jayawickrama

Dean, Faculty of Management Studies and Commerce
University of Sri Jayewardenepura

Message from the Co-chairs, ICBM 2026



We are pleased to present the Proceedings of the PhD Colloquium of the 22nd International Conference on Business Management (ICBM 2026), organised by the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura. The PhD Colloquium is designed to provide a supportive and intellectually rigorous environment for doctoral candidates to present developing research and receive constructive feedback to strengthen conceptual clarity, methodological rigour, and the overall scholarly contribution.

Aligned with the ICBM 2026 theme, "Inclusive and Responsible Management for a Circular Economy and Digital Future," the Colloquium brings together research that addresses pressing challenges and emerging opportunities in business and management. The papers included in this proceedings volume reflect a wide range of disciplines and perspectives and collectively demonstrate the promise of doctoral scholarship in advancing new knowledge that can inform academia, industry, and policymaking.

We acknowledge with gratitude the reviewers and discussants whose thoughtful engagement has strengthened the quality of submissions and enhanced the learning experience for participating candidates. We also thank all doctoral researchers for their dedication, openness to feedback, and commitment to scholarly excellence. The success of this Colloquium is further owed to the organising committees, coordinators, and volunteers who ensured a smooth and professional programme delivery.

We hope these proceedings will serve as a valuable scholarly record and an encouragement to doctoral researchers as they refine their work toward publication and broader academic impact. We also trust that the Colloquium will continue to foster collaborations and networks that enrich doctoral journeys and strengthen the research community.

Dr. Isuru Manawadu, Co-Chair, ICBM 2026
Dr. Sepali Bamunusinghe, Co-Chair, ICBM 2026
Faculty of Management Studies and Commerce
University of Sri Jayewardenepura

Preface

The Faculty of Management Studies and Commerce at the University of Sri Jayewardenepura, renowned in Asia for its Management education, offers diverse degree programs and sustains a rich research culture, aligning with its vision to "Prosper Lives through Education". PhD Colloquium is a prominent event that is organized along with the International Conference of Business Management and allows some selected PhD candidates to share their doctoral research with a distinguished audience. This event allows selected PhD candidates to present their research to a distinguished audience. It aims to offer a scholarly environment where PhD students can receive constructive feedback and advice on their theses and research plans. Participants engage in discussions within an international setting, benefiting from a supportive atmosphere alongside peers and experienced researchers. This Colloquium is an opportunity to network and learn from experts across various fields of business management research, encouraging junior academics in their doctoral pursuits.

We are grateful to Senior Professor Pathmalal M. Manage, Vice-Chancellor, University of Sri Jayewardenepura, and Professor Dushan Jayawickrama, Dean, Faculty of Management Studies and Commerce, Senior Professor (Chair) R. L. S. Fernando, PhD Program Coordinator, the PhD Unit, Professor M.A.K. Sriyalatha, current PhD Research Coordinator, the PhD Unit of the Faculty of Management Studies and Commerce, the Co-Chairs of ICBM 2026, Dr. Isuru Manawadu and Dr. Sepali Bamunusinghe, the Chair of PhD Colloquium Committee 2026, Mr. Chanaka Piyasena and the organizing committee of PhD Colloquium for their valuable and continuous support rendered to us to make this event a success. Our special thanks go out to our Keynote Speaker, Prof. Subhash Abhayawansa, for his immense contribution to making this event a success. We also extend our sincere thanks to the PhD candidates who presented their research at the session. Furthermore, a special thanks should go to the Session Chair, Senior Professor (Chair) H.H.D.N.P. Opatha, and the Discussants of the papers for their valuable contribution, making the Colloquium an academically rewarding experience for all the participants. The honorable reviewers and all the ICBM Committee members should also be appreciated for their immense support given for the successful completion of the PhD Colloquium.

Finally, we are also pleased to acknowledge the contributions made by the academic staff and all the other participants.

Organizing Committee - PhD Colloquium

International Conference on Business Management 2026
Faculty of Management Studies and Commerce
University of Sri Jayewardenepura

Session Chair
PhD Colloquium
22nd International Conference on Business Management



Senior Professor H.H.D.N.P Opatha

Senior Professor
Chair of Human Resource Management
Department of Human Resources Management
Faculty of Management Studies and Commerce
University of Sri Jayewardenepura

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Ethical Principles and AI Acceptance in Sri Lankan Higher Education

Wickramasinghe M.*¹

*¹Faculty of Graduate Studies, University of Sri Jayewardenepura, Sri Lanka and Department of Information Systems, Faculty of Management Studies, Rajarata University of Sri Lanka, Mihintale, Sri Lanka
mihiriw@mgt.rjt.ac.lk*

ORCID iD: <https://orcid.org/0009-0004-3445-4665>

Gunawardena L.²

*²Department of Information Technology, University of Sri Jayewardenepura, Sri Lanka
lasith@sjp.ac.lk
ORCID iD: <https://orcid.org/0000-0002-2495-4103>*

Padukkage A.³

*³Department of Information Technology, University of Sri Jayewardenepura, Sri Lanka
amitha@sjp.ac.lk
ORCID iD: <https://orcid.org/0000-0002-6686-2311>*

Abstract

The rapid integration of Artificial Intelligence (AI) in higher education presents significant opportunities for personalised learning and administrative efficiency, yet raises critical ethical concerns regarding privacy, fairness, transparency, and accountability. This working paper examines how ethical principles influence the behavioral intention and actual use of AI tools among students and academics in Sri Lankan Universities. Drawing on the Theory of Planned Behavior (TPB) and Trust in Automated Theory, this research proposes an integrated framework where six ethical principles: Transparency, Accountability, Fairness and non-discrimination, Privacy, Security, and Technical Integrity and Robustness influence AI adoption through trust as a mediating mechanism. The study employs a five-phase sequential mixed-methods approach, progressing from systematic literature review through scale development, expert validation, exploratory factor analysis, and confirmatory factor analysis with nomological validation. The research context focuses on Sri Lankan State universities, representing a developing country setting where ethical governance frameworks remain underdeveloped despite increasing AI adoption. Current progress includes completion of conceptual framework development and systematic identification of ethical principles through meta-review analysis. The study addresses critical research gaps by operationalising abstract ethical constructs into measurable indicators, examining their influence on user behavior in resource-constrained settings, and providing context-specific insights from the Global South. Expected contributions include theoretical advancement through integrating ethics into behavioral models, empirical evidence from an underrepresented geographical context, methodological innovation through validated measurement instruments, and practical guidance for institutional policies and responsible AI implementation. This research responds to urgent calls for ethical AI frameworks that are contextually sensitive, user-centered, and empirically validated, supporting inclusive digital transformation in higher education.

Keywords: Artificial Intelligence, Ethical Principles, Higher Education, Technology Acceptance, Trust

Influence of Trustworthiness and Privacy Concerns on Digital Ad Engagement within the Sri Lankan Young Adult Community: With the Mediating Effect of Ad Attitude

Bandara K.M.G.C.*

University of Sri Jayewardenepura, Sri Lanka

6115FM2025003@fgs.sjp.ac.lk

ORCID iD: <http://orcid.org/0000-0002-2710-5043>

Abstract

Digital advertisements are currently a widely discussed topic due to the rapid growth of technology infrastructure. Though digital ad engagement is highly visible among worldwide consumers including young adults in various platforms such as Instagram, YouTube, TikTok and many others, Sri Lankan young adults show low engagement with such ads compared to the total young adult population worldwide indicating the necessity for investigating the factors affecting to uplift Sri Lankan young adults' digital ad engagement. The past literature has identified trust, privacy concerns, and attitude as potential factors affecting digital ad engagement of consumers but there is no empirical evidence for any mediating interactions within these factors. Though many previous studies have been conducted focusing on all the consumer segments in unison, limited research has given sole attention to the young adult segment. Also, many studies have been undertaken in the international context giving limited focus for the Sri Lankan context. Hence, objectives of this study include evaluating the impact of 'Trust in digital advertisements' on 'Engagement with digital advertisements', evaluating the impact of 'Privacy concerns on digital advertisements' on 'Engagement with digital advertisements', evaluating the mediating impact of 'Attitude towards digital advertisements' on the relationship between 'Trust in digital advertisements' and 'Engagement with digital advertisements' and evaluating the mediating impact of 'Attitude towards digital advertisements' on the relationship between 'Privacy concerns on digital advertisements' and 'Engagement with digital advertisements' within the Sri Lankan young adult community. The study follows the deductive research approach. The population includes all the young adults in Sri Lanka, which are 1,651,000 as per the statistics. According to the online sample size calculator, the sample size is 384 young adults who will be selected through stratified random sampling technique. There will be two strata as male and female as per the demographic basis with Gender as the strata variable. 186 male young adults and 198 female young adults will be selected considering the proportionate stratified sampling. Data will be collected through seven-point Likert-scale questionnaire distributed among the young adult participants. Data analytical methods include reliability testing (composite reliability, test – retest reliability and inter – item reliability), validity testing (unidimensionality, convergent validity and discriminant validity), and Covariance Based – Structural Equation Modeling performed through SPSS AMOS software. Findings of the study will provide theoretical contributions to the literature and practical contributions for the digital advertising industry. Theoretically, this study can be considered as the original research work which combines the Elaboration Likelihood Model, Technology Acceptance Model, Theory of Planned Behavior, and Privacy Calculus theory together for examining the relationships existing within the four variables. This will be highly useful for the academic literature on digital advertising. Also, the study findings will have practical contributions for advertisers such as taking actions to obtain high number of likes, shares and comments, allocating budget for digital ad trust building strategies, building strategies to reduce negative feelings and negative engagement behaviors of consumers, segmenting audience based on attitudinal patterns, and adhering to legal standards and ethical data usage policies when displaying digital advertisements.

Keywords: *Attitude, Digital Advertisements, Engagement, Privacy Concerns, Trust*

High Involvement Selling in Sri Lankan Gem and Jewellery Industry: A Grounded Theory Study

Lenaduwa L.L.Y.R.*1

¹Postgraduate Institute of Humanities and Social Sciences, University of Peradeniya, Sri Lanka

yamunaranjanielenaduwa@gmail.com

Eranda B.A.N.²

²Department of Marketing, Faculty of Management, University of Peradeniya, Sri Lanka

nuresh@mgt.pdn.ac.lk

Abstract

High-involvement purchases are characterised by high financial and emotional stakes, making salesperson–customer interaction central to customer decision-making. Despite the cultural and economic significance of gemstones, limited research has examined how selling unfolds in high-involvement contexts within the Sri Lankan gem and jewellery industry. This study explores the interactional processes through which frontline salespeople manage communication and objections during high-involvement selling encounters. Guided by a constructivist Grounded Theory approach, the study draws on in-depth interviews and naturalistic observations across diverse retail formats and salesperson experience levels. Using constant comparative analysis, the study develops an emergent explanation of high-involvement selling as a relational and adaptive process shaped by customer cues, emotional states, and perceived knowledge asymmetries. Findings identify two interrelated communication practices—adaptive communication and trust-building through transparent interaction—and two objection-handling practices—relationship-oriented engagement and negotiation-focused sales communication. Theoretically, these practices operate as mechanisms through which salespeople and customers iteratively co-construct meaning, reduce perceived risk, and negotiate value over time. This study contributes a process-based theoretical account of high-involvement selling in a culturally embedded retail setting, offering early-stage theoretical insights into the interactional dynamics that underpin decision-making in high-risk, symbolic consumption contexts.

Keywords: *Grounded Theory, High-Involvement Selling, Salesperson–Customer Interaction, Communication, Sri Lankan Gem and Jewellery Industry*

Impact of Financial Capital on Sustainable Entrepreneurship with Mediating Effect of Entrepreneurial Development and Moderating Effect of Government Intervention in Galle District, Sri Lanka

Weerasinghe S.*¹

¹Faculty of Graduate Studies, University of Sri Jayewardenepura, Sri Lanka
shanweerasinghe67@gmail.com

Fernando R. L. S.²

²Department of Public Administration and Director of Research Centre of Governance and Public Policy, University of Sri Jayewardenepura, Sri Lanka
rlsf@sjp.ac.lk

Jayasekara P.³

³Department of Human Resource Management, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, Sri Lanka
padmijk@sjp.ac.lk

Abstract

The micro, small, and medium enterprises (MSMEs) sector plays a vital role in promoting sustainable entrepreneurship and contributing to the development of countries, making its importance increasingly difficult to overlook. However, there is a lack of studies examining how financial capital and sustainable entrepreneurship interact, particularly considering the mediating role of entrepreneurial development and the potential moderating effects of government intervention. Most existing studies examine financial capital, entrepreneurial traits, or government policies in isolation, rather than integrating them into a comprehensive analytical framework. This paper seeks to address several critical gaps in the existing literature, including empirical, knowledge, theoretical, and population gaps. Therefore, the scope of the paper was confined to three theories namely Institutional Theory, Financial Capital Theory, and Sustainable Entrepreneurship Theory to identify four key research gaps. Future empirical studies may address these gaps from empirical, theoretical, and methodological perspectives to develop a clearer understanding of how financial capital impacts sustainable entrepreneurship, considering the mediating effects of entrepreneurial development and the moderating effects of government intervention. Furthermore, integrating these variables into a single conceptual framework provides a more holistic understanding of the dynamics influencing sustainable entrepreneurship within MSMEs. Such an integrated approach is particularly important in developing economies like Sri Lanka, where institutional support systems and access to financial resources remain uneven across even in the region. Understanding these relationships can help policymakers design targeted financial and institutional support mechanisms to foster sustainable entrepreneurial practices. Additionally, this framework can guide practitioners and entrepreneurs in identifying key drivers that enhance business sustainability and resilience. Finally, the proposed framework contributes to the growing body of sustainable entrepreneurship literature by extending existing theories into the context of emerging economies.

Keywords: *Sustainable Entrepreneurship, Financial Capital, Entrepreneurial Development, Government Intervention, MSMEs*

Innovative Business Strategies Adopted by Strategic Leaders to Manage Start-Ups in a VUCA Environment: A Study based on Best Performing Startups in Sri Lanka

Ratnayake S.B.D.C.*1

¹Postgraduate Institute of Humanities and Social Sciences, University of Peradeniya
dasun.ratn@pgihs.ac.lk
ORCID iD: <https://orcid.org/0009-0005-4269-8632>

Eranda B.A.N.²

²Department of Marketing Management, Faculty of Management, University of Peradeniya
nuresh@mgt.pdn.ac.lk
ORCID iD: <https://orcid.org/0000-0002-3907-0597>

Abstract

This research examines how strategic leaders in Sri Lankan startups navigate the challenges of a Volatility, Uncertainty, Complexity, Ambiguity (VUCA) environment through innovative strategies. The study utilized an interpretivist philosophy and adopted a qualitative case study approach, concentrating on best performing Sri Lankan startups based on startup ranking website. Data was gathered using semi-structured interviews and secondary sources. Data analysis was undertaken using the thematic analysis method. Thematic analysis was applied to systematically code the data and reveal recurring themes related to strategic leadership in startups, offering a comprehensive understanding of the phenomenon. Accordingly, the study found valuable insights into how strategic agility, technology integration and ecosystem collaboration serve as crucial factors for startups to achieve sustainable competitive advantage in a VUCA environment. Moreover, strategic leadership in these situations requires fostering a culture of ongoing learning, teamwork and data-driven decision-making, in addition to proactive integration of technology such as AI and machine learning. Startup leaders utilize strong entrepreneurial ecosystems that include incubators and public-private partnerships to enhance local economies and promote resilience. The research enhances current literature by illustrating how startups in Sri Lanka focus to innovative strategies, such as sustainability initiatives by utilizing dynamic capability theory. Thus, recommendations focus on incorporating post-crisis evaluations into strategic planning, improving leadership training for adaptable decision-making and promoting a culture of continuous learning and accountability to navigate VUCA environments successfully.

Keywords: *Innovative Strategies, Strategic Leadership, Startups, Thematic Analysis, VUCA Environment*

Algorithmic Leadership and Trust Building in Sri Lankan IT Firms: A Conceptual Framework

Yapa C. G.*

Faculty of Graduate Studies, University of Sri Jayewardenepura, Sri Lanka

*Department of Business Management, SLIIT Business School, Sri Lanka Institute of Information Technology,
Sri Lanka*

gayan.y@sliit.lk

ORCID iD: <https://orcid.org/0009-0000-4470-0429>

Abstract

The emergence of artificial intelligence (AI) in organizational decision-making processes has significantly affected the nature and dynamics of leadership in technology-intensive organizational contexts. Although the literature provides information about algorithmic management and automation, the theoretical background of algorithmic leadership is relatively underdeveloped, particularly concerning trust development in AI-based contexts. This is a critical area of study, as the legitimacy of algorithmic leadership now depends on employees' perceptions and interpretations. This study uses a theory synthesis approach and draws from the Socio-Technical Systems Theory (STS) to conceptualize algorithmic leadership as a phenomenon in which human leaders and algorithmic systems co-lead, co-coordinate, and co-evaluate organizational activities. This study differs from traditional views of algorithmic leadership in which algorithms and human leaders coexist as coequal entities. In the framework conceptualized in this study, algorithms and human leaders co-lead as active entities. Ethical Leadership Theory and Organizational Justice Theory have been integrated as auxiliary theories to explicate the development of legitimacy in algorithmic leadership. In the framework conceptualized in this study, trust is conceptualized as the critical outcome of the alignment of human leaders and algorithms. Algorithmic transparency, human-in-the-loop, digital maturity, and ethical governance have been conceptualized as critical antecedents of employee trust in AI-based organizational contexts. By changing the paradigm of leadership from individualism to human-algorithms, this study conceptualized a predictive model of trust in algorithmic leadership. This study is highly relevant to the IT sector in Sri Lanka in the current context.

Keywords: *Algorithmic Leadership; Artificial Intelligence; Human-AI Collaboration; IT Firms; Trust in Leadership*

Reimprinting and Organizational Ambidexterity in Large and Medium Sri Lankan Family Businesses: The Mediating Role of Psychological Capital

Dissanayake P.*1

¹Postgraduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka

Weerasinghe R.²

²Department of Entrepreneurship, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, Sri Lanka
rukmal@sjp.ac.lk

Abstract

This conceptual paper develops a process-based explanation for why many family businesses struggle to sustain adaptive performance across generations despite established governance structures and succession planning. Anchored in imprinting theory, the paper argues that continuity challenges arise not merely from ownership transitions but from historically embedded cultural, procedural, and leadership logics that become institutionalized as organizational imprints. While these imprints may initially enable success, they can later constrain strategic renewal by reinforcing cognitive and behavioral rigidity. To address this tension, the paper introduces reimprinting as a deliberate and episodic organizational mechanism through which family firms reassess and recalibrate inherited practices to align with evolving strategic realities. However, reimprinting alone may be insufficient to restore adaptive capacity. Accordingly, this paper conceptualizes collective Psychological Capital (PsyCap)-comprising hope, efficacy, resilience, and optimism-as a mediating socio-psychological mechanism that enables reimprinting processes to translate into organizational ambidexterity, defined as the ability to balance exploration and exploitation. By integrating imprinting theory, positive organizational behavior, and ambidexterity research within a single explanatory framework, the paper advances a novel perspective on family business continuity as a psychologically enabled adaptive process rather than a purely structural outcome. Grounded in the context of large and medium Sri Lankan family firms, this framework provides a coherent foundation for future empirical examination and contributes to emerging economy scholarship on legacy transformation and sustained competitiveness.

Keywords: *Family business continuity; Organizational ambidexterity; Psychological capital; Reimprinting; Emerging economies.*

Reconceptualising the 'G' in ESG: An Integrated Governance Model of Board Oversight and Corporate Sustainability Performance

Indunil L.L.S.*1

¹University of Sri Jayewardenepura, Sri Lanka

6115fm2019006@sjp.ac.lk

Senaratne S.²

²Department of Accounting, Faculty of Management Studies and Commerce, University of Sri

Jayewardenepura, Sri Lanka

samanthisenaratne@sjp.ac.lk

Manawaduge A.S.G.P.³

³Department of Accounting, Faculty of Management Studies and Commerce, University of Sri

Jayewardenepura, Sri Lanka

samanthisenaratne@sjp.ac.lk

Abstract

The term “Environmental, Social, and Corporate Governance (ESG)” is an inflection point in corporate governance debate, which urges corporates to move from the traditional model of ‘shareholder capitalism’ to the model of ‘stakeholder capitalism’. This suggests a need for a new integrated approach to ESG that can align the interests of different stakeholders, address the social and environmental impacts of business activities, and enhance the resilience and sustainability of corporations. This chapter offers a conceptual model on integrated governance on the oversight role of the board in influencing corporate sustainability performance of the organization. This study also develops an instrument to measure the level of maturity of integrated governance. This conceptual model is grounded in stakeholder theory and paradox theory. By integrating Paradox Theory with Stakeholder Theory into an overarching theoretical framework, this study leverages the strengths of both theories to address the complex challenge of balancing conflicting objectives among diverse stakeholders. It is developed from corporate governance, sustainability, and business ethics literature linking integrated governance to corporate sustainability performance. This study contributes to theory in several ways. Firstly, the study heeds the call for an integrative approach to incorporate tension in sustainability using the intersection of Paradox Theory and Stakeholder Theory. Secondly, this study addresses the limitations of stakeholder theory in dealing with diverse and sometimes conflicting objectives of various stakeholders. There are several practical and empirical importances of this study. First, by providing an integrated governance framework, this study helps to elevate the oversight role of the board in driving corporate sustainable development and in contributing to global Sustainable Development Goals. Second, this study contributes to the literature by introducing measurements to assess the level of integrated governance through its constituent variables namely board capital, integrated thinking and combined assurance. Third, this study provides a maturity model that could help governing body to assess the current level of readiness to comply with mandatory disclosures on sustainability related financial information from 2025.

Keywords: *Board Capital, Combined Assurance, Corporate Sustainability Performance, Integrated Governance and Integrated Thinking.*

Drivers of Academic Intrapreneurship in Sri Lankan State Universities: A Study of Individual and Organizational Factors under Conditions of Environmental Dynamism in Higher Education

Weerasinghe G.*

University of Colombo

Gayani.w@nsbm.ac.lk

Abstract

There is a critical need for a comprehensive framework to study how individual level factors and organizational-level factors interact to enable or constrain individual academic intrapreneurship among academics, and how perceived external factors can moderate the relationship between combined perspective of individual and organizational factors with intrapreneurship. Although individual-level intrapreneurial functions in state universities have received limited attention compared to the private sector, increasing expectations for academic staff to engage in intrapreneurial activities highlight the need for deeper inquiry. The conceptual model is developed through a multi-theoretical approach, mainly adopting the Eclectic Theory of Entrepreneurship to combine individual traits of academic intrapreneurs under the supply side factors and organizational internal factors that creates the intrapreneurs under the demand side factors of academic intrapreneurship. Contingency Theory, and Trait Activation Theory have been adopted to explain how the perceived dynamic and competitive environment of higher education defined by rapid technological advancements, policy changes, and institutional demands shapes these direct relationships.. Key individual factors are identified using the HEXACO model of personality traits, while organizational factors include management support, role clarity, rewards, time availability and work discretion conducive to intrapreneurial engagement. The methodological approach employs a positivistic philosophy and deductively proposed intergrated framework suitable for quantifying the complex relationships among the variables. Expected findings aim to contribute theoretical and practical insights by identifying the main drivers and obstacles to academic intrapreneurship. The study expects to reveal a clearer understanding of how specific individual factors (HEXACO personality traits) and organizational factors (management support, reward structures, role clarity, autonomy, and time availability) affect academics' innovative behavior. Further this study aims to discover how the perception on the dynamic and competitive external environment (environmental dynamism) moderates the effectiveness of different organizational and individual traits. Ultimately, the findings will inform policies to nurture intrapreneurial academic cultures responsive to evolving external pressures and opportunities, enhancing institutional innovation capabilities.

Keywords: *Academic Intrapreneurship, Demand Side Factors, Supply Side Factors, Environmental Dynamism*

Impact of Workplace Digitalization on Work Engagement of Public Sector Employees in Sri Lanka: The Effect of Challenge Appraisal and Digital Literacy

Kulawardhana D.G.R.K.*1

¹University of Sri Jayewardenepura, Sri Lanka
rajitha.kulawardana@gmail.com

Fernando R.L.S.²

²University of Sri Jayewardenepura, Sri Lanka
rlsf@sjp.ac.lk

Abstract

Employees are a vital source of intellectual capital that gives organizations a competitive advantage, but in the face of economic instability and workplace change, sustaining employee engagement has grown more difficult. At the same time, Digitalization of the workplace has spread throughout contemporary businesses, including the government sector. Previous studies have reported inconsistent results regarding how workplace digitalization affects employee behavior, leaving its impact on work engagement ambiguous and highly debated. Based on the Job Demands-Resources (JD-R) model and the Transactional Theory of Stress and Coping, this study will examine how workplace digitalization affects public sector employees' work engagement through challenge appraisal, while considering digital literacy as a moderating personal resource, thereby study will be filling a gap in the developing country context. This study will investigate the direct impact of workplace digitalization on work engagement; second, the mediating effect of challenge appraisal; and, finally, the moderating effect of digital literacy on the relationship between workplace digitalization and challenge appraisal, and on the relationship between workplace digitalization and work engagement through challenge appraisal. Based on the deductive approach and quantitative research methods, the study will use a stratified sampling method and a survey to gather quantitative data. Data will be collected from 360 public-sector management assistants and officer-level employees in the Galle District. The proposed relationships will be tested using structural equation modeling in SmartPLS, and other statistical analyses will be conducted in Statistical Package for the Social Sciences (SPSS). The study makes a theoretical contribution by bringing challenge appraisal and the work engagement framework into the field of public sector workplace digitalization. The study also makes a practical contribution to policymakers by providing suggestions on how to maximize digitalization initiatives while maintaining staff engagement. The research findings will inform the development of specialized skill sets, change management strategies, and policies that will ultimately enhance organizational performance and public service delivery to address challenges unique to Sri Lanka and other developing countries. This research is significant as it addresses contextual, empirical, conceptual and theoretical research gaps."

Keywords: *Challenge Appraisal, Digital Literacy, Work Engagement, Workplace Digitalization, Public Sector Employees*

Artificial Intelligence Usage in Teaching on Student Creativity in Private Schools: Examining the Roles of Learning Engagement and AI Literacy in Colombo District, Sri Lanka

Kalpage D.K.A.*1

¹University of Sri Jayewardenepura, Sri Lanka
keshakalpage09@gmail.com

Fernando R.L.S.²

²University of Sri Jayewardenepura, Sri Lanka
rlsf@sjp.ac.lk

Abstract

AI in education is a significant area in which the Sri Lankan National bodies are now piloting methodologies to include AI in the curricula and in the learning processes. Even though the concept of Artificial Intelligence in education has been a prevailing topic, integrating AI into the education system has gained vast attention. This concept paper investigates whether the artificial intelligence usage (AI) in teaching affects the creativity of students in private schools located in Colombo District in Sri Lanka. Here, several existing studies have observed on the effects of AI on academic achievement rather than on creativity. Also, there is a dearth of research on schoolchildren in developing nations, but most studies focus primarily on university students. Further, there is a lack of empirical evidence that integrates creativity, AI literacy, student engagement, and AI usage into a single but comprehensive model. This study seeks to fill these research gaps. To further confirm the necessity of the study, a preliminary study was conducted among a few teachers, where the results depict mixed results in understanding the effect of AI in teaching on student creativity. In this context, the study poses the following three research questions: (1) Does the use of AI in teaching in the classroom impact students' creativity? (2) Does this relationship moderate when learning engagement is considered? (3) Does the relationship between engagement and AI usage get stronger or weaker with AI literacy? The objectives of these questions are to assess the direct impact of AI use on creativity, investigate the mediating function of learning engagement, and assess the moderating function of AI literacy. The methodology of this study takes a quantitative deductive approach. A cross-sectional study of 350 teachers from Colombo's private schools will be conducted, and the data will be gathered using a survey and analyzed using statistical methods and structural equation modeling. The findings are expected to guide policymakers and educators in designing AI-supported teaching practices that genuinely nurture, rather than replace, students' creative thinking.

Keywords: *AI Literacy, AI Education, Artificial Intelligence, Learner Engagement, Student Creativity*



Faculty of Management Studies and Commerce University of Sri Jayewardenepura



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