

The Ruthven Institute has developed 12 rules for business success. Based on 45 years of analysis of Australia's top 1000 companies, the Ruthven Institute has distilled the essence of a winning business strategy. Research undertaken by the University of Melbourne between 1998 and 2001 supported many of these rules. In this series, the RI Hub examines the literature to assess the validity and continuing relevance of these rules. In each of the following sections, the literature is summarised, the key issues for implementation highlighted, and the questions for future research identified.

"Meeting WBP [World's Best Practice] within one's own industry is often seen as a condition of survival in our highly competitive world market. WBP starts with knowing the generic factors that the best enterprises follow to achieve current best-practice profitability and sustained long-term success. WBP means comparing and competing with the best practitioners – not just our own past and current practices; within our own industry; within the state; or within the nation. WBP involves benchmarking of: productivity; costs; profitability; quality; innovation and uniqueness; customer service; workforce; social impacts; and more. Finding the world's best operators is half the battle; emulating their practices is the other half."

Ruthven Institute (2019) *Business Success: In Brief the 12 Golden Rules*

What is a *best practice*?

For a given organisational process or activity, a *best practice* is an organisational practice that is more effective than any other practice at delivering a particular outcome. Best-practice (BP) benchmarking refers to the method of identifying best practices and implementing them. This is typically achieved by adopting the practices of an organisation considered to be more effective than other organisations in a given organisational area. Since no single organisation is *best* in all areas, practices from different organisations may be adopted for different tasks as a result of benchmarking. These best-in-class organisations can be from the same industry, the same country, or even an international one, regardless of whether they are the firm's competitors or not. Many firms routinely use benchmarking to improve their processes (Francis & Holloway, 2007).

Numerous books and articles have been written by academics and practitioners on the topic of best practices and their role in improving firm profitability.¹ However,

¹ In this review, we give priority to articles published in academic journals rather than books, which is common in the BP literature.

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proposals and recommendations put forth in these works often rely on theoretical insights and anecdotal evidence rather than systematic empirical analyses. As a result, a common issue in many of these studies is that the examined practices are postulated to be the *best* without providing robust evidence for whether that is indeed the case (Laugen, Acur, Boer, & Frick, 2005). The relative effectiveness of different practices for a given process has seldom received attention in the literature.

Empirical evidence suggests that best-performing firms often have many practices in common, as we will see throughout the review. However, in the context of emulating best practices, two points are worth emphasizing. First, care must be taken to determine whether the new practice is likely to have any detrimental effects on existing related activities and processes once implemented (Davies & Kochhar, 2002). Second, there seems to be some disagreement regarding the extent of the usefulness of emulating best practices. For example, based on the resource-based view of the firm, Teece (2014, p.330) argues that best practices alone are unlikely to be generally sufficient for attaining sustainable competitive advantage “because much of the knowledge behind ordinary capabilities can be bought through consultants or through a modest investment in training”. However, some researchers have pointed out that emulating best practices is not necessarily easy and can be costly depending on the practice and the availability of resources (Gerhart & Feng, 2021). Moreover, best practices can be customised or hybridised to suit the unique needs of an organisation.

The issues raised in the second point above are less consequential when one approaches adopting best practices as a tool for improving performance rather than as a means to sustainable competitive advantage. Consistent with this line of thinking, this review seeks to examine the empirical evidence on the performance implications of emulating best practices. As part of this investigation, we also document the practices identified in prior research as being *best*. This list of best practices excludes suggestions that are purely theoretical or opinion-based; that is, only the best practices for which there is empirical evidence and which are more likely to be generalisable appear below.

The studies in the BP literature have generally focused on only a handful of areas, predominantly in the context of operations, product development, and innovation. This reflects that firms’ searches for better profitability through benchmarking first

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originated mainly in the manufacturing industries after Western organisations developed an interest in understanding the principles behind Japanese firms' rapid success (Francis & Holloway, 2007; Laugen et al., 2005). Especially in the 1990s lean manufacturing experienced a surge in popularity, and many academic studies on best manufacturing practices were essentially studies of lean manufacturing (Davies & Kochhar, 2002).²

As alluded to above, however, BP benchmarking can be applied to a much broader spectrum of organisational processes and activities than just manufacturing. The Baldrige Excellence Framework (BEF) is considered to be one of the most prominent attempts at establishing criteria and measures for best managerial practices.³ The framework was developed in 1987 by the National Institute of Standards and Technology of the US Department of Commerce, and has since been adopted in many other countries.⁴ As part of the framework, a questionnaire is provided to organisations to self-assess their performance across several criteria.⁵ Every year, a small number of organisations with the highest overall scores in these "criteria for performance excellence" (scored by examiners) receive the Malcolm Baldrige National Quality Award, a Presidential award. Firms that wish to be considered for the award must formally apply and produce evidence of the implementation of the practices recommended by the BEF (Curkovic, Melnyk, Calantone, & Handfield, 2000). Up to 18 awards may be given annually across six categories: manufacturing, service, small business, education, health care, and nonprofit.

The BEF's "criteria for performance excellence" represent seven aspects of an organisation: (1) leadership and governance; (2) strategy; (3) customers; (4) measurement, analysis, and knowledge management; (5) workforce; (6) operations; and (7) results across these aspects except for strategy. Several empirical studies have examined and broadly confirmed the validity of the theory and linkages implied by the BEF, with leadership often found to be the main driver of system performance.⁶ Another common finding in these studies is, as also implied in the BEF

2 Since we have already covered the performance implications of lean manufacturing and just-in-time manufacturing in our Rule 9 research note, we do not delve deep into the lean manufacturing literature in this review. The collective evidence as discussed in Rule 9 research note does indeed suggest a positive relationship between lean manufacturing and firm performance.

3 The BEF can be found at <https://www.nist.gov/baldrige/publications/baldrige-excellence-framework>.

4 Australia is not among these countries.

5 The questionnaire has been modified significantly over the years based on feedback (e.g., see Garvin (1991) and Flynn and Saladin (2001)).

6 See Shortell et al. (1995), Pannirselvam, Siferd, and Ruch (1998), Wilson and Collier (2000), Meyer and Collier (2001), Lee, Rho, and Lee (2003), Flynn and Saladin (2006), Mellat-Parast (2015), Peng and Prybutok (2015), and Parast and Golmohammadi (2019).

framework, the existence of significant connections between the best practices across these categories. Put differently, best practices often do not act alone, but rather reinforce each other. This interconnectedness aspect of best practices will become more evident as we discuss the common practices observed in best-performing firms.

The BEF criteria themselves are built on several inter-related core values and concepts.⁷ Many of the RI rules (such as rules 3, 4, 6, 9, 10, 11, and 12) emphasize similar values and concepts as those underlying the BEF criteria, albeit to varying extents. Consequently, we structure the discussion of BP studies around those Baldrige dimensions which are least present in our other Research Notes – namely operations, customers, new product development, and human resource management. The vast majority of the best practices listed in this review appear in the BEF in some form.

Best practices in operations

Considering that the BP benchmarking originated in the manufacturing industries, it is not surprising that manufacturing processes have received the greatest attention in this literature. The BP literature has its roots in the *world class manufacturing* (WCM) concept. As a strand of literature, WCM is small, and almost all major WCM studies date back to the 1990s. As a term, WCM was first introduced by Hayes and Wheelwright (1984) and was later adopted and popularised by Schonberger (1986). Researchers have proposed numerous dimensions of WCM, chiefly among them strong customer focus, process focus, active workforce participation in manufacturing strategy, continuous improvement in workforce, lean production, and strategic supplier relationships (Flynn, Schroeder, & Flynn, 1999; Flynn, Schroeder, Flynn, Sakakibara, & Bates, 1997; Giffi, Roth, & Seal, 1990; Hayes & Wheelwright, 1984; Schonberger, 1986; Voss & Hanson, 1993). The first three practices are often examined together under the concept of *total quality management*.

Although the WCM practices proposed in different studies overlap significantly, researchers disagree on whether they should be implemented simultaneously. Consistent with Porter's (1985) idea of competitive priorities, Hayes and Wheelwright (1984) and Hayes and Pisano (1994) argue that it is very difficult and potentially dangerous for a firm to try to compete on all these dimensions. Instead, it should prioritise the WCM practices that suit its unique strategic profile and flexibility.

⁷ These core values and concepts are: a systems perspective (managing organisation as a unified whole), visionary leadership, customer-focused excellence, valuing people, organisational learning and agility, focus on success, managing for innovation, management by fact, societal responsibility, ethics and transparency, and delivering value and results.

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Other researchers such as Ferdows and De Meyer (1990), however, posit that the trade-off theory is not valid under all contingencies as in some cases different capabilities can be cumulative. As per Ferdows and De Meyer (1990, p.169), the sequence of priorities is important “because it is the combination of organizational priorities which form the best vehicle for enhancing the appropriate foundation principles”. Their theory places quality at the base. As the firm continues to improve quality, it should start improving the dependability of the production process – this forms the second tier in their sequence. Reaction speed and flexibility constitute the third tier, and cost efficiency represents the final stage. This theory is built, at least partially, on the phenomenon that some actions aimed at improving quality also lead to cost reduction, but the reverse is not true. Some trade-offs certainly continue to exist to date, but innovative manufacturing and managerial practices make it possible to overcome some trade-offs (e.g., see New, 1992).

Several studies have empirically tested the relationship between the dimensions of WCM and firm performance. Upon the analysis of survey data from 75 US plants, Flynn et al. (1997) document a positive association between competitive advantage and perceived product and customer service quality, which in turn is affected by product design process, process flow management, and statistical control and feedback. Flynn et al. (1999) document a positive impact of the various dimensions of WCM on competitive performance as measured by quality, cost, product flexibility, and volume flexibility. That WCM variables are positively associated with both higher quality and lower cost supports the arguments from Ferdows and De Meyer (1990). However, these results do not necessarily suggest the absence of trade-offs as the findings are limited to organisations that employ world-class practices (Flynn et al., 1999). Narasimhan, Swink, and Kim (2005) cluster firms into four groups based on the extent to which they implement WCM practices, and find that manufacturing performance improves from the lowest-score cluster to higher-score clusters. Most other evidence supporting WCM comes from case studies (Harrison, 1998; Jazayeri & Hopper, 1999; Lind, 2001).

Other studies in the BP literature have explored best practices without extensively relying on the concept of WCM. Using survey data collected from the managers of 660 plants, Voss, Åhlström, and Blackmon (1997) test and provide evidence for the hypothesis that a firm’s operational and financial performance is positively affected by emulating best practices in organisational culture, logistics, manufacturing systems, lean production, concurrent engineering, and quality. The descriptive statistics also reveal that 39% of plants examined in the study used some sort of

benchmarking within own organisation or group and 30% benchmarked against competition and world-class standards, while only 7% used best practices. Laugen et al. (2005) attempt to identify best manufacturing practices by examining the practices used by best-performing organisations. Their analyses suggest that high performers in quality, flexibility, speed, and cost are more likely than low performers to implement programmes directed toward process focus, equipment productivity, environmental compatibility, and pull production (e.g., lean manufacturing).⁸ Having programmes directed toward quality improvement and control, product development, and outsourcing also positively affects some dimensions of manufacturing performance.

Petroni and Bevilacqua (2002) focus specifically on manufacturing flexibility best practices in small and medium-sized enterprises.⁹ Their analyses reveal two subgroups of BP firms, each focusing on somewhat different levers of manufacturing flexibility. For component manufacturers working mainly on a job order basis, incremental innovation appears to be more important than radical innovation, so firms need to have high modification flexibility to frequently revise their production mix without incurring high penalties. Having high machine flexibility, routing flexibility, and labour flexibility (i.e., cross-trained workers) are also characteristic of BP firms in this subgroup.¹⁰ For machinery and production plant manufacturers with complex products, however, radical innovation is more important. In fact, most of the BP firms reported radical organisational changes such as leaner structures and process re-engineering to keep up with the competition. BP flexibility in such an environment appears to comprise closer relationships with supply chain partners (especially with partners in product design and development stages); labour flexibility; routing flexibility; and adoption of advanced manufacturing technologies to reduce the cost of future product innovations. Kathuria and Partovi (1999) further show that when the emphasis on manufacturing flexibility is high, better performing managers tend to demonstrate practices such as team building, supporting, networking, recognizing performance, participative leadership, and delegation.

It is important to note that emulating best practices is only one of the proposed manufacturing strategies in the academic literature for improving profitability. Upon reviewing the relevant literature, Voss (1995) identifies three distinct but related

⁸ Environmental compatibility is defined in the study as putting efforts into, and commitment to, improving the company's environmental compatibility and workplace safety and health.

⁹ Boyle (2006) and Boyle and Scherrer-Rathje (2009) synthesize a number of models to develop a three-stage model of potential best practices for implementing manufacturing flexibility.

¹⁰ Routing flexibility refers to the ability to produce a product using alternative operations or machines.

paradigms of manufacturing strategy: best practice, competing through manufacturing, and strategic choice. The proponents of the competing through manufacturing paradigm argue that a firm should identify in each market it operates criteria that will help it to win the competition, and build manufacturing capabilities by focusing on them. These criteria can be price, quality, product design, variety, or delivery (Hill, 1993). The proponents of the strategic choice paradigm emphasize the need for internal and external consistency (i.e., fit) between choices in manufacturing strategy, and argue that these choices are contingent on context (e.g., volume and variety of the production task) and overall strategy (see Hayes & Wheelwright, 1984).

Empirical evidence suggests all three arguments have some merit in practice, and the feasibility of each path likely depends on contextual factors. Using survey data obtained from firms in 22 countries, da Silveira and Sousa (2010) find the positive impact on manufacturing performance of several dimensions of BP and the variables designed to capture the competing through manufacturing paradigm, but not of the strategic choice paradigm. However, Morita and Flynn (1997) document results supporting all three paradigms. There is also evidence to suggest that the performance effects of adopting best practices may depend on the firm's strategy. Swink, Narasimhan, and Kim (2005) find that strategy integration and enhanced manufacturing capabilities mediate the relationship between best practices and firm performance. Sousa and Voss (2001) show process quality management practices, an element of WCM, to be contingent on a plant's manufacturing strategy. Ketokivi and Schroeder (2004) provide evidence that some practices are better suited to some strategies than others. Collectively, these findings highlight the contextual nature of the performance implications of emulating best manufacturing practices and the importance of thinking about BP benchmarking within the broader organisational and manufacturing strategy.

Best practices in innovation and product development

The critical role of innovation for firm profitability is widely recognised in the academic literature (see Rule 4 research note), but a significantly high percentage of projects entering the development stage fail (Cooper, Edgett, & Kleinschmidt, 2004). This observation raises a natural question: what practices separate successful innovators from the rest?

Much of the BP research on innovation has focused on new product development (NPD). Arguably the earliest comprehensive empirical study in this regard is Cooper

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et al. (2004), who report the results of an American Productivity and Quality Center study on NPD best practices based on the survey responses from 105 business units, half of which are in the manufacturing industry. The study is quite comprehensive in terms of the practices explored (113 practices in total), and follows a similar research methodology to that employed by Laugen et al. (2005). More specifically, it assumes that the best practices are those employed by the best-performing firms. NPD performance is measured in the study across two broad performance categories that combine many different NPD success metrics: overall NPD success and profitability, and whether the NPD effort opens up new markets, technologies, and product categories to the business.

The descriptive statistics reveal stark differences between the best and worst performers across these two performance dimensions as well as the commonly used individual NPD performance metrics. The authors identify climate and culture for innovation as the most important factor separating the best from the worst performers. The major elements of a culture for innovation are a supportive climate for product innovation; rewarding NPD project leaders and entrepreneurs; rewarding project teams; understanding of the business's NPD process by employees; open communication among employees across functions, departments, and locations; lower risk aversion; and no punishment for failure. Best-performing organisations also provide resources and scouting time for creative employees to pursue their own projects, encourage unofficial or underground skunkworks projects, and have a scheme in place to solicit new product ideas from employees. The findings suggest senior leadership plays a vital role in creating and supporting such an innovation-oriented culture. Finally, the way teams are organised appears to have a significant impact on NPD performance. BP firms tend to have a clearly assigned team of players with a clearly identified team leader in charge for each NPD project, which remains with the project from beginning to end.

Upon an examination of eight best-practice firms, Cormican and O'Sullivan (2004) reach similar conclusions regarding the practices necessary to attain high innovation performance. Their findings suggest that an organisational culture where employees are encouraged to share ideas, take risks, and initiate changes and where mistakes are not punished is important for successful product innovation management. Leadership plays a key role in facilitating such an environment: strong leaders have a focused vision, set clear product strategies, and clearly communicate the vision and strategies to employees. NPD is usually carried out by cross-functional teams, and open communication is crucial for their success. The use of multidisciplinary

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teams in innovation projects is likely to be less impactful in project-based firms, however (Blindenbach-Driessen & Van Den Ende, 2010).

Interestingly, although product managers in Cormican and O'Sullivan's (2004) sample found project selection, planning, and consistent implementation as some of the critical requisites for success, they admitted to often suffering from poor project planning. Project selection and product strategy need to be consistent with the broader organisational goals and strategies, use market research extensively to identify customer needs and demands, and thus be customer-oriented (Barczak, Griffin, & Kahn, 2009; Kahn, Barczak, & Moss, 2006).

Barczak et al. (2009) further find that best-performing firms are more likely to have well-defined and structured portfolio management. Although BP firms are likely to use interfirm collaborations to the same extent as the rest, they are more likely to have in place formal mechanisms that support their strategic alliances and increase their alliances' chances of success. There are several such mechanisms best-performing firms seem to deploy, including integrating project portfolio planning; having interlocking concurrent development processes; using joint team building and training; peer review for performance appraisals; and sharing risk, reward, and performance structures. Becoming a preferred customer of an important supplier can also ensure a consistent supply of inputs in difficult times and preferred treatment over the firm's competitors, which may provide the firm with a competitive advantage over rivals (Schiele, 2012).

The best NPD practices described in this section have since been formally integrated into an NPD framework by Kahn, Barczak, Nicholas, Ledwith, and Perks (2012) following extensive discussions with leading innovation researchers. Although these qualities have commonly been observed in many best-performing organisations across several studies, however, the efficacy of some of these practices can be contingent on project characteristics. For example, open innovation (e.g., extensive R&D collaborations) is likely to have greater value for projects involving radical innovation than incremental innovation, and its impact on the project's success is likely to increase with the level of project leader's experience (Salge, Farchi, Barrett, & Dopson, 2013). Firm size can also shape the practices followed by firms, as small firms may lack the resources or experience to emulate the practices of best-performing organisations (Berends, Jelinek, Reymen, & Stultiëns, 2014).

Best practices in customer management

As is clear from the earlier discussions, having customer-oriented strategies is considered a best practice in both operations and product development. As part of quality management, customer focus yields superior quality outcomes and higher operational performance (Dow, Samson, & Ford, 1999; Samson & Terziovski, 1999). Improvements in customer satisfaction, retention, and acquisition also positively affect the market value of the firm (see Kumar and Reinartz, 2016). Consequently, most large organisations have already invested, or intend to invest, in customer management programs to improve customer experience, a critical element in customer-focused strategies (Verhoef & Lemon, 2013).

One of the first studies to empirically examine best practices in customer management, Griffin, Gleason, Preiss, and Shevenaugh (1995), investigates the practices used by four manufacturing firms with high reputations for customer satisfaction. While some of the firms examined in the study directly attempted to improve customer satisfaction, in others customer satisfaction first improved as a result of programs intended to improve product quality or cut costs, and became an explicit focus of attention only later. Common practices in these firms included improving communication between the firm and its customers; training employees in technical aspects of the job as well as interpersonal skills; periodic and transaction-specific data collection (both quantitative and qualitative); reliance on multiple measures (rather than one), and allowing flexibility in personalising these measures across divisions; openly communicating to employees the progress across these measures; and using some customer satisfaction measures in employee performance reviews. As was the case with many of the best practices discussed earlier, these changes became possible only because it was driven at the top level, highlighting the role of senior leadership in the implementation of best practices.

In a study that presents key lessons from the academic literature and practice on customer value management, Verhoef and Lemon (2013) emphasize the importance of some of the major findings from Griffin et al. (1995). These include having a clear customer strategy prior to implementation, the use and acceptance of customer-centric metrics as one of the dimensions of organisational performance, investing in data collection and customer intelligence capabilities, and using the collected data to understand the key drivers of customer decisions. With respect to the last point, it is important to not only listen to the feedback from current customers, but also investigate the reasons behind the decisions of customers who do *not* purchase from the firm. This can help the firm to understand why certain customers choose the

competitors' products and initiate schemes to win them over. Firms should try to use forward-looking measures in assessing the value derived from customers, which frequently drives the allocation of marketing resources (Kumar & Reinartz, 2016). The use of big data can be especially helpful in making more accurate predictions about future customer behaviour and their value contributions to the firm.

Better understanding customers' behaviour and decision drivers also allows the firm to design a more frictionless customer experience (Lemon & Verhoef, 2016). Information technologies (IT) can significantly enhance this process. They can also be used to strengthen the customer touchpoints throughout the customer experience and make the experience more seamless, a practice that is adopted in many best-performing organisations (Lemon & Verhoef, 2016).¹¹ Despite the importance of IT in designing an effective customer management program, however, the focus should not be on the specifications of the technologies themselves (i.e., too strong a focus on the IT side) but rather on how best these technologies can be used to facilitate customer management (Verhoef & Lemon, 2013).

Best practices in human resource management (HRM)

It is widely acknowledged in the HR literature that effective HRM practices demand consideration of a number of contextual and cultural factors (Von Glinow, Drost, & Teagarden, 2002). These factors make it especially challenging for multinationals to design and implement global HRM policies as there may be significant differences across cultures, laws, and labour markets wherein they operate (Ryan, Wiechmann, & Hemingway, 2003). A practice that provides employees with the right incentives in some cultures or contexts may not necessarily work in others. Consequently, compared to other literature strands investigated in this review, the HR literature has seen strong resistance to the idea of universalism and the possibility of best HRM practices as advocated by the "best-practice" school of HRM. The proponents of the "best-fit" school of HRM have rejected the existence of best HRM practices and argued that HR strategy is more effective when it is integrated with its specific organisational and environmental context (Boxall & Purcell, 2000).

Expounding these alternative HRM approaches and the empirical evidence supporting each of them is beyond the scope of this review. However, it can be reasonably inferred from the evidence discussed in earlier sections that some general HR practices such as the continuous improvement and training of workforce,

¹¹ A customer touchpoint is any time that a customer comes in contact with the brand (can be before, during, or after the purchase).

active employee participation, and incentive schemes are commonly observed in best-performing organisations. These practices, together with flexible work arrangements, have typically been examined in prior research under the concept of high-performance work practices (Combs, Liu, Hall, & Ketchen, 2006). Consistent with the BP literature's findings discussed earlier, HR studies have generally documented a positive relationship between high-performance work practices and firm performance (Combs et al., 2006; Gerhart & Feng, 2021). This positive relationship appears to hold across different cultural settings (Rabl, Jayasinghe, Gerhart, & Kühlmann, 2014).

Ryan et al. (2003) investigate the HR practices of six multinational firms recognised as some of the leaders in global staffing to identify the best practices in global HR management. Although not a practice per se, corporate culture was noted by respondents as an important facilitator, because a strong culture often overrides geographical differences. When there is a strong corporate culture, employees over the globe have a common understanding of what is important in the organisation. Organisational culture also provides a "universal" set of values and principles on which the firm can build its global HR strategies.¹² The study identifies several practices the multinationals considered as best practices. These include building good relationships with local staff; leveraging best ideas from different local teams rather than designing the system from just one country; focusing on commonalities among geographies in designing the global system but allowing for regional additions when necessary; standardising what is assessed (e.g. teamwork) but allowing flexibility in how it is assessed in different locations, and training people to make good decisions; allowing for the integration of global tools into local processes without breaking all local tools and processes; and having constant communication with local teams (also see Butler et al., 2018).

Conclusions

This note has summarised the very extensive literatures that seek to identify best practices across a range of activities within organisations. As shown, there is some consensus as to the nature of these practices. There is also an acknowledgement that there may be trade-offs in seeking to emulate all these practices, or at least, considerable resource constraints preventing simultaneous adoption of all. Indeed, firms may focus on certain practices to a greater extent within one area, such as operations, than in others, such as new product development. Last but not least,

¹² The role of organisational culture in driving higher performance is discussed further in the Rule 12 Research Note. Similarly, the role of best practice leadership appears in Rule 11.

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some performance-enhancing HR practices, strong leadership, and supportive organisational culture appear to be integral parts of best practices in various aspects of organisations such as manufacturing, innovation, and customer experience. This finding provides support for the idea that best practices often reinforce each other.

The studies in the BP literature have often identified best practices through their correlation with performance. The relative effectiveness of different practices for a given process or activity has received surprisingly little attention in the literature. Put simply, what high-performing firms do are thus labelled best practices. This is not a problem per se, and is completely consistent with the Rule, as emulating such practices, especially those that match with the firm's strategic intent and available resources, is a prospective pathway to higher performance. Moreover, the empirical work that has been done on the practices noted above does point to strong positive performance outcomes.

Particular attention was paid in this review to avoid repeating the conclusions and suggestions that appeared in our previous research notes, as well as the best practice suggestions that do not have substantial empirical evidence supporting them. For instance, the Rule 2 research note found that there are significant differences across the stages of an industry life cycle, and that different strategies need to be adopted in each stage to improve the odds of success. Consequently, it can be argued that adapting to an industry life cycle stage is a general best practice. Similar examples can be provided from most, if not all, research notes. That is why a reader should read this review in conjunction with other research notes that include more detailed reviews of individual topics.

The Future of Best Practices

The pursuit of best practice can be viewed as a neverending endeavour. There will always be new avenues for firms to explore and improve. Rule 3 is a call to be ever vigilant to opportunities and open to change and learning. The domains for best practices also expand as new pressures emerge, new stakeholders' voices become louder, and firms try new things that work.

Firms' actions on the environmental, social, and governance (ESG) fronts are a domain where best practices are emerging, and where pressures have increased considerably to jettison harmful activities. Firms are coming under much greater scrutiny from activists, regulators, and investors to demonstrate what they are

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getting right (DesJardine, Marti & Durand, 2020; Galbreath, 2013). There is evidence to suggest ESG does improve firm performance (Friede, Busch & Bassen, 2015), and the rhetoric from the consulting houses is also pitching the merits of such practices (Henisz, Koller & Nuttal, 2019).

Technological change, and major shocks – such as the COVID-19 outbreak – can also trigger watershed shifts in possible practices. New best practices are likely to have emerged in remote working , logistics, and the digital arena over the past two years, with more to come (Choudhury 2022).

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