

# GLOBAL JOURNAL

OF MANAGEMENT AND BUSINESS RESEARCH: A

## Administration and Management

Worldwide Business Evaluation

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Job Satisfaction as an Intervening

Discovering Thoughts, Inventing Future

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GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A  
ADMINISTRATION AND MANAGEMENT

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## A Worldwide Business Evaluation Model Proposal for M&A

By Dr. Abraham (Abi) Moskovicz

*University of Bolton*

**Abstract-** Up to date, the impact of many variables on the success of M&A have been examined. Some of the variables are external to the companies, and are directly related to the type of industry, the market, or the legal frame. Others are internal variables, related to the management style, to the organizational culture, the manner of performance of processes, among others.

Business evaluation is related to processes which would ensure efficient handling of the causes of M&A failures researched so far. This matter has not been investigated enough and requires a more detailed study, as argued by Haleblian (2009).

This has also been substantiated on the basis of the conclusion that none of the variables (strategic or financial) can to predict variance in post-acquisition performance, according to King (2004).

The main objective of this paper is to present a Worldwide Business Evaluation Model for M&A, as general as possible, listing all the involved parameters, and to assess the variables according to its grade of impact in each case, to be used in every industry and country.

**Keywords:** M&A, business evaluation model.

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Dr. Abraham (Abi) Moskowicz

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## I. INTRODUCTION TO M&A

In the current business world, it seems to be impossible for companies to survive without expanding through deals that sometimes result in M&A. An understanding of Mergers and Acquisitions turned very important, because they are occurring more and more, even between the private and public sector.

The research area of M&A is immense. A study of mergers and acquisitions can be investigated from various disciplines points of view, such as finance, accounting, management, organizational behaviour, corporation law, and social science.

A merger or an acquisition in a company can be defined as the blend of two or more companies into one new company or corporation.

The main difference between the above mentioned lies in the manner in which the combination of the companies is carried out.

When one company takes over another and establishes itself as the new owner, then this is clearly an acquisition. From a legal point of view, the target company ceases to exist. This process can be friendly or hostile.

In the case of a merger, keeping the pure sense of the term, it can be said that it occurs when two companies agree to go forward together, such as a

merger of equals, although in the real world it is very rare to find similar size firms merging. Usually one company buys another one, and, as part of the contract, allows the acquired company to declare that it is a merger, because being bought often carries negative connotations and the senior managers try to avoid them.

A merger is a mutual collaboration between the two enterprises in becoming one, while the acquisition is the takeover of the weaker firm by the stronger one. Both firms gain the advantage of taxation, synergy, financial benefit, and increment in competitiveness, however some adverse effects must be considered, such as organization culture collision, an increase in employee turnover and many others.

Mergers and acquisitions not only affect the value of merging firms, but also generate a positive or negative effect for shareholders of firms involved.

The Hubris theory hypothesis that as a result of M&A the value of target firms rises, while the value of bidding firm decreases. Therefore, shareholders of the acquirer company suffer a negative wealth effect.

Several authors such as Schuler & Jackson (2001), H. Leland and J. Skarabot (2003), Frank C. Evans and David M. Bishop (2005), among many others, define "synergy value" as the additional value created as a result of the joining or merging of two companies.

Synergies refer to the expected cost savings, growth opportunities, and other financial benefits that occur as a result of the combination of two companies.

A correct estimation of synergies is needed to produce a successful transaction.

The combination of two entities will not create value if the value of the synergies is zero or negative.

The synergy from a merger or an acquisition is the value of the combined entity minus the fair value of the two firms as separate entities.

The fair value is the true or intrinsic value of the entity which is exclusive to any element of value arising from the expectation of a merger or acquisition.

The gain in value of the combined entity is the present value of the synergy cash flows.

The synergy creates opportunities that would not be available to the acquirer and to the target firm operating separately.

Kode, Ford and Sutherland (2003) have been motivated to create a framework for synergy realization, when they found out that M&A failure were mainly a

*Author:* University of Bolton. e-mail: a.moskowicz@gmail.com

consequence of unrealized synergies and lack of integration planning.

The realization of perceived synergies is to justify the premium paid and this remarks the importance of a successful implementation phase.

To reach the desired success, Kode, Ford, and Sutherland highlight three techniques of realizing synergies: planning of the integration process, establishment of efficient and effective incentive schemes, and founding the acquisition premium compared the expected synergies between the firms involved.

There are various sources of synergy and they can be categorized into operating and financial ones.

Operating synergies affect the operation of the post-merger firm and include economies of scale, increasing pricing power and higher growth potential, expecting higher cash flows as well.

Financial synergies are more focused and include some tax benefits, diversification, a higher debt capacity and even uses for excess cash. They sometimes result in a higher cash flow and sometimes take the form of a lower discount rate.

One school of thought argues that synergy is too hard to be valued and that any systematic attempt to calculate it is useless. Therefore, large premiums for synergy should not be paid.

On the opposite side, there are many supporters of the idea that we have to make the best effort to estimate how much value can synergy create in any M&A, (although it is necessary to make some assumptions regarding an uncertain future), and then decide how much should be paid according to that.

The value of synergy can be calculated in 3 steps: first, we value the companies separately by discounting each expected cash flow at its weighted average cost of capital. Second, we estimate the value of the combined firm, with no synergy, by just adding the values obtained previously. Then, as a third step, we introduce the effects of synergy into the expected growth rates and cash flows and proceed to revalue the resulting blend. The difference between the value of the combined firm with synergy and the company without synergy provides a value for synergy.

Up to date the impact of many variables on the success of M&A have been examined. Some of the variables are external to the companies, and are directly related to the type of industry, the market, or the legal frame. Others are internal variables, related to the management style, to the organizational culture, the manner of performance of processes, etc.

However, the opinion of researchers regarding the variables that influence the grade of success of any M&A are up to this day very partial, due to two reasons.

Firstly, every M&A transaction is unique, since each firm involved in the process is different from other companies. Secondly, there are many variables that

influence the degree of success of the M&A, but their outcome depends also on a combination that is comprised among them, so that the isolation of just one variable without also examining the other ones does not always describe the whole picture.

On the opposite side, for instance, the Edinburgh Business School quantitative approach sustains that M&A is a discipline closely related to the *Strategic Focus Wheel*, developed by Prof. Alex Roberts, to explain that M&A represents a major source of organizational change.

Additionally, many variables influence the M&A process. Therefore, it is required to examine the impact of at least a number of them: First, the type of M&A: is it an international one or is it domestic. Second, the combination of the different characteristics of the companies involved in the M&A, such as: cumulative and relative firm size, acquired age, level of relatedness between the firms, previous M&A acquisition experience, organizational and cultural differences, acquirer nationality. Finally: the integration approach.

Over the recent years, the lack of theories in M&A research has been notorious, and calls to develop them have been made. This argument has been raised in conference panels such as the *Strategic Management Society Special Conference Finland 2010*, quoted by Cartwright (2012).

Companies that decide to engage in M&A can be motivated by several different objectives. Some of them, as presented by Sudarsanam (2003), are cost savings, increased growth, efficiency and synergies. Synergie clearest definition is when the combined power of a group of things working together is greater than the total power achieved by each working separately. In addition to these motives, decreased transaction costs, increased knowledge, and so forth, might also be included. Not only the reason as to why a company decides to engage in mergers or acquisitions affects the type of merger, but also the industry in which the company operates. The motive for the M&A in the case of a mature industry could be quite different from the motive which is prevalent in an immature one. Paying attention to the motive that drives the acquisition and the industry in which the acquirer is located increases the importance of the strategic rationale for M&A.

It is well known that for any company it is decisive to set up a strategy to face the threats from competitors and from a quickly changing environment. The strategy a company chooses to follow should be one that allows it to achieve value creation. A decision to expand through acquisitions has to be aligned with the strategy of the firm. In line with this, the strategy or the motivation behind an acquisition is, according to Bower (2001), an important factor in the decision making process, whether or not an acquisition becomes a success, meaning that value is created.

It is more necessary than ever before for companies to maintain and sustain a competitive advantage in today's dynamic, global market. In fact, business world is characterized by an increase of M&A. Through this kind of transactions, companies can enter new markets, incorporate new technologies, reinforce their competitive position and acquire new competencies, according to Jackson and Schuler (2001). As quoted by Leroy (2003), today, mergers and acquisitions are happening across diverse industries, ranging from bank and insurance sectors to oil, aeronautic, high-tech, and automotive industries.

For this research, it is remarkable that Leonard (2011) found that, in international business, environmental and behavioral uncertainties are considered core attributes.

Villar (2012) has suggested that knowledge regarding overseas markets evolves in a very dynamic way. Therefore, the ability to learn and apply knowledge is crucial for the success of international M&A.

Particularly with reference to the knowledge transfer in emerging economies, in the context of rapid globalization in the form of FDI and international trade, Barber and Camps (2012) have emphasized on the "springboarding concept" for the success of business geographical expansion, including M&A's. They are referring to the complex environment where investing firms deal with issues for which they don't have proper knowledge. They investigated that such knowledge related to potential customers, competitors, and market conditions in a particular country can be acquired through the firm's direct experience in the target country, through their subsidiaries in the region having direct business connections with the country where target business exists.

The literature suggests that the underlying motivation to merge is motivated by a series of rationales and drivers. Rationales consist of the higher-level reasoning that represents decision conditions under which a decision to merge could be made.

For example, a strategic rationale is when one company acquires the other due to its over-capacity in the market sector where both operate. The underlying driver for acquiring the company is the desire to control a larger capacity in this sector.

There are some underlying *rationales*:

*Management failure rationale*: M&A is forced as a result of management failures when the outcomes cannot be achieved without merging with or acquiring another company that will assist in correcting the path.

*Strategic rationale*: It makes use of the merger or acquisition in achieving a set of strategic objectives.

*Speculative rationale*: The target company is viewed as a commodity by the acquirer. For instance, when the candidate to be purchased is a player in a new and

developing field. The idea is to buy the company and to sell it later with a potential profit.

*Political rationale*: For example, when the government instructs to rationalize the operation cost of several departments to reduce their cost. As a result of this, several public departments were absorbed by others.

*Financial necessity rationale*: Frequently, M&A is required for reasons of lack of capital. One solution is to merge with a more successful company or to acquire smaller more successful companies.

Regarding merger *drivers*, we can list several ones:

*Globalization drivers*: Since distance is no longer an obstacle, synergies and opportunities can be found across the entire world.

*National and international consolidation*: When compatible companies available for merger operate within the same geographical area.

*Due to the need for special skills and/or resources*: For instance, when a small company has developed high-value, specific skills. It is cheaper and faster to acquire the company than investing resources and time to developing that skill.

*Diversification drivers*: A company wants to diversify its investments to balance its portfolio's risk profile.

*National and international stock markets*: Variations in share processing can explain several mergers and acquisition. A stock market boom tends to make acquisitions more attractive since it is easier to use the acquirer's shares as the basis for a transaction. On the other hand, a falling stock market value can be viewed as an opportunity to purchase stock cheaper than before.

*Industry and sector pressures*: For instance; the case of oil exploration.

*Capacity reduction*: When a given sector exceeds or is close to filling the demand, then the price of the product is low. The idea is to merge with or to acquire a competitor towards securing a greater degree of control over the sector.

*To enter or grow a market or sector*: If the acquirer expects a market or sector expansion in the future to provide profits.

*Vertical integration*: To integrate with a supplier to ensure continuity of supply.

*New market or consumer base*: For instance, when a multinational group acquires a foreign company because it provided a direct and fast route to a lower risk level.

*Management efficiency*: Some companies are very attractive due to their management expertise. It's a similar case for developing a skill. By replacing inefficient management with an efficient one, savings might occur. The principal-agent problem is another

example of asymmetry of information, because the managers know more about the company, but the owner may not have enough information to monitor the manager's decisions.

*There are three basic types of merger:* Vertical integration, horizontal integration and conglomeration.

The first case is an integration along the supply chain, supplier or customer.

Two firms are merged along the value-chain, such as the case of a manufacturer merging with a supplier. Vertical mergers are often used as a way to gain a competitive advantage within the marketplace.

Horizontal integration is when one company acquires another one which operates in the same area or sector, frequently a competitor. This kind of integration occurs when two companies engaged in the same service or product merge to improve their combined value.

A conglomerate is when unrelated companies continue to produce in unrelated sectors as they did before the transaction. This type of integration is often a result of the intention of minimizing business risk across different areas. This aim is not always achieved because that the acquiring company is entering an unfamiliar market and industry. Therefore, the risk increases rather than decreasing. Conglomerates are usually used as a way to smooth out wide fluctuations in earnings and provide more consistency in long-term growth.

The first step for M&A is to assess your situation and determine if a merger and acquisition strategy should be implemented. If a company expects hard times in the future when it comes to keeping its core competencies, market share, return or capital, or other key performance drivers, then M&A is necessary.

The second step is to search for candidate firms to be acquired.

Target companies must fulfill a list of variables to fit with the acquiring company. For example, the target's drivers of performance should complement the acquiring's. Compatibility should be assessed across a range of criteria: type of business, size, capital structure, organizational culture, core competences, market channels, organizational strengths, etc.

The third step is to perform a more detailed analysis of the target company.

This phase is usually followed by a feasibility stage, where the financial, commercial and logistical considerations are taken into account. Confidentiality is required and it is signed for an N.D.A. (non-disclosure agreement) It is not uncommon for many conditions to remain open and, thus, the M&A may require amendments to cover the results of future due diligence. Investment bankers now enter into M&A process to assist with the evaluation.

The due diligence is an effort to identify issues that must be resolved for a successful merger to occur.

This process must be intensive, collecting as much information as possible on the target company, taking anywhere between four to six months. Undercover work is not uncommon. This information includes: corporate records (minutes of meetings, shareholders list, meeting regulations), financial records of the last 5 years, tax records, regulatory records (for instance: licenses and permits), debt records, employment records, property records (insurance policies, trademarks) and miscellaneous agreements (contracts, and others).

A key part of the due diligence is the evaluation of the target company. In the preliminary phases of M&A, we will calculate a total value for post-merger company. Therefore, it is necessary to evaluate the acquiring firm as well to reach the combined value. This is the sum of the value of the acquiring company, plus the value of the target firm, plus the value of the synergies minus the legal and other costs involved in any M&A.

In the case of compatibility, when the feasibility phase is completed, the next stage is to sign a commitment to the merger and to allocate funds and resources for it.

Then, the pre-merger negotiation step begins. The senior managers of both firms enter firmly into the negotiation process to reach an agreement on the structure and format of the resulting company.

A negotiation plan is required, considering: resistance level from the target company, bidding strategy, gradual increase of price, etc.

Once the negotiation phase is completed, a formal and detailed contract is signed. This is the fifth and last step: the post-merger integration.

The implementation process (a stage that often represents the failure of the merge) starts immediately after the monetary transaction occurs, and it consists of actually making the merger happen.

Every company is different (culture, information systems, strategies, goals, structures, etc). A successful blend of two companies into a new one requires extensive planning and design throughout the entire organization.

Analyzing in advance both companies' characteristics is a crucial task to forecast the post-merger scenario and, therefore, the level of success of the transaction.

There are several sources of failure for M&A. When one of these components is individually or jointly mismanaged it fails.

The four arenas of mismanagement, according to Dr. Bjorn Bjerke, is cultural mismatch, missed synergy, weak leadership, and conflicts of interest between partners.

The sheer difficulties in obtaining data from managers and honest answers on their true motives and thoughts tend to overcomplicate empirical M&A studies

since researchers must rely on relatively small samples and unknown data quality. This point precisely was mitigated in this project, because the author was directly and personally involved in the negotiations, and now decided to show all of the cards.

## II. THE RESEARCHER

Serving for several years as General Manager, Executive Director and Board Member at the multinational Bidvest/Bidcorp Group, has taught the researcher that any performance can never be assumed as being good enough in a long term perspective. Therefore, change is always required.

Both organic and non-organic growth are essential for company sustainability in a quick changing and very competitive scenario. By organic we mean internal growth, while non-organic refers directly to acquisitions. Therefore, to look for companies as potential candidates to be purchased is a never-ending task for Directors, at any subsidiary across the world.

The author holds a B.A. degree on Political Sciences and Labour Studies from the Tel Aviv University (Israel), and his M.B.A. with honors received the highest qualification at the Universidad de Santiago (Chile) in 2005. His Phd Business is issued by The Institute of Management Greater Manchester, The University of Bolton (United Kingdom).

Additionally, the author has published several research papers in indexed Journals from the United States, United Kingdom, Ukraine, India and Chile.

The researcher was directly involved in many M&A processes in Chile, Argentina, United States, Peru and Uruguay. This training allowed him to face firm acquisitions as a routine task, making them as common as the daily negotiation with suppliers and customers.

This represents an existing knowledge base relating to this matter from which to draw on new aspects of related subjects by undertaking an updated literature review expanded in scope.

## III. THE SIGNIFICANCE OF BUSINESS EVALUATION

Business evaluation is related to processes which would ensure efficient handling of the causes of M&A failures researched so far. This has not been investigated enough and requires a more detailed study, as argued by Haleblan (2009). This has been substantiated on the basis of the conclusion that none of the variables (strategic or financial) can predict variance in post-acquisition performance, according to King (2004). Remarking the significance of business evaluation in the M&A transactions, Chase (1997) has also argued that well-evaluated mergers enhance the value of the firm and the value of the firm to society, whereas not properly planned mergers or undesired takeovers not only damage the acquiring firm but also

the whole of society due to external costs not borne by the acquiring company. This remarks on the role of managers undertaking business evaluation and how they should consider the direct and collateral effects of the merger/acquisition on all stakeholders.

Studying the concept of evaluation of targeted business, Gande (2009) has analyzed that, just like for any other business proposition, successful transactions should show a reasonable proportion between the return/gain likely to incur and the investment amount. Overpayment has been reported among the main reasons of M&A failures.

Child (2001) wrote that significant part of the literature explains failures as the result of paying excessive premiums or unavoidable problems associated with post-acquisition integration.

Astrachan (2008) argued that business evaluation, is normally conceived as a calculations exercise based on a method which suitable to the cases, involving a large number of intangible factors. Reuer (2003) sustains that in most of the cases it is not being carried out in a way that would deliver reliable results, varying from a case to case basis due to the fact that either the sphere of valuation process is not clearly defined or it's not in accordance with the merger's objectives, or the factors involved are not given their required weight. As per Basu's (2008) argument, the process should, however, start from the stage of selection of a business.

The first objective pursued through the acquisition is that the final profit must be higher than the sum of each part individually, usually called "*the bounty*", which is the goodwill.

This study presents a research in the field of business strategy and focuses on the strategy of mergers and acquisitions (M&A), at the stage of the target firm selection.

The research is supposed to add knowledge in this field for managers who are facing a decision in the stages of selecting, evaluating, and negotiating the integration between companies.

Research carried out over some time has analyzed the reasons for the failure of M&As in the context of varied management, organizational, social, political, and geographical issues. But the business evaluation process, adopted by the acquiring firms while undertaking such transactions, as a reason, were not thoroughly investigated, and required detailed study. To emphasize the significance of business evaluation while carrying out M&A transactions, Chase (1997) has planned and executed mergers that increase the value of the firm and the value of the firm to society. Well-planned means proper assessment covering the choice of a target firm and an analysis about how possible benefits (tangible and intangible) can be derived. This creates an issue, because it is an attempt to include intangible benefits in an economic model.

The scope of this research is, accordingly, related to addressing the question of the business evaluation process, covering selection of target firm (based on a well-defined merger objective), basis adopted for the evaluation of selected firm (covering all related subjective and objective factors), and how the performance assessment mechanism has been defined to ensure that the merger objectives have been achieved.

The research has been designed on a case study basis covering, primarily, internal information handled by key persons involved in the process of evaluating the target firm for M&A transactions. Additionally, information publically available as well as documents and record pertaining to the events surrounding the transactions, maintained by the acquiring firms, when available, were also examined.

It is remarkable that only an insider can explain the reasons why some decisions were made among many available unknown others, because managers usually don't unveil to researchers the entire list of options that was available when they made the decision, mentioning just a few among them, mainly the most convenient to justify their election.

The outcome of the study would help not just the investors and sponsors, but also the management to carry out a more trustworthy business evaluation process. It will develop a better understanding of its scope. More importantly, this would also help to unveil the relationship and behavior between different components and related factors of business evaluation.

While understanding strategy as the plan of action designed to achieve a long-term or overall aim, it could be said, on the other hand, that a theoretical model gives an abstract description of a given system. A model usually contains enough formalism such that it is not ambiguous. As a consequence of this characteristic, theoretical experiments can be designed to estimate the performance of the system within different environments. Given a good theoretical model, the performance of a strategy can also be evaluated. A model can be considered a theoretical construct and it attempts to capture the essence of an underlying situation.

M&A research, in general, uses either a qualitative or quantitative research design.

This study is focused on the qualitative method, while some quantitative analysis has been done by using secondary data; publically available and internal (but non-confidential) as well. This combination led to a triangulation, enriching the study to and giving it a clear advantage, including more valid results, as sustained by Ghauri and Gronhaug (2005).

Therefore, the study focuses on the qualitative method, which is designed to describe and interpret the experiences of research participants in a context-specific setting and information is gathered by having a

personal interaction with the participants, by discussing in detail how things happened, and gathering from such deliberations information on the issues directly or indirectly connected with the various research areas.

#### IV. CASE STUDY

Quoting Llewellyn and Northcott (2007), Yin describes the case study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used". For this research, case studies have been chosen to analyze two aborted M&A attempts and, lastly (it might be a little bit influenced by what was previously mentioned), a successful one. Through these cases, data has been collected and analyzed to clarify the criteria the acquirer company used to make decisions regarding whether or not to engage in a merger and acquisition process.

Furthermore, we have used a number of cases that allows for more general results, as opposed to just one. It is more appropriate, according to Yin (2003), because it allows to have a more robust conclusion and the obtained analytical benefit is more substantial. Not to mention that every part of the process interferes with each other, and also how dynamic the development of the research is.

One concern of the case study method is that it gives limited basis for scientific generalization, as argued by Yin (2009). A simple answer to this is that case studies are able to generalize with regards to theoretical propositions and not with entire populations or universes. As such, the case study research does not represent a sample and the aim, when performing a case study, is to expand and generalize theories.

Yin (2003) argues that case studies are often applied to understanding the areas of organizational functioning that are not well documented and which are difficult to investigate through distant contact with organizations.

This particular research is aligned with Ghauri's opinion (2004), because it is expected to provide insights into an issue or a particular management situation.

Accordingly, it requires insight of the situations accruing at the time when the particular event took place by interacting with those involved in the processes.

With this backdrop, a comparative case study method has been applied in this research, evaluating different companies, with a similar aim and approach.

Silverman (2017) sustains that an adequate selection of cases ensures the possibility of legitimate generalization and theory development.

*Representative sampling* is an available method within the qualitative framework for the selection of cases that contain related characteristics. Therefore, the

sample must be representative or typical, as described by Merkens (2004).

The researcher will present three cases of similar companies, all of them focused in the foodservice industry and located within the same market.

Reliability is the level of consistency with which instances are assigned to the same category by different observers or by the same one in different moments. In this research, the procedure was properly documented and the categories have been used consistently to maximize credibility.

According to Helen Simons (2009), the use of these kind of documents in case study research (such as memos, mails, audit reports, and reviews) enriches the context and contributes to the analysis, providing clues regarding the participating firms.

Despite the former, since the researcher is the main instrument for data gathering, it should be acknowledged that the author is in an inescapable part of the study. The researcher's world view, predilections and values influence the research. Subjectivity is inevitable in research, and, therefore, it isn't something that can be eliminated. The researcher should be permanently acutely aware of this. To minimize personal influence, the researcher did his best to keep emotions from affecting the project, asking several of his peers to review it during the entire writing process.

The author has avoided the use of fragments, informal information, temporary notes (such as work in progress reports) or conversations, in an attempt to make this study as representative and as general as possible.

## V. AIMS AND OBJECTIVES OF THIS STUDY

This study focuses on the strategy of M&A, at the stage of the candidate's election.

Considering the previous statement, the research area is related to the M&A business evaluation with reference to the evaluation of target firm.

The objective is to add managerial knowledge in the field for M&A, when the assumption is that the business evaluation influences M&A success. The research is supposed to add knowledge in this field for managers who are facing M&A processes.

## VI. RESEARCH QUESTIONS

The research questions are:

1. What is the role of the business evaluation in the M&A success?

The research assumption is that business evaluation has a crucial influence on the M&A's success.

The above discussion can lead to the following research questions:

2. What is the role played by the business evaluation process in the outcome of a merger or an acquisition?
3. How M&A performance can be better assessed by using a different business evaluation model?

## VII. SIGNIFICANCE OF THE STUDY

To emphasize the significance of business evaluation while carrying out M&A transactions, Chase (1997) has planned and executed mergers that increase the value of the firm and the value of the firm to society.

The outcome of the study would help not just the investors and sponsors, but also the management to carry out a more trustworthy business evaluation process.

It will develop a better understanding of its scope, particularly with reference to the evaluation method. More importantly, this would also help to unveil the relationship and behavior between different components and related factors of business evaluation.

## VIII. PROPOSAL OF A WORLDWIDE BUSINESS EVALUATION MODEL FOR M&A

Author's intends is to present a Business Evaluation Model for M&A as useful and general as possible, attempting to list all the involved variables, and to assess them according to its grade of impact in each case, to be used in every industry, market and country.

*The Model is divided in 3 steps:* The first one is the national level, therefore is general, not influenced by researcher's (or manager's) point of view, and no related to the acquirer firm or the targeted company. This step is the first one, because the country at the specific moment of the M&A must be convenient for this kind of investment. This step is calculated separately since it is independent of the firms involved in the M&A process. Anyway, for corrupted firms or very risky transactions, a poor national percentage could be the opposite: a very attractive deal. Therefore, must be remarked that this Model is intended for legal, formal and "normal" companies.

The second step is related exclusively to the targeted firm.

The third step is the evaluation of the possible combination between the acquirer and the targeted firm. That's the reason why the percentage of the second and the third steps are calculated together: both steps refer to the M&A involved firms.

The last two stages are calculated in one total percentage, since the pro and cons of each targeted company are according to the acquirer's point of view.

The positive impact range is between +5% to +10%, the negative impact goes from -5% to -10%, and a neutral variable is considered 0%.

The assumption is that the first 3 columns of the table should be completed in a very similar way by any



expert at the specific moment of the study, but since they are comparatives, might be one manager consider a variable as medium level instead low/high, or low/high instead medium, but the grade of discussion will not be between high and low.

The last four columns are dependent on the point of view of the acquirer firm managers, because for some companies, for instance, a very concentrated market might be seen as an opportunity instead as a threat. Internal discussions are expected related to the

consideration as a positive or negative situation and its relevance (%) due personal interests, but only the final decision is relevant.

Therefore, the acquirer firm Board of Directors decides, but being very influenced by the presentation of the managers who lead the possible M&A.

The following Business evaluation Model for M&A was developed by the author, and shall add more variables in the future as a result of peer's feedback and a deeper research.

Table N°1: Author's Business Evaluation Model for M&A

Proposal of a Worldwide Business Evaluation Model for M&A								
	Variable	Low	Med	High	Pos	Neut	Neg	Relevance
1	<b>The country</b>							
a	Clear and stable commercial rules							
b	Technological development							
c	Communications development							
d	Infraestructural development							
e	Justice courts independence level and stability							
f	National political stability							
g	Macroeconomic stability							
h	Local corruption level							
i	Protective laws and/or importation barriers							
j	Unemployment rate							
k	Local currency stability							
l	Rigid labour rules							
m	Investment trend							
n	Incentives for foreign investment							
o	Free access to foreign currency exchange							
p	Dividends taxation or limitations for foreign firms							
	<b>SUBTOTAL 1</b>							%
2	<b>The targeted firm</b>							
a	Eco-sustainable							
b	Level of dependence on imported raw goods							
c	Use of very specific supplies							
d	Level of dependence on limited natural resources							
e	Patents or royalty payments							
f	Grade of dependence on expert staff							
g	Customer's concentration grade							
h	Product concentration level							
i	Suppliers concentration grade							
j	Relevance of the exportations in the total revenues							
k	Feasibility to import its procurements							
l	Local grade of maturity of the industry							
m	Capital requirements							
n	Local market size							
o	Level of accurate data availability							
p	Level of accounting formality							
q	Competitors formality level							
r	Cost dependence level on foreign currencies							
s	Statistical records availability							
t	Targeted firm market atomization grade							
v	Ownership (public, private, one partner, or just a few)							
x	Global situation of its industry							
y	Regional growth of its industry							
z	Managers can be retained?							
	<b>SUBTOTAL 2</b>							%
3	<b>Acquirer's M&amp;A scenario</b>							

a	Presence of global competitors in the region							
b	Organizational culture similarity							
c	Similar size							
d	Incremental profits in acquirer hands							
e	Plug & play post-acquisition							
f	Organigram similarity							
g	Horizontal/vertical integration							
h	Indirect additional benefits for the acquirer							
i	Acquirer presence in the region							
j	Current presence in this industry							
k	Acquisition impedes competitor's strategy							
l	Corporate reasons for this acquisition							
m	Distance to acquirer headquarters							
n	Language and cultural gaps							
	<b>SUBTOTAL 2</b>							%
	<b>GRAND TOTAL 2+3</b>							%

National percentage (Subtotal N°1) should be as higher as possible, assuming any percentage above 65% as a medium-risk country, therefore attractive to invest expecting an average profit for the specific kind of business considered.

If the Grand Total is, for instance, up to 65%, since it is the sum of Subtotal N°2 and Subtotal N°3, (each Subtotal is calculated separately in the Model), a poor result in Subtotal 2, or even worst in Subtotal N°3, is a clear warning signal suggesting to abort the M&A process.

### IX. THE PROPOSED BUSINESS EVALUATION MODEL USED IN THREE CASES

I'm presenting three case studies allows to obtain more general results. It is more appropriate, according to Yin (2003), because, after conducting and analyzing each case study, it allows to draw more robust conclusions and the obtained analytical benefit is more substantial.

a) *First Case Study: The aborted acquisition of "B".*

This case study is related to an acquisition of 100% ownership of a bakery-pastry & raw goods distribution company, oriented exclusively to the food service market in Chile, mainly in the city of Santiago and the near shore.

This company was founded in 1990, achieving market leadership in terms of prices and share in just two years.

As a result of synergies reasons, it became very attractive to acquire this firm, because there was a complete similarity in terms of customers, suppliers, and goods offered.

To acquire this competitor will allow to the acquirer to capture more than 80% of the fresh bakery-pastry available for offer (therefore controlling market prices too, under one administration (app. 40% less than the prior M&A payroll of both companies), making transport more efficient, achieving lower costs due to a

stronger power of negotiation with suppliers as a result of a greater volume, and an inferior cost of premises rent (just one production plant and one distribution center and headquarter). Additionally, revenue level, size, and structure of both firms were very similar.

The target company was a familiar one, managed by one of the two partners serving as general manager. There was no board of directors.

Daily management was carried out also by a second manager in charge, but is only involved in matters regarding sales.

The number of employees, including the external transport crew, was around 80 people.

Once the NDA was signed, the first obstacle was presented: they carried out their purchases and sales in black. That means that there was no formal accounting.

The acquirer company, a multinational corporation, cannot accept any grade of informality. Only the formal part of the business can be considered, not to mention the risk of future labor, legal, or tax contingencies. Therefore, only formal transactions can be considered, which means missing out on great part of the "B" firm's earnings.

An additional issue was labor because their payroll was undervalued by approximately 40% because they used to pay half of the salaries "under the counter", avoiding having to pay a big amount of taxes and labor duties, such as 2000 health, pension, vacations, seniority, etc.

The first decision that was made was to not purchase the tax id, not to hire managers or employees from the target firm.



Table N°2: "B" Business Evaluation using Author's Model

"B" BUSINESS EVALUATION								
	Variable	Low	Med	High	Pos	Neut	Neg	Relevance
1	<b>The country</b>							
a	Clear and stable commercial rules			x	X			10
b	Technological development			x	x			5
c	Communications development			x	x			5
d	Infrastructural development	x					x	-5
e	Justice courts independence level and stability			x	x			5
f	National political stability			x	x			10
g	Macroeconomic stability		x		x			5
h	Local corruption level	x			x			5
i	Protective laws and/or importation barriers	x			x			5
j	Unemployment rate	x			x			5
k	Local currency stability		x		x			5
l	Rigid labour rules			x			x	-5
m	Investment trend		x		x			5
n	Incentives for foreign investment			x	x			10
o	Free access to foreign currency exchange			x	x			5
p	Dividends taxation or limitations for foreign firms	x			x			10
	<b>SUBTOTAL 1</b>							80%
2	<b>The targeted firm</b>							
a	Eco-sustainable	x				x		0
b	Level of dependence on imported raw goods	x				x		0
c	Use of very specific supplies		x			x		0
d	Level of dependence on limited natural resources	x			x			5
e	Patents or royalty payments	x			x			5
f	Grade of dependence on expert staff		x				x	-5
g	Customer's concentration grade	x			x			5
h	Product concentration level	x			x			5
i	Suppliers concentration grade	x			x			5
j	Relevance of the exportations in the total revenues	x			x			5
k	Feasibility to import its procurements			x	x			5
l	Local grade of maturity of the industry		x		x			10
m	Capital requirements			x			x	-5
n	Local market size	x					x	-5
o	Level of accurate data availability	x					x	-10
p	Level of accounting formality	x					x	-10
q	Competitors formality level			x	x			5
r	Cost dependence level on foreign currencies	x			x			5
s	Statistical records availability	x					x	-5
t	Targeted firm market atomization grade		x		x			5
v	Ownership (public, private, one partner, or just a few)			x	x			5
x	Global situation of its industry		x		x			5
y	Regional growth of its industry			x	x			5
z	Managers can be retained?	x			x			-5
	<b>SUBTOTAL 2</b>							30%
3	<b>Acquirer's M&amp;A scenario</b>							
a	Presence of global competitors in the region	x			x			5
b	Organizational culture similarity	x					x	-5
c	Similar size	x				x		-5
d	Incremental profits in acquirer hands	x				x		0
e	Plug & play post-acquisition	x					x	-5
f	Organigram similarity	x					x	-5
g	Horizontal/vertical integration	x				x		5
h	Indirect additional benefits for the acquirer		x		x			5
i	Acquirer presence in the region	x			x			5
j	Current presence in this industry			x	x			5

k	Acquisition impedes competitor's strategy	x				x		0
l	Corporate reasons for this acquisition			x	x			5
m	Distance to acquirer headquarters	x			x			5
n	Language and cultural gaps	x			x			5
	<i>SUBTOTAL 2</i>							20%
	<i>GRAND TOTAL 2+3</i>							50%

As shown in the table, at National level all the variables are positives, therefore Chile seems like a very attractive country to invest achieving 80%, but “B” only got a Grand Total of 50%.

b) *Second Case Study: The attempt to acquire “A”.*

This company was a familiar, medium sized one, owned by people (father & son) that were known to both of the Chilean partners. This firm was founded in 2000 and was completely focused on sea food, mainly prawns.

They were oriented towards hotels, restaurants, caterers and resellers, managing four small vehicles in Santiago and near the coast, and were outsourcing fleets for more distant locations.

Premises’ rent was very cheap, but the lack of space prevented any organic grow. That was one of the reasons they accepted at first: To discuss a partial acquisition.

Their accounting was formal (there was no black transactions or black payroll), but it did not follow GAAP (generally accepted accounting principles) criteria.

For the acquirer company, “A” was very attractive since it was mainly focused on foodservice, covering the same geographical area. The administration and operational processes were very similar to the acquirer subsidiary in Chile, as well as the commercial approach. Additionally, post-acquisition drop on sales would have been less than 10% because that the former owners would continue serving their customers.

On 2013, the frozen sea food category in the Chilean foodservice market was atomized and poorly exploited.

This category was continuously growing, not just in terms of volume, but also quality, incorporating added value goods and not just commodities.

The potential acquisition could bring to the acquirer firm a new integral specialization identity.

In the hands of the acquirer firm, import cost would decrease because of the multinational group power of purchase, maximizing the profit margins.

Their lack of sufficient working capital was also a clear obstacle for growth, not to mention that a new potential, bigger competitor was a permanent threat.

The previous comment doesn’t argue that, for a successful transaction to happen, there weren’t few disadvantages and weaknesses to be dealt with.

At first, the integration process would last six months, due to premises contracts, sanitary requirements, permits, etc.

Additionally, it became known that 40% of their sales were concentrated in only two products: tuna and prawns, both with a very unstable supply chain (frequently sold out) and depending on just a few suppliers.

Resellers (high credit risk, low margin) represented almost 40% of their sales. Without the total sales credit coverage, it could not continue under acquirer’s firm management.

Finally, acquirer firm total lack of expertise in the local sea food market would also require a learning period to take place.

“A” impressive growth on sales (which might not sustainable), with an economy of scale focused on imported goods (under a very volatile foreign currency exchange scenario), encouraged them to assume a revenue growth of 60%, with no drop for the next year, and keeping the same growth rate using current customer base.

This position made it impossible to convince them to calculate the Ebit using (at this moment) the available figures.

On the acquirer side, due to the strong growth based on large imports, it is important to acknowledge that frozen fish and seafood market depends mainly on product availability and price opportunity. At “A”, they have taken inventory positions and has released them when the product was not available at the market.

As per their explanation, the business can afford up to 15% extra growth, with no incremental expenses. Purchasing the right products on time made them reach over 21% at the bottom line (Ebit/Sales), with the same infrastructure up to date.

Sales track has shown strong growth since 2011 (70% 2012/11 and 67% 2012/13).

However, margin improvement was shown only in 2013.

Chile is not a developed country, local foodservice market is very small, and there are no similar companies to compare or even statistical data to use.

The final decision that was made was to leave the negotiations table, informing to the target firm that this was a direct consequence of the absence of strong statistics background capable of supporting the owner’s forecasted organic growth. Another justification

was that their supplier's portfolio was too concentrated and the range of products was very narrow as well, not to mention the 40% reseller's sales. After this, the acquisition became quite risky.

Table N°3: "A" Business Evaluation using the Model

"A" BUSINESS EVALUATION								
	Variable	Low	Med	High	Pos	Neut	Neg	Relevance
<b>1</b>	<b>The country</b>							
a	Clear and stable commercial rules			X	x			10
b	Technological development			X	X			5
c	Communications development			X	X			5
d	Infraestructural development	X					x	-5
e	Justice courts independence level and stability			x	x			5
f	National political stability			X	x			10
g	Macroeconomic stability		x		x			5
h	Local corruption level	X			x			5
i	Protective laws and/or importation barriers	X			x			5
j	Unemployment rate	X			x			5
k	Local currency stability		x		x			5
l	Rigid labour rules			x			X	-5
m	Investment trend		X		x			5
n	Incentives for foreign investment			x	x			10
o	Free access to foreign currency exchange			X	x			5
p	Dividends taxation or limitations for foreign firms	x			x			10
	<b>SUBTOTAL 1</b>							<b>80%</b>
<b>2</b>	<b>The targeted firm</b>							
a	Eco-sustainable	x				X		0
b	Level of dependence on imported raw goods			X			x	-5
c	Use of very specific supplies			X			X	-5
d	Level of dependence on limited natural resources			x			X	-5
e	Patents or royalty payments	X			X			5
f	Grade of dependence on expert staff		x				X	-5
g	Customer's concentration grade		x		x			5
h	Product concentration level			x			x	-10
i	Suppliers concentration grade			X			X	-5
j	Relevance of the exportations in the total revenues	X				X		0
k	Feasibility to import its procurements		x				x	0
l	Local grade of maturity of the industry	X			X			10
m	Capital requirements			x			x	-5
n	Local market size		x			x		0
o	Level of accurate data availability			x	X			10
p	Level of accounting formality			x	X			5
q	Competitors formality level			X			x	-5
r	Cost dependence level on foreign currencies			X			x	-5
s	Statistical records availability		X				x	-5
t	Targeted firm market atomization grade		X			X		0
v	Ownership (public, private, one partner, or just a few)			x	X			5
x	Global situation of its industry		X		x			5
y	Regional growth of its industry			x	X			5
z	Managers can be retained?		X		X			5
	<b>SUBTOTAL 2</b>							<b>15%</b>
<b>3</b>	<b>Acquirer's M&amp;A scenario</b>							
a	Presence of global competitors in the region	X				x		0
b	Organizational culture similarity			X		x		0
c	Similar size			x	X			5
d	Incremental profits in acquirer hands			x	X			10
e	Plug & play post-acquisition			X	X			5
f	Organigram similarity			X		x		0
g	Horizontal/vertical integration			X	X			5
h	Indirect additional benefits for the acquirer			X	X			5

i	Acquirer presence in the region			X	X			5
j	Current presence in this industry	X			x			5
k	Acquisition impedes competitor's strategy	X			X			5
l	Corporate reasons for this acquisition			x	X			5
m	Distance to acquirer headquarters	X			X			5
n	Language and cultural gaps	X			X			5
	<i>SUBTOTAL 2</i>							60%
	<i>GRAND TOTAL 2+3</i>							80%

As shown in the table, at National level all the variables are positives, therefore Chile is seemed like a very attractive country to invest achieving 80%.

"A" got a total of 80%, but just a remarkable poor subtotal 2 of 15%, as a result of its risky dependence on imported goods, product high concentration grade, excessive dependence on just a few suppliers, and competitor's informality.

c) *The Acquisition of "C"*

This firm was founded in 2010 and was completely focused in the foodservice industry, mainly specializing in the fast food niche. Their sales continued to grow from the very beginning. The logistical issue was crucial because this segment requires heavy transport of commodities with poor added value, but permanent and stable consumption.

"C" 's customers were usually located at the same shopping centers where the acquirer firm (gourmet level) attended its restaurants daily, where they didn't serve high-quality brands, but had similar suppliers (manufacturers and importers as well). The synergie in procurement, sales, and logistics were obvious.

"C" had only 39 employees (half of the acquirer firm staff), and very similar revenues.

Its structure was very simple, just as the acquirer one, and quite similar.

Some opportunities were found while analyzing the pros and cons of an eventual acquisition, such as: low customer cross-selling, because their major clients were fast food resellers and caterers, not hotels, restaurants or cafeterias (which was the acquirer 's firm niche). Despite this, more than 35% of their sales were in the acquirer company geographic area of coverage.

After a short inspection it was noted that not only the administration was very similar, but also the operations. A very similar administration and operational process, with the same commercial approach.

The expected drop on sales was estimated at less than 10% as consequence of a merge, because their strong categories were, coincidently, our weak ones.

This acquisition would certainly provide a new nationwide identity for the acquirer firm

Like in the previous two cases, once the acquirer firm was incorporated into the imports world, it

would maximize margins and take advantage of the multinational network.

Even if it was a total acquisition, the former general manager and owner would join acquirer 's firm management for at least one year, bringing not just expertise, but contributing greatly with the managing of the newly acquired business and command the veteran staff's loyalty and commitment, mitigating any traumatic process. It can be said it was a "plug & play" M&A.

A regionalization (first stage; maximum 200 km distance to Santiago) that grows not only in size but also in quality (specialized, not just commodities) would allow the use of better tools to compete for a better post-acquisition scenario. They also had a stronger distribution service than the acquirer's firm.

It was detected that their lack of working capital for growth and a reduced organization restricted potential deals. Deals that under acquirer firm hands would surely come to fruition.

In any case, there were also some threats and weaknesses: it would take not less than 6 months to operate under the same management. Their DC was better than the acquirer 's one. It had enough room for the post acquisition headquarters. Therefore, the raw goods would operate separately for one month after the merge, but the bakery would remain in the current premises till the next stage, which could be more than a year away.

There were few, yet crucial weaknesses: "C" 's rigid administration model faced acquirer 's firm very flexible one. The risk of inherited managers resigning shortly, a very poor margin of commodities sold due to a large number of competitors in a small market, among others.

The researcher has developed his own M&A post-merger procedure, called "The Three Sacred Steps Process". First, it requires not losing any customers for 60 days, mitigating any traumatic change to the company, and keeping the purchased company's staff working through the acquisition. Only after this stage, the implementing of synergie in procurement and logistics should be carried out, and the purging of low contribution products and customers should follow suit along the following 60 days. The last step is to decide who should remain with the company, from either of the companies (only by considerations of merit), and to begin working under the same management.

As it had occurred in previous cases, the Board of Directors of the multinational Group allowed exclusively an Ebit valuation method, although Chile was not a developed country. Local foodservice market was very small and there were no similar companies to compare, or even statistical data to use. Additionally, local companies had fixed assets (not as this

multinational foodservice style), which were not included or were even being considered in the Ebit method (depreciation is not included), and the audited Ebit does not consider trend growth or projected target firm incremental earnings when valuing a recently founded start-up or immature company.

Table N°4: "C" business evaluation using the proposed Model

"C" BUSINESS EVALUATION								
	Variable	Low	Med	High	Pos	Neut	Neg	Relevance
1	<b>The country</b>							
a	Clear and stable commercial rules			X	X			10
b	Technological development			X	X			5
c	Communications development			X	X			5
d	Infraestructural development	X					x	-5
e	Justice courts independence level and stability			x	X			5
f	National political stability			X	X			10
g	Macroeconomic stability		X		X			5
h	Local corruption level	X			X			5
i	Protective laws and/or importation barriers	X			X			5
j	Unemployment rate	X			X			5
k	Local currency stability		x		X			5
l	Rigid labour rules			x			X	-5
m	Investment trend		X		X			5
n	Incentives for foreign investment			x	X			10
o	Free access to foreign currency exchange			X	X			5
p	Dividends taxation or limitations for foreign firms	X			X			10
	<b>SUBTOTAL 1</b>							<b>80%</b>
2	<b>The targeted firm</b>							
a	Eco-sustainable	X				X		0
b	Level of dependence on imported raw goods		x				x	-5
c	Use of very specific supplies	X			x			5
d	Level of dependence on limited natural resources	X				x		0
e	Patents or royalty payments	X			x			5
f	Grade of dependence on expert staff			x			x	-5
g	Customer's concentration grade	X			x			5
h	Product concentration level	X			x			5
i	Suppliers concentration grade	X			x			5
j	Relevance of the exportations in the total revenues	X			x			5
k	Feasibility to import its procurements			x	x			5
l	Local grade of maturity of the industry		X		x			5
m	Capital requeriments			x			x	-5
n	Local market size		X		x			5
o	Level of accurate data availability			x	x			10
p	Level of accounting formality			X	x			5
q	Competitors formality level			X	x			5
r	Cost dependence level on foreign currencies			X			x	-5
s	Statistical records availability			X	x			5
t	Targeted firm market atomization grade		X		x			5
v	Ownership (public, private, one partner, or just a few)			x	x			5
x	Global situation of its industry		X		x			5
y	Regional growth of its industry			x	x			5
z	Managers can be retained?			X	x			5
	<b>SUBTOTAL 2</b>							<b>75%</b>
3	<b>Acquirer's M&amp;A scenario</b>							
a	Presence of global competitors in the region	X			X			5

b	Organizational culture similarity			x	X			5
c	Similar size	X					x	-5
d	Incremental profits in acquirer hands			x	X			10
e	Plug & play post-acquisition			X	X			5
f	Organigram similarity			X	X			5
g	Horizontal/vertical integration		X		X			5
h	Indirect additional benefits for the acquirer			x	X			5
i	Acquirer presence in the region			x	X			5
j	Current presence in this industry			X	X			5
k	Acquisition impedes competitor's strategy		X		X			5
l	Corporate reasons for this acquisition			x	X			5
m	Distance to acquirer headquarters	X			X			5
n	Language and cultural gaps	X			X			5
	<i>SUBTOTAL 2</i>							65%
	<i>GRAND TOTAL 2+3</i>							130%

As shown in the table, at National level all the variables are positives, Chile is seemed like a very attractive country to invest achieving 80%.

“C” got an impressive 75% outcome as targeted firm, and a 65% as Acquirer M&A scenario, due its similarity to the acquirer firm, the synergies and mainly because all the negatives variables shown in “A” and “B” cases turned to positives.

### X. CONCLUSIONS AND RECOMMENDATIONS

The criteria used to select a candidate company depends on the market’s characteristics: how concentrated is the industry in that region, the grade of informality (for instance: non-billed sales, staff hired without formal contracts), market growth trends, availability of accurate and updated data, the degree of strategic fit with the acquirer, the threat of a foreign investor entry, the total amount required for the acquisition, among others.

Knowledge is power to take time might even help to reduce the final price and to obtain better conditions. Despite the previous, sometimes to move quickly is the best procedure when the preparatory work was properly done. Therefore, manager’s expertise is fundamental. To walk away from a bad deal might be the best step, but a rookie never will do so.

To spend time with shareholders when they sale only partially the company is crucial. In these cases the negotiation is just a mean, the future convivence is the real challenge. Never can be assumed that everything regarding the target firm can be known before the acquisition.

To implement any business evaluation model for all of the companies across the world seems logic to unify criteria, but it must recognize local market and industry differences. The western world isn’t always synonymous with the developed world (for instance, South America).

This paper pretension is to help decision makers know exactly why they are buying a company and to evaluate the deal properly because this is crucial.

Many variables must be taken in consideration, such as culture, market size, industry, macroeconomic policy, national level of development, organizational structure, synergies, leadership, kind of political regime, level of technological development of the country, ownership, accurate data availability, statistical records, communications, level of target’s firm market atomization, the existence of similar companies competitors, national legal and economic stability, grade of maturation of target firm industry, local corruption level, the existence of protective laws and/or importation barriers, the use of local natural resources and sustainability, among many others variables detailed in the proposed Model.

This research adds further information to the limited available knowledge of the field of M&As, and it focuses on the impact of the business evaluation in an M&A process. In light of the research results it is necessary to emphasize the business evaluation as a crucial parameter that should be taken into consideration when any M&A process between companies are planned and performed.

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## Ethical Leadership: Rise Above the Struggle

By Crystal Mooring

*Stockton University*

*Abstract-* The purpose of this article is to showcase how leader's beliefs and values and for the dignity and rights of other, is paramount and must be weaved holistically into a leader's life and the organization they work. Showing that ethics is centered around virtuousness of individuals, instance of values and morals an individual or a society deems appropriate has to be the cornerstone of a leader's choices. This paper depicts failures and successes that organization has encountered in regards to their ethical choices. It is hoped that this article will inform leaders on ethics and how to navigate the perpetual waters of ethical behavior.

*GJMBR-A Classification: JEL Code: M10*



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# Ethical Leadership: Rise Above the Struggle

Crystal Mooring

**Abstract-** The purpose of this article is to showcase how leader's beliefs and values and for the dignity and rights of other, is paramount and must be weaved holistically into a leader's life and the organization they work. Showing that ethics is centered around virtuousness of individuals, instance of values and morals an individual or a society deems appropriate has to be the cornerstone of a leader's choices. This paper depicts failures and successes that organization has encountered in regards to their ethical choices. It is hoped that this article will inform leaders on ethics and how to navigate the perpetual waters of ethical behavior.

## I. INTRODUCTION

This issue of ethics must start with leadership. So, the question is how do supervisors, directors, managers, and business owners rise above the struggle and establish themselves as ethical leaders? My view is that it must be done intentionally, by modeling ethical conduct and weaving it holistically into every level of one's life and organization. If a leader knows who he/she is as a leader, he/she must focus on what is right and exemplify to their team that they are there to help, and not to exploit the vulnerabilities of others. This is accomplished by leading with ethical behavior and integrity. This may seem a bit daunting at first, but it is a necessary mean to create a business environment where ethical lapses are the anomaly and not the norm. This should be a living, breathing, foundational way of life that helps center a staff and guide them as they navigate the perpetual whitewater of decision making. In my organization, my focus is to become a proactive ethical leader, championing high ethical conduct and emphasizing prevention. As a leader, one must talk about what positive ethics looks like in practice as often as one talks about what to avoid. Take time to celebrate positive ethical choices and consider the radical step of rewarding employees who are brave enough to admit and learn from their mistakes. As a leader, one must engage stakeholders and embrace responsiveness, diversity, and inclusion. Ethical leadership means constantly acting in a manner that earns trust from my team, empowers employees to do their best work, and builds an office community that values fairness, encouragement and support as much as it does win for our external customers. This consistent commitment to ethics may not be easy, but there are some practical ways as a leader one can integrate ethical conduct into my organization and into my management styles. Leaders must embed social

and moral responsibility into the organization's processes and procedures and understand global boundaries and diverse cultures and how to span them. These tasks require flexibility and learning as a leader is successful in growing, developing, spanning boundaries, creating vertical clearance, and holding dialogue with other organizations. The challenge is engaging in active inquiry. Ethics must be how one, as a leader, think, communicate, build and sustain relationships, use power, and authority, make decisions, and take action with regard to everything interconnected in this report and to engage effectively and reflectively in this maze of interconnection.

## II. ETHICAL STORIES OF FAILURES AND SUCCESSES

- a) *Failures*
  - *United Airlines* mission statement is to create an inclusive work environment, characterized by dignity and respect, that empowers every employee to serve the global marketplace and contribute to our success. On April 9, 2017, *Video footage* exploded on the internet showing the face of David Dae's head smacking against an arm rest during an altercation, then Is sweater hitching u to his chest to expose his stomach and being dragged down the ailed and off the plane to give access for crew who wanted to get to Louisville to work a flight
  - *Enron's* Kenneth Lay, Jeff Skilling, and other execs, *Enron: The Smartest Guys in the Room*, [https://www.youtube.com/watch?v=BlwFO4\\_SWQQ](https://www.youtube.com/watch?v=BlwFO4_SWQQ) Alex Gibney analyze the rise and fall of an infamous corporate conglomerate. Enron grew to become the world's seventh largest publicly-held corporation. The video depicts the lengths to which the company went in order to appear incredibly profitable while hiding their shady business practices and reveals how Lay, Skilling, and other execs managed to keep their riches, while thousands of pensioners saw their loyalty vanish with the loss of their jobs and their retirement funds. Leaders are responsible for creating a culture in which their employees work; in this case, the environment readily enabled unethical and immoral behavior.
- b) *Successes*
  - *Starbucks*. Starbucks is committed to 100% sustainably sourced coffee, and uses a system called C.A.F.E. (Coffee and Farmer Equity

*Author:* Stockton University, 102 River Drive, Millville.  
*e-mail:* Crystal\_Mooring@yahoo.com

Practices) in order to optimize its sustainable sourcing. C.A.F.E. Practices was introduced in 2004 as a all-inclusive set of social, economic, environmental and quality guidelines that rule how coffee should be ethically sourced. There are four concepts at the heart of Starbucks' C.A.F.E. sourcing system: quality, economic transparency, social responsibility, and environmental leadership. The coffee giant even utilizes a third party agency, SCS Global Services, to verify that its sourcing is ethical. The recognized industry standards are set by Starbucks for ethical sourcing.

- *H&M, The Ethical fashion leader.* H&M", <https://youtu.be/Qd1f2ulzz4c>, has ramped up its sustainability, transparency, and corporate social responsibility (CSR) efforts in recent years. H&M is the world's largest user of organic cotton. But what about the water that is needed for that cotton. The company has been reported to have conserved more than 13.2 million gallons as it streamlined its denim manufacturing. H&M has also published a list of 98.5% of their suppliers' names and addresses on their website, and update it on a quarterly basis. This assures transparency so that each supplier can be held accountable to living up to company standards. One of these goals are 100% recycled or sustainably sourced materials by 2030. H&M is dedicated to moving in the right and more responsible direction focusing on corporate social responsibility at the supplier stage, the environment, and within H&M.
- c) *Open Questions*
- What is the biggest ethical challenge facing 2019?
  - Are women more ethical than men? Share your thoughts. Are women held to higher ethical standard than men? How?
  - How is ethical behavior viewed and managed in different countries and cultures?





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# Entrepreneurship and the Application of Knowledge Management Practices in Ghana

By De-Graft Johnson Dei

*University of Ghana*

**Abstract-** Knowledge plays a critical role in businesses. It is regarded as a strategic asset and a source of competitive advantage for businesses and entrepreneurship. Furthermore, it creates entrepreneurial opportunities for small and medium scale businesses, which intern fuels the transformation of the economy from a managed economy to an entrepreneurial economy. The research set out to assessing knowledge management practices among entrepreneurs and how to use knowledge for competitive advantage. The qualitative research method was used to collect data from selected entrepreneurs operating on a smaller and medium scale in Ghana. The study revealed that there is a generally high level of familiarity, understanding, and application of knowledge and knowledge management by the entrepreneurs. Aside the tacit and explicit knowledge, there exist other types which include common knowledge, general knowledge, natural knowledge, and spiritual (divine) knowledge. They apply this knowledge in their day-to-day activities.

**Keywords:** *knowledge, knowledge management, entrepreneurship, entrepreneurial knowledge.*

**GJMBR-A Classification:** *JEL Code: L26*



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De-Graft Johnson Dei

**Abstract-** Knowledge plays a critical role in businesses. It is regarded as a strategic asset and a source of competitive advantage for businesses and entrepreneurship. Furthermore, it creates entrepreneurial opportunities for small and medium scale businesses, which intern fuels the transformation of the economy from a managed economy to an entrepreneurial economy. The research set out to assessing knowledge management practices among entrepreneurs and how to use knowledge for competitive advantage. The qualitative research method was used to collect data from selected entrepreneurs operating on a smaller and medium scale in Ghana. The study revealed that there is a generally high level of familiarity, understanding, and application of knowledge and knowledge management by the entrepreneurs. Aside the tacit and explicit knowledge, there exist other types which include common knowledge, general knowledge, natural knowledge, and spiritual (divine) knowledge. They apply this knowledge in their day-to-day activities. Also, knowledge management practices such as knowledge creation, processing, storage, sharing, and knowledge experts were established to be highly present among the entrepreneurs. Despite these, the study revealed the absence of a knowledge management policy to guide and regulate knowledge management practices among the entrepreneur. It was again establish that the absence of trust, openness, motivation, government support among others as the key factors that prohibited effective knowledge management practices among the entrepreneurs.

**Keywords:** *knowledge, knowledge management, entrepreneurship, entrepreneurial knowledge.*

## 1. INTRODUCTION

In economics, factors of production, resources, or inputs are what is used in the production process to produce outputs (finished goods and resources). The utilized amounts of the various input determine the quantity of output according to a relationship called the production function. There are three factors of production: land, labor, and capital. The factors are also frequently labeled “producer goods or services” to distinguish them from the goods or services purchased by consumers, which are frequently labeled “consumer goods.” All three of these are essential in combination at a time to produce a commodity.

Entrepreneurship, the fourth factor of production was introduced at the beginning of the 18th century. Entrepreneurship is currently considered as an important factor of production that can lead to economic growth, increased productivity, technology access, and new and quality product and services (Zorn, 2004).

Hisrich et al. (2005) indicated that entrepreneurship is the means of creating something new with value by assigning the necessary time and efforts, assuming the supplementary financial, psychic, and social risks, and delivering the resulting reward. The role of the entrepreneur is to discover, evaluate and exploit entrepreneurial opportunities.

Knowledge is an indispensable asset to organizations that when it is appropriately harnessed, managed, and applied, will not just bring increased productivity, but also expansion, growth and sustained profitability to the organizations. It played a critical role in entrepreneurship and regarded as a strategic asset and a source of competitive advantage for entrepreneurs (Powel & Snellman, 2004). Knowledge is an essential resource for the entrepreneur. If knowledge is managed well, it creates an entrepreneurial opportunities for small and medium scale businesses, which intern fuels the transformation of the economy from a managed economy to entrepreneurial economy. Entrepreneurs that can identify, create, disseminate, and effectively manage their knowledge are likely to be more successful than those that do not (CESIS, 2011).

Entrepreneurial knowledge comprises specific knowledge tied to the market and the functioning of an economy. It closely connects to what is required to introduce an innovation, i.e, a new product, process, market, source of supply, or organization (CESIS, 2011). Innovation can be either an application of entrepreneurial knowledge or the combined result of technological and entrepreneurial knowledge. The knowledge of the entrepreneur helps him/her to discover opportunities by involving the decision, and often derives from former information and experience. Thus, any entrepreneurial activity molds the entrepreneur's knowledge (Zorn, 2004).

Jain (2007) points out that some organizations are unable to function as knowledge-based organizations because they lack the systems and structures that will enable them to function as such. That is to say, the worth of organizations and countries (economies) are now determined by the knowledge assets of the organizations and countries (economies). It is therefore important for entrepreneurs to have a clear understanding of what knowledge and its management means to their operations and the development of the economy. They need to consider and understand their

*Author: University of Ghana. e-mail: djdei@ug.edu.gh*

specific functions and roles, and the KM practices and systems that enhance efficiency and lend value to them.

A promising direction to enhance efficiency and productivity among entrepreneurs is through the application of knowledge and knowledge management (KM) practices. This would help entrepreneurs develop plans of action that would see them manage their knowledge more effectively. Research on KM has been intensified as it plays a vital role in this twenty-first century (Dei, 2017; Kinyua, 2015; Stankosky 2005). However, not all entrepreneurs can fully exploit the full benefits of KM. The research thus set out to address this problem by assessing KM practices among entrepreneurs and the critical success factors that promote KM practices among entrepreneurs.

## II. KNOWLEDGE MANAGEMENT

Knowledge Management (KM) is the process of capturing, distributing and effectively using knowledge (Davenport, 1994) together with the appreciation of intellectual assets (Dalkir, 2005). It involves the process of discovery, development and creation, maintenance, assessment, and appropriate usage of knowledge in appropriate time by the fit person in the organization, which is done by having the joint between human source, information technology communications and the suitable organization schedule in order to achieve the goal (Afrazah, 2010). Choi and Lee (2002) are of the view that "KM is the ability of an organization staff to use knowledge resources and complementing them with other organizational resources and capabilities." KM includes processes that naturally exists in an organization (e.g, knowledge sharing or knowledge acquisition), and management practices which support the efficient and effective management of knowledge for an organizational benefit (Lee and Choi, 2003). Similarly, Koenig (2012) notes that KM is an integrated approach to identifying, capturing, processing, evaluating, retrieving, and sharing all of an organization's information assets, which include databases, procedures, documents, policies, and previously uncaptured expertise and experience in individual workers.

Groff and Jones (2003) on the other hand express that KM is a "mix of strategies, tools, and techniques; knowledge management encompasses everything to do with knowledge as well as information technology system that store, manage, organize, analyze, improve and distribute organizational knowledge and business expertise." Danijela (2011) further indicated that KM involve the analysis of existing knowledge as key resource, as well as defining the objectives and goals regarding the generation, protection, management, and application of new knowledge, then dissemination and sharing of knowledge, effective application of knowledge and performance measurement. These definitions of KM

have three major things in common about knowledge: knowledge identification and integration; knowledge acquisition; and knowledge application or use.

KM is not only associated with managing knowledge as a resource but also managing business processes that take place using that resource. Taleghani (2011), believed that one of the beds for developing organizational entrepreneurship process is KM. A successful organization is one that remembers, learns, and acts based on the best available information and knowledge (Davenport & Prusak, 1998). Effective KM practices in an organization is achieved through the promotion of creating, storing, sharing, and application of knowledge as well as the valuable lessons learned and the best practices that are fed back into corporate memory to promote continued organizational learning.

Managing knowledge in organizations requires managing several processes of knowledge such as creation, storage, sharing, and evaluation; generation, codification, transfer and application (Singh and Soltani, 2010). A study by Chong and Choi (2005) identified 11 key KM components for successful KM implementation. These are training, involvement, teamwork, performance measurement, culture, benchmarking, empowerment, top management leadership and commitment, information systems infrastructure, knowledge structure and elimination of organizational constraints.

KM brings so much benefit to organizations through the development of processes and systems to acquire, process, and share intellectual assets on individual and group levels to capitalize on the value of an organization knowledge and intellectual base across various units, functions and various scattered locations (Lesser and Prusak, 2001). The purpose of the KM is to create and share, ideas, experience, perspectives, and information; to ensure the availability of these knowledge in the right place and at the right time to facilitate informed decisions; and to improve efficiency and effectiveness by reducing the need to rediscover knowledge. Furthermore, KM seeks to:

- Improve the quality of decision-making process of management by ensuring that timely, reliable and secure knowledge, information and data is available.
- Gather, process, store, share, use and maintain information and knowledge throughout the service provider organization.
- Enable the organizations to be more well-organized and efficient, and improve the quality of service, increase service satisfaction and reduce service cost by rediscovering knowledge.
- Ensure that individuals and staff in an organisation have a clear understanding of the value that their services provide to customers and the ways in which benefits are realized from the use of those services.

### III. ENTREPRENEURSHIP

Entrepreneurship is a broad field of research where the definitions of entrepreneurship are many and elusive of nature. It is the act of pursuing new ways of doing a thing in a real context (Mundra, 2012). According to Brown & Ulijn (2004), the essential act of "entrepreneurship is a process of exploiting opportunities that exist in the environment or that are created through innovation in an attempt to create value." Dana (2001) highlights the fact that 'there is no universally-accepted definition of entrepreneur or entrepreneurship.

An entrepreneur is a person who manages vast production projects (Hisrich, 2005) and creates something new in a community to meet an essential need of customers (Buchholz and Rosenthal, 2005). Entrepreneurs bear risks, violate basic rules, penetrate borders, and walk divergent to the current situation (Brenkert, 2008). Tanoira & Valencia (2014) opine that the entrepreneur is an individual who start a project that is usually rejected by others. An entrepreneur know how to understand the physical characteristics of the environment, fight against any inconvenience, does not fear failure, motivates others, and demonstrate capability for team work. Entrepreneurs consist of not only individuals but also small groups, higher education institutions, big business, state capital, or medium-sized organizations. It involves the willingness and ability to pursue investment opportunities and to run an enterprise (Mundra, 2012).

Mundra (2012) indicate that entrepreneurship is the engine fueling innovation, employment generation and economic growth. Dana (2001) states that entrepreneurship is the ability of an individual to turn ideas into action and helping young people to be more creative and self-confident in whatever they undertake. Griffin (2005) considers entrepreneurship from a managerial perspective by defined entrepreneurship as the process of planning, organizing, functioning, and making risk assumptions of business projects. The concept of entrepreneurship can also be explain as a process of discovery, assessment, and exploitation of opportunities for products and goods creation and development (Shane & Venkataraman, 2000) and to create value for pre-established or new organizations (Gans & Stern, 2010). In a nutshell entrepreneurship refers either to the activity of founding a new company or of initiating new activities within an existing enterprise (Ankora, 2018) or any initiative by an individual or group of individuals to establish new projects or expand existing projects (GEM, 2004).

Entrepreneurship creates new jobs through company creations, explores new markets and raises new skills and capabilities. With other words you could say that entrepreneurship is the shape of which knowledge is being used. On the other hand

entrepreneurship is a very fuzzy field of research with different opinions of how to define entrepreneurship which has affected the conclusions that's been drawn from the research (Davidsson & Honig, 2003).

### IV. KNOWLEDGE MANAGEMENT AND ENTREPRENEURSHIP

The entrepreneurs' role is to discover, evaluate and exploit entrepreneurial opportunities (Cuervo, 2005). The knowledge and know-how of the entrepreneur have a role in discovering opportunities by involving the decisions and often derives from former information and experiences. Thus, any entrepreneurial activity molds the entrepreneur's knowledge in some area and generates knowledge entrepreneurship. Knowledge entrepreneurship describes the ability to recognize, create opportunity, and take action that aims at realizing an innovative knowledge practice or product, improving the production (research) and knowledge (as in personal transformation), rather than to maximize monetary profit (Senges, 2007). Skrzyszewski (2006) also indicate that the main factors of the entrepreneur action mostly by economic opportunities and making use of information advantages. The entrepreneurship is based on spontaneous learning. Similarly, Kruger (2004) argue that entrepreneurship has to be understood as a learning process and that any theory about this phenomenon requires a theory of learning.

Taleghani (2011) posited that KM is one of the main considerable for the development of organizational entrepreneurship. As a result of different needs of customers, business challenges and demands related to globalization, hard pressure of competition, and increase in the use of information and communication technology led to knowing knowledge as a strategic need to ensure organization's success. And since small and medium organizations are the heart of entrepreneur business, the investigation of the relationship between KM and entrepreneur projects and organizations is of great value and impact on the development of entrepreneurship.

### V. METHODS

Because the researchers seeks to assess the KM practices among entrepreneurs, the mixed research approach (mixing both qualitative and quantitative research approaches) was employed in this study. The enabled the researcher in presenting trustworthiness of both qualitative and quantitative research approaches and for them to complement each other and corroborate findings better. Thus, it enable the researcher to uncover issues to generate new ideas. The researchers employed the questionnaire and an interview guide to collect data through conversation. The focus was to capture the entrepreneurs' interpretation and understanding of knowledge and KM and the practice of



KM. The respondents chosen for this study spread over all the ten (10) regions in Ghana. Sixteen(16) entrepreneurs were selected from every region to partake in this study. Therefore, a total of 160 respondents were selected for this study. The data collected were analyzed by organizing, piling up, typing field notes and recordings, and sorting the data. The researcher then coded the refined (prepared) data and made it ready for analysis. The statistical package for the social scientist (SPSS) was employed at this stage of the analysis.

## VI. RESULT AND DISCUSSION

### a) *Educational demography of the respondents*

Appreciating and managing knowledge is to a large extent influenced by the educational background of the respondent/group. Ismail & Yusof (2009) state that the lower the level of education, the more likely persons are to refuse to appreciate and share knowledge. The respondents were therefore required to indicate their highest qualifications. The responses showed that 35% have bachelor degree, 31% have a diploma, 10% have certificate, 11% have a master's degree, 5% have no formal education, and 9% have other qualifications such as association of certified chartered accountants (ACCA), association of chartered accountant-Ghana, (ACAG), chartered institute of marketing (CIM), chartered institute of management accountants (CIMA), etc. It can be concluded from the results that since most of the respondents had well progressed in their education and have obtained the relevant qualification, they should be able to have an understanding and appreciation of KM and hence provide reliable data on KM systems.

### b) *Level of understanding, appreciation, and application of knowledge management concept*

The study wanted to establish if the respondents (entrepreneurs) understand and appreciate knowledge as a competitive resource. From their responses, while 51% showed a high level of understanding and appreciation for knowledge and KM, 40% showed little understanding and appreciation of knowledge and KM. Also, 9% were neutral and refused to respond. This indicates that there is a generally high level of familiarity and understanding of the concept of KM by the respondents (entrepreneurs). These findings were expected from the respondent entrepreneurs whose daily activities depend on knowledge. Furthermore, entrepreneurs who want to harness and benefit from the power of the knowledge they generate, share, and use, need to pay critical attention to knowledge.

Also, both tacit and explicit knowledge were found to be the main types of knowledge (35%) that exist among the entrepreneurs, while 25% mentioned tacit knowledge and 30% also mentioned explicit

knowledge. It was again established that 10% of the entrepreneurs were unable to identify the types of knowledge they process and use in their daily activities. This results showed that both tacit and explicit knowledge is critical and important in every entrepreneur for them to have a competitive advantage. That is, both tacit and explicit knowledge can be put to action and used in innovation and creative practices, thus adding value to goods and services of the entrepreneurs. Aside from tacit and explicit, the respondents mentioned that there exist other types of knowledge among entrepreneurs. These are:

1. Common sense/knowledge
2. General knowledge
3. Natural knowledge
4. Spiritual (divine) knowledge

These findings suggest that aside from the tacit and explicit knowledge, there exist other types of knowledge among individuals and organizations. Managing knowledge among entrepreneurs and entrepreneurship requires the user or knowledge worker/champion to identify and recognize the different types of knowledge that exist and the differences between the different types of knowledge.

The existence, understanding, and appreciation of knowledge among the entrepreneurs is a good sign. There would be no need to manage knowledge if it does not exist. The researcher thus felt it significant to evaluate the relevance and importance of knowledge in performing the day-to-day tasks by entrepreneurs. Respondents were asked if they applied knowledge in undertaking their responsibilities and other work-related matters. The responses revealed that 62% of the entrepreneurs said they applied knowledge in doing their work while 38% said they only did that sometimes.

### c) *Knowledge creation*

Enabling knowledge creation in organizations elaborates the reasons and practical ways to support knowledge creation so that the organizations can create knowledge consistently. Knowledge creation is very critical to the distinctive way organizations and entrepreneurs innovate. The study was interested to find out if the entrepreneurs were able to create, share and store knowledge among themselves. Overall, 56% of respondents indicated that they were able to create, capture and acquire knowledge among themselves while 33% of the respondents gave opposing response and another 11% of the respondents were neutral (unaware whether they create knowledge or not). The respondents outlined the following as the main source of knowledge acquisition and generation.

1. Formal education
2. Training and workshops
3. Consulting other entrepreneurs/businessmen/women

4. Consulting co-workers or employees
5. Magazines and newspapers
6. Conference participation
7. Self and personal capacity building
8. Experience (life experience and experience from their entrepreneurial practice)

This result revealed that a sizeable number of the entrepreneurs were able to create, acquire and generate knowledge among themselves. This results could be attributed to the high level of understanding and appreciation of knowledge and KM among themselves. It also revealed that the entrepreneurs did recognize the capacity of knowledge creation, capturing and acquiring since knowledge is seen to be crucial to the success and development of knowledge-based entities and entrepreneurship. As Probst, Raub and Romhardt (2000) had said organizations often suffer permanent loss of valuable knowledge through dismissals, redundancies, retirement and death. It is important for the entrepreneurs to gear towards developing ways to capture the expertise and know-how among themselves.

#### d) *Knowledge sharing*

To have an idea of the extent of knowledge sharing, questions were directed at finding out if knowledge was easily shared among the entrepreneurs. 52% of the respondents agreed that knowledge was easily and freely shared among the entrepreneur's whiles 41% disagreed and another 7% of the respondents were neutral (unaware whether knowledge was freely shared or not). These result revealed that most of the entrepreneurs were able to share among themselves. Organizations have recognized that knowledge constitutes a valuable intangible asset for creating and sustaining competitive advantages (Anduvar, 2015). The entrepreneurs who said they hardly or never share knowledge with each other further stated that since they are competing with each other, hence necessary to keep knowledge to themselves rather than sharing it.

Due to the indication that the entrepreneurs keep competing among themselves, just 35% indicated that they access and acquire knowledge from other entrepreneurs. They only get some pieces of information from their colleague entrepreneurs occasionally and from other members. This calls for trust and openness among the entrepreneurs.

#### e) *Knowledge storage*

Critical and relevant knowledge and memories of organizations must be stored in a location and format which can be easily found and accessed by users. The respondents were asked if they have systems or databases in place to keep and preserve knowledge for future retrieval and use. 45% responded affirmatively while 40% responded negatively and 15% were neutral.

Those who responded positively were asked to outline the systems or databases they have deployed to keep and preserve knowledge. The following were the systems outlined:

1. Computers (desktop, laptop, tablets, and mobile phones)
2. Internet and email
3. Diary
4. Ledger/notebook
5. GoogleDoc
6. Emails

This finding supports the assertion that repositories are essentially implemented in organizations to capture data, information, and knowledge or its intellectual assets in any form and to improve in all levels of endeavor or in organizations.

#### f) *Existence of knowledge experts*

Every individual or organization can be simultaneously a novice and an expert in different fields of knowledge or endeavor. Knowledge novices and experts need organisational leeway which allows time for creating "knowledge nuggets" (providing knowledge) and for learning (obtaining knowledge). The findings of this study on knowledge experts among the entrepreneurs shows that there is a significant number of knowledge experts among the entrepreneurs as evidenced with 54% of the respondents affirming that they have knowledge experts among them. These are people with a greater level of understanding, appreciation, and application of knowledge in executing their day-to-day duties. The operating enterprises or organizations consist to a great extent of specialists and their expert knowledge.

#### g) *Knowledge management policy and its adoption*

Greater organizational effectiveness, problem-solving, decision-making, and innovation are contingent on the quality of knowledge available for formulating prudent organizational policies. NASA (2009) has come with the Initiative Roadmap calling for uniform KM policies and standards to be implemented across the Federal Government. These policies will define under what circumstances, with whom, and how Federal workers should share knowledge. The study established that there was no formal policy and strategy in place to regulate and facilitate KM practice (knowledge creation, sharing, and storage) by the entrepreneurs as most (88%) the respondents (entrepreneurs) explicitly responded negatively to the question of the availability of formal KM policies and strategies. Since a majority of the respondents believed KM policy does not exist, this need attention. Organizations commonly receive criticism for their ineffective policy formulation to improve the quality of knowledge, partly because they operate within challenging and highly complex dynamic environments (Labeledz, Cavaleri and Berry, 2011). This

calls for a legal framework and policy guideline on KM practices among entrepreneurs.

#### h) *Factors prohibiting knowledge management among the entrepreneurs*

The research again established the following as the major challenge to effective KM practices among the entrepreneurs.

1. Lack of trust and the fear that other members will take advantage of what has been shared to outwit them.
2. Unwillingness to share knowledge.
3. Lack of openness and transparency among the entrepreneurs.
4. Lack of KM experts among the entrepreneurs.
5. Poor culture of learning and knowledge seeking skills.
6. Absence of assessing the cost and benefit of knowledge creation and sharing.
7. Absence of formal mechanism for knowledge creation and sharing among the entrepreneurs.
8. Absence of a comprehensive database of entrepreneurs in Ghana to facilitate consultation and knowledge sharing.
9. Lack of succession planning.
10. Death, Retirement, and Resignation.
11. Lack of interactions and collaboration among the entrepreneurs.
12. Lack of governmental support.
13. Lack of training.
14. There is no motivation or driving factor to create and share knowledge among ourselves. There is simply lack of interest.

From these responses, it is clear that all efforts of practicing KM practices among the entrepreneurs may go to waste if the implementation is not done with the limitations outlined by the respondents (entrepreneurs) are not taken into consideration

## VII. CONCLUSION

Knowledge creates entrepreneurial opportunities for small and medium scale businesses, which intern fuels the transformation of the economy from a managed economy to an entrepreneurial economy. The research set out to assess the KM practices among entrepreneurs and how to use knowledge for competitive advantage. The study reviewed the literature on KM and entrepreneurship. The study revealed that there is a generally high level of familiarity, understanding, and application of knowledge and knowledge management by the entrepreneurs. It was again revealed that aside from the tacit and explicit knowledge, there exist other types of knowledge which include common sense/knowledge, general knowledge, natural knowledge, and spiritual (divine) knowledge. The entrepreneurs apply knowledge in their day-to-day

activities. Also, KM practices such as knowledge creation, processing, storage, sharing, and knowledge experts were established to be highly present among the entrepreneurs. Despite these, the study revealed the absence of KM policy to guide and regulate KM practices among the entrepreneur. It was again established the absence of trust, openness, motivation, governmental support among others as the major factors that prohibited effective KM practices among the entrepreneurs.

Based on this, it is recommended that despite high level of familiarity, understanding and application of knowledge and KM by the entrepreneurs and the presence of KM experts among the entrepreneurs, entrepreneurs who are not knowledge experts should employ or seek the assistance of KM experts to guide them. The KM experts will help in the formulation of policies and strategies to help manage and safeguard knowledge as a strategic resource and for competitive advantage.

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# The State of Entrepreneurship Education in Higher Education Institutions of Africa

By Buzeye Zegeye & Manjit Singh

*Wollo University*

**Abstract-** The purpose of this study was to provide a detailed insight about the common practices of entrepreneurship education curriculum contents and pedagogy in Africa by adopting systematic literature review (SLR). SLR was chosen to help the review of the literature transparent and unbiased. Accordingly, 30 articles and conference papers whose primary research objectives were investigating entrepreneurship education, entrepreneurship education curriculum and related fields in Africa and published in different journals were reviewed under three themes, i.e. teaching about entrepreneurship, teaching for and through entrepreneurship. The result of the review revealed that entrepreneurship education in Africa seems traditional, indifferent from other general management study courses and the pedagogy is teacher-centered, which implies, predominantly focus on teaching “about “entrepreneurship, which is ineffective.

**Keywords:** *entrepreneurship, education, content, pedagogy, africa.*

**GJMBR-A Classification:** *JEL Code: L26*



*Strictly as per the compliance and regulations of:*



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## I. INTRODUCTION

Youth employment is at the center of the policy agenda around the world (Premand et al., 2012). In developing countries especially Africa, graduation rate from university and the unemployment rate among tertiary educated youth have been increasing steadily. Hence, there is the need for entrepreneurship to solve social issues such as unemployment through creating jobs has become obvious, especially in developing countries such as Africa. It is to infer that entrepreneurship education is critical for developing entrepreneurial skills, attitudes and behaviours that form the basis for the economic growth of a country (Lekoko, Rankhumise and Ras, 2012). Because, entrepreneurship education is about creating an entrepreneurial mindset/culture that fosters innovation, problem solving and active citizenship and where individuals have the self-confidence and belief in their ability to succeed in whatever they choose (El-Kiswani, 2013). Hence, it has been noted that a significant number of entrepreneurship courses have been introduced worldwide (Zondo, 2017) and higher education institutions systems need to reoriented their content and pedagogy to foster entrepreneurship. Despite the fact that entrepreneurship education becomes an important tool to create innovative society, job creators’ graduates, entrepreneurially equipped

Author <sup>α</sup>: Management Department, Wollo University, Ethiopia.

Author <sup>σ</sup>: Punjabi University, India. e-mail: buzeye200@gmail.com

Author <sup>σ</sup>: University School of Applied Management, Punjabi University, India. e-mail: smanjitt@gmail.com

youth, however, youths at the university were taught little or nothing about how they become entrepreneur. Cognizant of this, Dubbini and Iacobucci (2004) argued that compared to developed countries, entrepreneurship education is scarce and sometimes non-existing, in most developing countries.

According to the argument of Hinson, Bawuah and Buame (2006), the curricula, content and context conveyed are that students must be prepared for careers in which they will be working for an existing private business or a public institution. The education for entrepreneurship was and is to a large extent absent. But, it is having the knowledge, skills, and abilities about entrepreneurship that are needed to create jobs which are lacking in most all African countries.

The lack of education in entrepreneurship also has consequences for many students from rural areas finish tertiary education without any desire to go back to the village or towns they came from because there are no jobs and the living conditions there are not good. They aspire to get big jobs with good living conditions in the big cities or urban areas (Hinson et al., 2006). However, there is little known about the state of entrepreneurship education in the continent. Therefore, the purpose of this research is examining the entrepreneurship education in Africa using previously published empirical findings on the same topic in the continent as primary data sources.

## II. LITERATURE REVIEW

### a) Contents Entrepreneurship Education

It is certain that the course content will depend on the course objective (Pardede and Lyons, 2012). There are a variety of recommendations and finds provided from previous researches on the contents of entrepreneurship course. However, despite empirical evidences and individual suggestions, there is no comprehensive list of contents to be taught throughout entrepreneurship education. These discrepancies in the contents, may be due to the fact that, the objective of the course aimed at different target of groups is different, or there is little consensus on the meaning of entrepreneurship and entrepreneurial activities (Pittaway and Cope, 2007), the difference may be also due to the fact that teachers own preference (Hannon, 2006; and Sexton and Bowman, 1984).

Therefore, as indicated in some previous researches, developing and refining entrepreneurship

course curriculum should be based on the evidence that prepare students to “make-jobs” rather than “take-jobs” (Kourilsky and Walstad, 2000). The content of an entrepreneurship course throughout the universities is expected to be different, but should be aligned to the intended objectives and audiences. In this regard, Egbe and Uzoegwu (2014) posited that entrepreneurship education should not be taught as a general studies course, hence it should be domiciled in the students’ department or faculties. Thus, the content also can be designed in line with reflecting the students’ discipline. Accordingly, Lukoko et al. (2012) believe that in order to make teaching entrepreneurship effective, its content should cover aspects such as idea generation, business planning to the identification of the products or services, how to conduct market research and how to write business plan. Entrepreneurship education (course) at university level must include skill building [...] (contents) in negotiation, leadership, new product development, creative thinking and exposure to technological innovation (Pittaway and Cope, 2007). All the arguments argument intercept with the rational of teaching entrepreneurship does not merely for business start-ups, but also for effective entrepreneurial skills (Gutierrez-Zebeda, 2015).

The study of Samuel Mwasalwiba (2010) reviewing 21 articles that are related to entrepreneurship education, some commonly stated content of entrepreneurship is summarized. Accordingly, financing and marshalling resource are the most focused topics in entrepreneurship education (16 per cent). Other commonly identified contents under the reviewed articles are marketing, idea generation/opportunity discovery, business plan, managing growth, organization and team building, new venture creation and risk and rationality respectively from most to least commonly identified lists.

Watkins (2006) in the study of “Best practices and pedagogical methods in entrepreneurship education in Europe” identified creativity, entrepreneurial thinking and skills, negotiation skills, opportunity-analysis, venture success and failure analysis, creation of high-growth firms, new ventures – start-up, growth, human resources, marketing, accounting, legal considerations, finance (fund-raising, venture capital, financial plan), intellectual property issues, mergers and acquisitions, internationalization of SMEs or high-growth firms, exit strategies, project management and evaluation, innovation and knowledge management, business valuation, business plan development, family business, and social entrepreneurship as contents of entrepreneurship education.

#### b) *Teaching Methods of Entrepreneurship*

The limitations of traditional methods of teaching in one hand, and lack of differentiating entrepreneurship course from general management

courses on the other side triggered the need for a paradigm shift to the new pedagogy of entrepreneurship, resulting in the creation of graduates with a skill set and knowledge base which is appropriate (Cooper et al., 2004). These authors posited that the introduction of various new teaching methods of entrepreneurship facilitates entrepreneurial learning that help the students to bridge the acquisition of theoretical knowledge and experience generated by hands on practice.

For this research purpose, the term experiential learning, learning by doing, action-oriented learning, active and innovative learning/teaching methods are used to refer similar thing. In many cases, traditional classroom-based learning/teaching is teacher centred, resulting students remain passive in the learning process (Cooper et al., 2004) and ineffective teaching method in entrepreneurship education. According to Dhliwayo (2008), student-centred teaching methods that focus on action, encourages experiential learning, problem solving and creativity. The assumption of experiential learning in this case is, in order to learning to take place experiences have to occur (Ibid). Cooper et al. (2004) also suggested that deeper and robust learning results from an active participation of learners in the learning process. According to Cooper et al., experiential learning is perhaps the most powerful learning methods, that creates the situation for active involvement with an entrepreneur company, enable students to acquire knowledge about the business environment and to develop questioning and problem-solving skills in a real-life setting. Supporting this argument, Olokundun (2018) also posited that teaching method that centres on experience increases the propensity of students to engage in entrepreneurship after graduation. Bosma (2013) under Global Entrepreneurship Monitor report also affirmed that entrepreneurship education to be effective, it must be practical, and students must have meaningful interactions with entrepreneurs, involved in actual entrepreneurial projects, and work in multi-disciplinary project teams.

Accordingly, many previous researchers have suggested various approaches of innovative teaching methods of entrepreneurship. For example, Sirelkhatima and Gangi (2015) review 97 entrepreneurship education articles and revealed that simulation, networking and team building are the most commonly suggested teaching” for” entrepreneurship, and business plan is one of the highly suggested, followed by cases studies and guest speaker if learning is “about” entrepreneurship. It is explicit here; the method of teaching is determined by the objective of the course as it is discussed in the above section. In the literature of Albornoz (2011) simulations, panels, symposiums, role playing, and games are identified among the common method of teaching entrepreneurship.



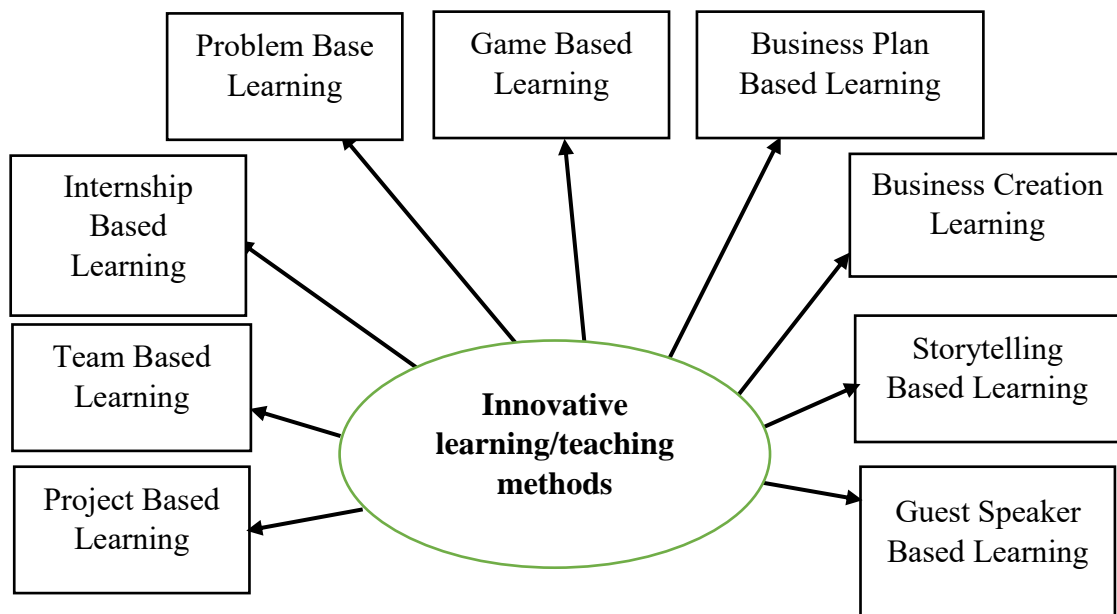
After reviewing of 60 entrepreneurship education programmes in Europe, Hytti (2002) documented that various types of teaching methods which includes, but not limited, workshops, mentoring, study visits, setting business, simulation and internship. Mentoor and Friedrich (2007) also favour individual and group projects, cases, guest speakers, entrepreneur interviewed by students, and business plan.

Cheung (2008) conducted a research on entrepreneurship education curriculum in secondary curriculum: possibilities and limitations, and identified that of the total schools engaged in teaching entrepreneurship 46 per cent of them use workshop to teaching entrepreneurship, 67 per cent let their students learn through competition and cases studies, mentoring 71 per cent, 88 per cent of the schools let their students to engage through project learning and 92 per cent of

the schools business creation and of students who participated in business creation, 32 per cent of them have actually started their own businesses.

From the review of Samuel Mwasalwiba (2010), business simulation, videos and film show, role models and guest speakers, business plan creations, projects, real venture setting up, game and competitions, workshops, presentations and case studies are identified among frequently cited teaching method of entrepreneurship. In the review of fourteen articles, business simulation, discussion and group work as well as videos and film show have received among the highest.

The most commonly cited experience base/innovative method of teaching in order to enable entrepreneurship education effective are presented as follows in a more detail ways.



Source: Literature review and EMPRETEC Training Programme

Figure 1: Summary of innovative/active learning methods of EE

### III. METHODS

The following approached were adopted step-by-step in order to search exhaustive and comprehensive literatures to the topic. Accordingly, searched using electronic databases including EBSCO host Database (Academic Search Complete and Business Source Complete), JSTOR, ABI/Inform, ProQuest Dissertations and Theses, Social Science Index Citation, Science Direct, Web of Science, and Google searching was conducted. Accordingly, 30 research articles published in different journals, and conference papers specifically on entrepreneurship education, pedagogy of entrepreneurship and entrepreneurship education curriculum focusing on only African countries reviewed. The 30 reviewed research articles were from South Africa (5), Ethiopia (2), Kenya (3), Nigeria (6), Botswana (3), Ghana (4), Tanzania (3), Sudan (1), Namibia (1), Rwanda (1) and Tunisia (1).

Sample of Journals reviewed includes: Management Research Review, European Journal of Business and Management, Journal of Industrial Teacher Education, Asia Pacific Journal of Educators and Education, Advances in Social Sciences Research Journal, Africa Journal of Teacher Education, South African Journal of Education, Mediterranean Journal of Social Sciences, and African journal of business management.

### IV. TOOLS FOR DATA ANALYSIS

The content analysis using coding, labelling and sorting in the form of themes. The themes were created on the basis of literature review. Thematic analysis was used in identifying and describing both implicit and explicit ideas within the data which are referred to as themes. Repetition of terms and recurrence of ideas was employed to generate themes. The Thematic analysis

focused on entrepreneurship educators' perceptions of the influence of the course contents of the entrepreneurship programme on students' entrepreneurial development. Open coding was employed to develop relevant categories. The developed codes were used to represent the identified themes and the reports were structured in terms of the main themes emerging from the semi-structured interviews.

theoretical-oriented courses that teach or teaching "about" entrepreneurship, practical-oriented courses that teach "for" entrepreneurship, and (c) "through" entrepreneurship, which aim to graduate entrepreneurs. Due to the fact that the course content inevitably depends on the course objective (Pardede & Lyons, 2012), the themes in this discussion of this article will be linked to its proposed objectives.

### V. RESULTS

The contents taught in entrepreneurship education generally grouped into three main themes: (a)

Table 1: Contents and Pedagogy of Entrepreneurship Education in Africa

Contents and Pedagogy	Per centage	Learning "about"	Learning "for"	Learning "through"
Nature and scope of entrepreneurship	40	√		
Discovering one's potential as a future entrepreneur	24		√	
Innovation and creativity	32		√	
Business planning	68	√		
Opportunity recognition	48		√	
Ethics and Social responsibility	8	√		
The characteristics of a successful entrepreneur	8	√		
Small business management	68	√		
Marketing	32	√		
Resource need assessment	16		√	
Product development/new venture creation	52		√	
Finance	32	√		
Guest speaker/role modelling	40		√	
Role playing	24		√	
Networking	16		√	
Internships	16			√
Game/Simulations	16		√	
Case studies	40	√		
Video recorded/ film show	32		√	
Seminars/workshop	24		√	
Lectures	52	√		
Group assignments	40	√		
Discussion	24	√		
Risk management	8	√		
Individual assignment	40	√		
Problem-solving-based teaching	8		√	
Project-based teaching	8		√	
Web-based learning	16		√	

## VI. DISCUSSIONS

According to this research, teaching “for” entrepreneurship seems dominantly used in African higher education institutions. However, the most frequently cited contents and teaching methods inclined to the evidence towards the predominance of teaching “about” entrepreneurship. This is because, teaching students about business planning 68 per cent, small business management 68 per cent and nature and scope of entrepreneurship 40 per cent are among the highest cited contents, and lecture 52 per cent, individual and group assignments 40 per cent are the highest cited pedagogy of entrepreneurship education in the continent. This theme as also suggested by Cooper et al. (2004) directly implies that teaching entrepreneurship in Africa is mostly dependent on knowledge transferring not equipping students’ practical entrepreneurial skills. Further, teaching entrepreneurship primarily using lecture, and reading assignment are ineffective to produce entrepreneurial youths as the teaching process is teacher-centred where students remain passive.

Similarly, according to this research themes related to teaching “for” entrepreneurship found to be less cited and only few innovative/experiential teaching methods are also used in teaching entrepreneurship. None of the reviewed articles found that any university used business start-up based-learning, storytelling-based learning and problem solving-based learning. However, these type of teaching approaches in entrepreneurship are crucial to foster entrepreneurial attitudes and self-confidence. Based on the pedagogy, its possible to conclude that entrepreneurship education in Africa is still lagging behind and purely traditional. Finally, it possible to suggest that teaching entrepreneurship *through* is very rare.

## VII. CONCLUSIONS

Based on the fining of this research, the following key conclusions were drawn:

- ✓ The contents of entrepreneurship education predominantly inclined to towards teaching about entrepreneurship. This implies that, in the continent, entrepreneurship education is not yet different from other general business study courses. Which further presupposes that, graduates still are taught how to become a good job employee not how to become an entrepreneur or intrapreneur.
- ✓ Lecture and reading assignments are dominantly used teaching approaches. This infers that the learning process of entrepreneurship is one-way communication, which is teacher centred. Hands on practice methods of teaching found rarely used.

- ✓ Generally, the states of entrepreneurship education in Africa revealed at its infant stage, and needs the continent to go a long way.

## VIII. RECOMMENDATIONS

Despite assessing the state of entrepreneurship education in different universities in African countries, most of the preview researches did not show what is/are the contents and pedagogies must be adopted and used in to improve the existing entrepreneurship education. Therefore, based on the finding of this review and observed review gaps, the research recommended the following entrepreneurship course contents and pedagogy, which compiled from Empretec entrepreneurship training programme and review literatures in this work. There is also strong need con conduct more research in this area in the future to explicitly fill the gap of a pool of knowledge and to develop a better entrepreneurship education programme in the continent. Finally, countries in Africa and higher education institutions shall bring a paradigm shift in their entrepreneurship education to tackle unemployment problem through producing entrepreneurially equipped graduates. And, the higher education institution’s systems need to reoriented their content and pedagogy to foster entrepreneurship.



Table 2: Entrepreneurship education course outline (guidelines)

Objectives (know-why)	<ul style="list-style-type: none"> <li>• To stimulate entrepreneurial skills, competencies and behaviours</li> <li>• To increase entrepreneurial spirit/culture and attitude</li> <li>• To motivate students towards an entrepreneurial career</li> <li>• Giving individuals the opportunity and the tools to shape their own lives</li> <li>• To develop empathy with an entrepreneurial way of life,</li> <li>• To understand the venture creation process</li> <li>• To develop personal relationship and networking skills,</li> <li>• Creating sustainable growth and development, culturally, socially and economically</li> <li>• Increasing creativity and innovation</li> </ul>
Core contents (know- what)	<ul style="list-style-type: none"> <li>• Business plans/building a profitable business model</li> <li>• New venture creation/legal entity, contracts and IP protections</li> <li>• Goal setting</li> <li>• Social entrepreneurship</li> <li>• Corporate entrepreneurship</li> <li>• Systematic planning and monitoring</li> <li>• Taking calculated risk and rationality</li> <li>• Idea generation/opportunity seeking and initiatives</li> <li>• Information seeking, researching and testing the market</li> </ul>
	<ul style="list-style-type: none"> <li>• Demand for efficiency and quality</li> <li>• Persistence</li> <li>• Commitment</li> <li>• Self-confidence and independence</li> <li>• Persuasion and Networking</li> <li>• Marketing</li> <li>• Synergy</li> </ul>
Pedagogy (know-how)	<ul style="list-style-type: none"> <li>• Game/simulation-based learning</li> <li>• Problem solving based learning</li> <li>• Project based learning</li> <li>• Business planning</li> <li>• Group/team-based learning</li> <li>• Storytelling</li> <li>• Internship/field visit learning</li> <li>• Guest speaker/role modelling</li> <li>• Business creation/business start up</li> <li>• Seminar/ workshop</li> </ul>

## IX. CHALLENGES

There are adequate of literature exist in USA and Europe which make the work of review easy. However, very limited publications found in entrepreneurship education and curriculum in Africa, which makes the attempt to take more sample of

publications challenging and difficult. It is a signal research and publication on entrepreneurship education in the continent is at infant. Hence, there is a need to conduct more researches in this area in Africa in the future.

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# Influence of Strategic Leadership Practices on Organizational Performance; A Case Study of Tea Factories in Kisii County

By Nyasende Rona Kerubo & Willy Muturi

*Jomo Kenyatta University of Agriculture and Technology*

**Abstract-** Strategic leadership management is very important in enhancing organizational performance. The ability of managers to influence employees make them decision that would enhance performance in the organization's longterm viability. Managing short-term viability is through strategic leadership practices. However, the manager's attempts to use strategic leadership practices are not clearly specified because still the organizational performance is poor. The purpose of the study was to examine the influence of strategic leadership management on organizational performance. The study was guided by these specific objectives; to assess the influence of strategic direction, staff training, and to establish the influence of ethical practices on organizational performance in tea factories. The study was carried out in all the tea factories found in Kisii county. The Itumbe factory, Ogembo, kiamokama, Rianyamwamu factory and Eberege factory. The adopted descriptive research design. The population target was 795 employees working in tea factories in the county.

**Keywords:** *strategic leadership, staff training, performance tea factories, kisii county.*

**GJMBR-A Classification:** *JEL Code: M00*



INFLUENCE OF STRATEGIC LEADERSHIP PRACTICES ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF TEA FACTORIES IN KISII COUNTY

*Strictly as per the compliance and regulations of:*



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Nyasende Rona Kerubo <sup>α</sup> & Willy Muturi <sup>σ</sup>

**Abstract-** Strategic leadership management is very important in enhancing organizational performance. The ability of managers to influence employees make them decision that would enhance performance in the organization's longterm viability. Managing short-term viability is through strategic leadership practices. However, the manager's attempts to use strategic leadership practices are not clearly specified because still the organizational performance is poor. The purpose of the study was to examine the influence of strategic leadership management on organizational performance. The study was guided by these specific objectives; to assess the influence of strategic direction, staff training, and to establish the influence of ethical practices on organizational performance in tea factories. The study was carried out in all the tea factories found in Kisii county. The Itumbe factory, Ogembo, kiamokama, Rianyamwamu factory and Eberege factory. The adopted descriptive research design. The population target was 795 employees working in tea factories in the county. The sample size of 303 which consisted of 261 plus 6 management staff and 36 supervisors were used under the study. The stratified sampling was used with purposive sampling to select managers and supervisors from each tea factory. The primary data was collected by use of questionnaires which was administered by the researcher through drop and pick method. The reliability and validity of data was used ensured by test coefficient and use of supervisor advice for suitability of the research instrument. Data was analyzed using descriptive statistics including, weighted averages, percentages, and mean and inferential statistics using multiple regression analysis. The research represented by use of tables and pie charts. In view of these findings concerning effectiveness of Strategic Leadership Practices, the study concludes that strategic direction, staff training and emphasizing ethical practices contribute performance. The findings of this study underline that strategic leadership is directly and indirectly positively associated with performance of tea factories in Kisii County.

**Keywords:** *strategic leadership, staff training, performance tea factories, kisii county.*

## I. INTRODUCTION

Centralized Government systems have been blamed for a long time for hindering efficient delivery of public services in Africa and other developing regions. Leadership has a role in service delivery. Good leadership motivates, inspires and communicates the intended objectives of an

*Author α σ: Jomo Kenyatta University of Agriculture and Technology. e-mail: wycliffeotera@gmail.com*

organization in a well fashioned manner (Zikmund, Babin, Carr, and Griffin, (2010). Strategic leadership is innovative and consults all those concerned in attaining organizational objectives and thus service delivery. Leadership that lacks these attributes is often rudderless, and does not lead to effective service delivery. This is because the inability to provide direction, the organizational culture and morale is hampered, causing poor, financial results, lack of synergy (Muller 2015).

Naidoo, Samuel (2002) stated that strategic factors affect decentralization in Uganda: Successes and Failures in local governance in New York, Amazon Prime. Decentralization in leadership is a challenge that brings poor decision making closer to the people, enhances participation and representation of ordinary people at the grassroots in politics, increases accountability and transparency, makes government more responsive to public demands and improves the delivery of service. According to Sekaran, and Bougie, (2011) Service is an activity that satisfies the needs of a user by application. Bhasin (2009), good strategic factors include putting up the design and management of systems to achieve interaction of people, structures, processes and resources to attain organizational objectives. It provides an organization with a road map it needs to pursue a specific strategic directions or ends, to deliver needed services to the stakeholders.

An essential tip for successful leadership is to enhance services quality in North Carolina College. Organizational performance is attained by ensuring that decisions and documentation are geared towards supporting the strategic direction an organization intends to take. If an organization intends to have organizational performance as its key objective, this ought to be communicated well in documentation, to all employees in an organization. It said that there is need for the workforce of the organization to understand clearly team and individual responsibilities, in the pursuit of organizational objectives (Putnam 2014).

### a) Statement of the problem

Organizational performance of tea factories is challenging even though different strategic leadership practices have been employed. Strategic leadership practices such leadership directions and staffs training



has been used but it not clear which of strategic leadership practices can improve the organizational performance (Nthini 2013). Every tea factories is working towards the achievement of its goals. Ideal situation showed that strategic leadership practices are used in tea factories, but it is not clear which one can result to high returns in their performance. Researchers done on different strategic leadership practices are based on their roles such as Lear (2012) found that strategic leadership practices leads to organizational success. However, in the recent times many tea factories in Kenya have experienced poor performance which is a challenge to strategic leadership practices applied. Thus, the study focused on the influence of strategic leadership practices on organizational performance of tea factories in kisii County.

*b) The objective of the study*

The general objective sought to examine the influence of strategic leadership on organizational performance in Kisii County.

**II. THEORETICAL REVIEW**

*a) Stakeholders Theory*

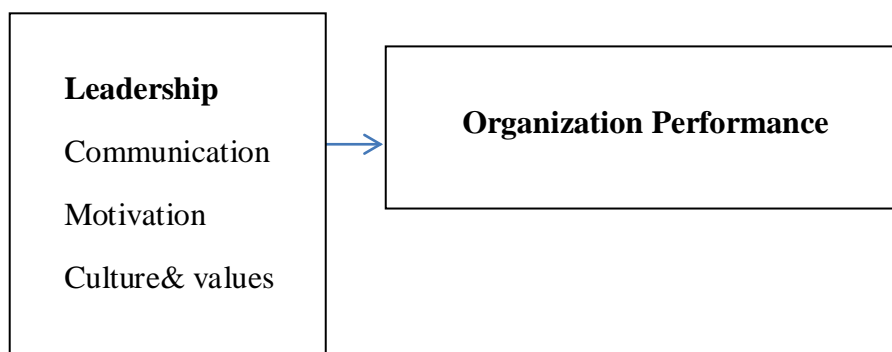
Kibanya, (2014) adopted the theory to examine factors influencing customer service standards in County Governments in Nairobi County Government. Further, Johnson, and Scholes, (2002) also opined that a socially responsible firm is one that balances an array of interests, in a way that as it seeks larger profits; it takes into account local communities, dealers, suppliers, employees and the nation. This definition

emanates from stakeholders theory as advanced by freeman (1984), who described a firm as a series of stakeholders, the managers of a firm attempt to manage. According to Hughes (2012 used stakeholder as any identifiable group or individual who can influence or be influenced by performance of an organization in terms of its products, work process and policies.

Gayla, (2012) on his view of strategic planning in social service organizations confirmed strategic factors on a practical guide which maintained that modern business is woven with the rest of society. That it is not an island, enclosed in its world, rather business activities have explicit ramifications on society and influences peoples' lives. Thus, organizations have responsibilities that go beyond profit making, as they hold enormous social and economic power. Drazinand Howard, (2004) defines the primary stakeholders group as the group without whose participation; an organization cannot survive e.g. the shareholders, suppliers, investors, customers and employees. He describes the secondary stakeholder group as those that influence or are influenced by the organization, yet not engaged in the operations of the company and its survival. This theory is important in this study because organizational performance is meant for stakeholders of an organization. Thus, in this study is relevant to strategic factors on the leadership.

*b) Ricky Griffins Model*

According to Griffin (2006) the main focus in implementation is identifying effective strategic factors on organizational performance.



Source: Ricky Griffins model (2006)

Fig. 1: The Ricky Griffins Model

The main factors that shape performance according to this model are: leadership, which provides direction, motivation of staffs, communication and the setting up of a culture and values in an organization. This influences performance and therefore organizational performance in an organization. This model is relevant to this study and it shows the various strategic ways leaders can do to improve performance. This study seeks to establish that the same factors affect service delivery.

**III. EMPIRICAL LITERATURE**

*a) Strategic leadership*

According to Cooper (2012) on the view of the organization structure that leadership is the ability of a manager to express a strategic vision for the organization or a part of the organization, then motivate and persuade others in the organization to acquire that vision. He further opines that strategic leaders in any

organization, create organizational structure, allocate resources and provide strategic vision.

Cheware, and Jerotich (2014) analyzed the factors that impede the implementation of strategic plans in secondary schools in Baringo District. The study found that strategic leadership is a person's ability to anticipate, think strategically, envision, maintain flexibility and work with others to initiate changes that will necessitate a bright future for an organization. Leadership as advanced by study which states that a good strategic leader or any leader for that matter, must possess the traits to motivate others or influence motivation. That an effective leader ought to have a thorough knowledge of motivational factors for others, by understanding the basic needs of employees, superiors and peers. In a nutshell, leadership ought to be used as a means of motivating others to attain organizational goals.

According to Putnam (2014), effective leadership hinges on knowing how to communicate with all elements of the organization like customers, investors, other managers and employees. Fishbein

(2015), when looking at the public services, argues that equipping workers at all levels with leadership skills, produces positive changes in organizational performance outcomes, as teams develop a shared vision, analyze what stands in the way of progress, think creatively and collaboratively, and develop innovative solutions to develop innovative solutions to overcome their specific organizational performance challenges.

#### IV. RESEARCH METHODOLOGY

The study employed Descriptive research design in this study. The study relied on primary data. The primary data was collected using semi-structured questionnaire which was comprise open and closed ended questions.

#### V. FINDINGS

##### a) Role of Strategic Leadership

The study sought to examine the role of strategic leadership in organizational performance and the result was presented in table 1.

Table 1: Show the role of Strategic Leadership

	Mean	Std. Dev
Motivate employees towards achievement	3.57	1.032
Supports employees and inspires them	3.77	1.229
Communicate to the employees about the organizations	4.18	1.238
Are innovative and competent in helping.	3.57	1.032
Promote the company in building up shared behavior	3.77	1.229
constantly seek advice	4.18	1.238

The findings shows that employee communicate to their strategic leaders about the organization at a mean of 4.18 and constantly seek advice. However, strategic leaders do not motivate employees towards organizational achievement at a mean of 3.57 with innovative and competent in the organization service delivery. The standard deviation indicated that 1.238 at 4.18 implied that there was need to encourage leaders to advice employees about organizational performance in the organization. This disagrees with Ndegwa, (2013) who argued that the primary stakeholders group act as the leaders without whose strategic leadership participation; an organization cannot survive e.g. the shareholders, suppliers, investors, customers and employees. He describes the secondary stakeholder group as those that influence or are influenced by the organization, yet not engaged in the operations of the company and its survival.

The study revealed that strategic leadership had influence and that strategic leaders are constantly influenced by seeking advice of experts/consultants to improve service delivery. The study showed that Kisii county government organizational performance is affected by strategic factors. The study recommended that strategic leaders should motivate employees towards achievement.

#### VI. CONCLUSION

The study indicated that the role of strategic leadership improves service delivery. The results show that the strategic leaders were constantly influenced by consultants. The similarly strategic leaders must communicate to employees about the organizations day to day activities. Management must promote vision and values formation among other employees. County

management motivates employees towards the achievement of the organization set goals respectively with the number respondents.

## VII. RECOMMENDATION

The study used correlations analysis to analyze the relationship between strategic leadership factor and organizational performance as presented in tables. The study can motivate employees towards achievement of organization goals than towards achieving strategic decisions. The use of Pearson correlation was indicated that there a strong relationship between the strategic leadership. The study recommended there is need for strategic leadership to support employees and inspires them towards performance. The study recommended that the management of the county should promote the county in building up shared behavior, vision, mission, norms and values formation on performance.

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## Job Satisfaction as an Intervening Variable in the Effect of Motivation on the Performance

By Mohamad Afan Suyanto, Mohamad Rolli Paramata & Elfis Mus Abdul  
*Gorontalo University*

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**GJMBR-A Classification:** *JEL Code: J28*



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# Job Satisfaction as an Intervening Variable in the Effect of Motivation on the Performance

Mohamad Afan Suyanto <sup>α</sup>, Mohamad Rolli Paramata <sup>σ</sup> & Elfis Mus Abdul <sup>ρ</sup>

**Abstract-** The purpose of this study is to analyze the direct and indirect effects of work motivation on performance through employee job satisfaction at the Gorontalo Provincial Public Works Agency.

The analytical method used was by the objectives of the study that would be achieved. This study explains the relationship and the effect of Motivation, Job Satisfaction, and Performance. The data was obtained by observation, interviews, questionnaires on data analysis to explain existing phenomena. The sample used descriptive analysis and quantitative analysis to explain all hypotheses with the AMOS SEM Model.

The result of this study indicates that motivation has a positive and significant effect on the employees' job satisfaction at Public Works Services of Gorontalo, motivation has a positive and significant effect on the employees' job satisfaction at Public Works Services of Gorontalo, job satisfaction has a positive and significant effect on the employees' job satisfaction at Public Works Services of Gorontalo and motivation has a positive and significant effect on the employees' job satisfaction at Public Works Services of Gorontalo through job satisfaction.

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## 1. INTRODUCTION

National development plans, either for the long or medium period are actualized through work programs for each ministry at the central government level and agencies under the auspices of regional government including the Public Works Services of Gorontalo. The Public Works Services of Gorontalo is one of the technical and strategic services in the provision of basic infrastructure and one of the local government agencies domiciled in Gorontalo.

The Public Works Services of Gorontalo in carrying out its main tasks and functions are based on one of the elaborations of the vision, mission and program and activities of the Provincial Government for development in Gorontalo. It has a duty to carry out a half of duties for Public Works Services of Gorontalo in field of public works in accordance with the principles that are devolved (decentralized) and delegated (deconcentration) and has the function to carry out the construction of infrastructure and basic infrastructure that will support the acceleration of regional development which includes three main infrastructure, namely field of water resource (irrigation, river and

beach), field of highways (highway and bridge), and field of craft (housing and building). These three main areas contribute and influence the development or absence of a region because this infrastructure is a basic infrastructure that will support the improvement of the community's economy, support the availability of accessibility and connectivity between regions and prepare other aquaculture settlements through supporting facilities and infrastructure.

The Provincial Government of Gorontalo in the context of achieving development goals in the regions has established five work cultures, namely:

1. Performance
2. Speed
3. Innovative
4. Team Work
5. Prosperity

In fact the conditions that occur in the local government agencies of Public Works Services of Gorontalo are lack of work volume (quantity), late work (not on time and not reaching the target), work not in line with technical / contract specifications (quality), payment not suitable between report data and realization, infrastructure provision services and to the community, especially the service provider community, is not maximal.

The performance of the local government agencies of Public Works Services of Gorontalo can be achieved if the employees in this agency can produce a good performance. Performance is a process of how work takes place to achieve work results. In the Goal theory (Suprihanto, 1987) states that a person's productivity or performance depends on the person's motivation for the work has done. Formulated as follows:  $P = f(M)$ , where: P = Performance; M = Motivation. In the context of work, motivation is one of the important factors in encouraging an employee to work. Robbins, (2001) in Yusuf (2008), defines motivation is the willingness of individuals to spend high efforts to achieve organizational goals. There are three key elements in motivation, namely effort, organizational goals, and needs. Gibson et al., 1997; Robbins, 1998; Armstrong, 1998. Motivation is the strength and encouragement that exists in employees to act (behave) in certain ways. This strength is in the form of the willingness of individuals to do something or according to their abilities.

Author <sup>α σ ρ</sup>: Faculty of Economic, Gorontalo University.  
e-mail: afansuyanto@gmail.com

Musriha (2011), Risambessy, et al (2012) and Mehta, Dubinsky, and Anderson (2001), the result shows that motivation has a significant and positive effect on worker performance. Then Ida, Brahmasasri, and Suprayetno (2008) with the results that motivation has been a positive but not significant effect on company performance. While based on the research conducted by Winardi, et al (2012) and Dhermawan, Sudibya, Murdiartha, (2012), the result shows that motivation has a negative and not significant effect on employee performance.

Robbins (2003) in Prawirodirdjo, (2007), states that performance can be measured by productivity, turn over, citizenship and satisfaction. This concept shows that satisfaction is one of the things that drives performance achievement. Setyaningdyah, Umar, Thoyib, 2013 in the meeting states that the impact of job satisfaction was insignificant on employee performance. Risambessy et al., 2012, the result shows that job satisfaction has been a significant effect on performance according to the results of previous studies by Christopher Orpen, (1997).

Musriha (2011), found that work motivation has a significant effect on job satisfaction. Risambessy et al, 2012 the result show that motivation has a significant and positive effect on job satisfaction. The result of this study is by the previous research conducted by Robbins (2003), Gibson et. Al. (1998), and Porter & Lawler said that motivation has a significant effect on job satisfaction. Statement of Igalens & Roussel (1999) that the provision of uncertain or uncertain salaries (flexible pay) to workers does not provide motivation and does not result in job satisfaction and is useful if giving permanently or permanently and if not fixed gives workers unmotivated and does not produce job satisfaction.

From this description, the purpose of this study was to analyze the direct and indirect effects of work motivation on performance through employee job satisfaction at the Gorontalo Provincial Public Works Agency.

## II. LITERATURE REVIEW

In this study, it was used several theories and concepts as a basis for thinking. The framework of thinking through analyze search of concepts and theories, definitions and previous research regarding human resource management, in this case, human capital about competency, motivation, job satisfaction and performance that becomes the theory in analyzing the problems in this study.

Based on the theory, understanding and views also definitions as explained that performance are: The process of achieving the results of both quantity, quality of work/ activity/ program with the ability, motivation and opportunity by an employee (individual), team and

organization assigned with responsibility answer based on goals, objectives, vision, mission, and standards as well as the time that has been set with moral and ethical principles.

Measuring the motivation variable, the author uses several indicators, namely fulfilment of needs refers to the theory of Maslow's hierarchy of needs in Mangkunegara (2005), which states that the hierarchy of human needs are: Physiological needs, security needs, social needs, the price needs self and the need to actualize themselves.

The second indicator in measuring motivation refers to Herzberg's two-factor theory of extrinsic factors (work context) including wages, working conditions, job security, status, company procedures, quality of supervision, and the quality of interpersonal relationships among coworkers, superiors, and subordinate. And Intrinsic factors include achievement, recognition, responsibility, progress, and the work itself, and the possibility of developing.

Work satisfaction as an intervening variable. Every person who works expects to get satisfaction from where he works. Job satisfaction is an individual thing because each will have different levels of satisfaction according to the values that apply in each. Satisfaction indicator items will be analyzed and refer to first; The theory of two factors (Two-factor theory) by Herzberg (1950), namely motivators and hygiene factors. Motivators include: the nature of work, achievements in work, promotion opportunities and opportunities for self-development and recognition and hygiene factors include: working conditions, wages, security, quality of supervision and relationships with others.

## III. METHOD

### a) *Research Approach*

By the objectives of the study that will be achieved, this study explains the relationship and the effect of Motivation, Job Satisfaction, and Performance. The data was obtained by observation, interviews, questionnaires in data analysis to explain existing phenomena. The sample used descriptive analysis and quantitative analysis to explain all hypotheses with the AMOS SEM (Structure Equation Modeling) Model.

### b) *Method of Data Collection*

The techniques of data collection used in this study are:

1. Observation (survey) that is taking data on the object of research based on observations to see phenomena as material for follow-up research
2. The interview that is collecting data with the form of oral question and answer to the respondent, using interview guides that have been prepared relating to research, so that data or information can be obtained relating to the object of research.

3. The questionnaire used is a questionnaire that is structured in a closed form that is shared by staff / technical staff/supervisor of the Public Works Services of Gorontalo as a respondent. The questions in the questionnaire are designed in various ways to obtain the data and information needed for the study.

c) *Population and Sample*

According to Singarimbun and Effendi (1995) in Sadariah (2012), populations are defined as generalizations consisting of objects or subjects that have certain characteristics and have equal opportunities to be selected as members of the sample. The population in this study was the Civil Servants Management starting from the Head of Service (Rulers

of Budget / PA) to the field technical supervisor of local government agencies of the Public Works Services of Gorontalo totaling 150 employees spread across five fields as echelon III a.

d) *Data Analysis*

The data analysis technique used in explaining the phenomena in this study was descriptive statistical analysis techniques and Structural Equation Modeling (SEM) analysis.

IV. RESULT AND DISCUSSION

To find out whether a question item is declared valid, the criteria for the r count are greater than the r table. The following results were obtained:

Table 1

Indicator	Value of r (Pearson) per indicator and variable		
	Motivation	Job Satisfaction	Performance
1	0.541 (Valid)	0.690 (Valid)	0.741 (Valid)
2	0.923 (Valid)	0.865 (Valid)	0.671 (Valid)
3	0.926 (Valid)	0.899 (Valid)	0.697 (Valid)
4	0.914 (Valid)	0.902 (Valid)	0.565 (Valid)
5	0.863 (Valid)	0.882 (Valid)	-

Source: Primary (processed) data

Based on the table above showed the overall indicators of each valid variable. This is because the value of each indicator variable is greater than r table (0.160).

Reliability testing shows the level of consistency and stability of measuring instruments or research instruments in measuring a concept or construct. The concept of reliability is in line with a constructor quantitative validity. Valid constructs are certainly

reliable, whereas a reliable construct is not necessarily valid. Therefore, the instrument before use should be tested for reliability first. One of the techniques used with Cronbach's alpha method is a method for measuring the reliability of the internal consistency of multiple item scales. A questionnaire is said to be reliable if the value of Cronbach's alpha > 0.60 (Haryadi, 2011). The overall Cronbach's alpha test results for each variable can be seen in Table 2.

Table 2

No.	Variable	Cronbach's Alpha		Information
1	Motivation			
	X1	0.817	0.60	Reliable
	X2	0.796	0.60	Reliable
	X3	0.799	0.60	Reliable
	X4	0.798	0.60	Reliable
2	Job satisfaction			
	Y1	0.804	0.60	Reliable
	Y2	0.809	0.60	Reliable
	Y3	0.805	0.60	Reliable
	Y4	0.802	0.60	Reliable
	Y5	0.803	0.60	Reliable

3	Employee Performance			
	Z1	0.814	0.60	Reliable
	Z2	0.809	0.60	Reliable
	Z3	0.817	0.60	Reliable
	Z4	0.823	0.60	Reliable

Source: Primary (processed) data

Based on 2 above, it shows that Cronbach's alpha values obtained by Motivation Variable indicators are 0.817, 0.796, 0.799, 0.789, and 0.802, Job satisfaction variables are 0.804, 0.809, 0.805, 0.802 and 0.803, while performance variables employees are 0.814, 0.809, 0.817 and 0.823. Thus it can be concluded that the questionnaire was reliable because of the value produced by Cronbach's alpha > 0.60.

In evaluating each construct for direct effect is the coefficient of all coefficient lines with one-end arrows, while indirect effects are effects that arise through intervening variables and the total effect is the effect of various relationships (Ferdinand, 2006), which results The test is presented as follows:

Table 3

Variable			Standardized Effect			p-value	Information
Endogen	Intervening	Eksogen	Direct	Indirect	Total		
Motivation	-	Satisfaction	0,342	-	0,342	0,000	Positive Significant
Motivation	-	Performance	0,504	-	0,504	0,000	Positive Significant
Satisfaction	-	Performance	0,356	-	0,356	0,001	Positive Significant
Motivation	Satisfaction	Performance	0,504	0,179	0,683	0,000	Positive Significant

Source: OWN AMOS data

a) *The Effect of Motivation on Job Satisfaction*

Based on the result of the study, it is found that motivation has a positive and significant effect on the employees' job satisfaction. It means that if the motivation given to employees is good, it will be able to increase the power of their work, and vice versa. Good work motivation is the fulfillment of employee needs to be provided by the local government agencies of Public Works Services of Gorontalo covering physiological needs, security, sense of belonging (social), self-esteem, and self-actualization. Also, the local government agencies of Public Works Services of Gorontalo can provide performance allowances, working conditions, and teamwork, opportunities to develop, appreciation, sanctions, and dispositions fairly and transparently so employees will be motivated and this will result in fulfilling their job satisfaction.

This study supports Musriha (2011), Risambessy et al (2012), Robbins (2003), Gibson et. Al. (1998), and Porter & Lawler said that motivation has a significant effect on job satisfaction.

b) *The Effect of Work Motivation on Performance*

The results of the analysis and proof of the hypothesis indicated that motivation has a significant

effect on employee performance. This showed that the local government agencies of the Public Works Services of Gorontalo have implemented various things related to increasing employee motivation such as physiological needs, security, ownership (social), self-esteem, and self-actualization. Also, the local government agencies of Public Works Services of Gorontalo can provide performance allowances, working conditions, and teamwork, opportunities to develop, appreciation, sanctions, and dispositions fairly and transparently so employees will be motivated and this will have an impact on improving their performance.

The results of this study support Musriha (2011), Risambessy et al (2012), and Mehta et al (2001), stating that motivation affects performance.

c) *The Effect of Job Satisfaction on Performance*

The results of the analysis show that job satisfaction affects the performance of the local government agencies employees of Public Works Services of Gorontalo. It means that the agency pays attention to aspects that can improve employee job satisfaction in terms of the local government agencies of Public Works Services of Gorontalo is able to meet employee expectations in terms of satisfaction with



productivity, satisfaction with absenteeism, satisfaction with salary, satisfaction with work (Job), and satisfaction with the promotion.

The results of this study are in line with the research of Risambessy et al (2012) with the results of research that job satisfaction has a significant effect on performance.

#### d) *The Effect of Motivation on Performance through Job Satisfaction*

The local government agencies of Public Works Services of Gorontalo can motivate employees to improve job satisfaction and their performance where this is evidenced by the results of analysis and proof of the hypothesis made. This means that employees have fulfilled their needs both physiological needs, security, ownership (social), self-esteem, and self-actualization. In addition, the local government agencies of Public Works Services of Gorontalo can provide performance allowances, working conditions, and teamwork, opportunities to develop, rewards, sanctions, and fair and transparent dispositions so that employees will be motivated and this will have an impact on increasing job satisfaction which ultimately leads to achieving high performance.

This study supports Sunya, et al (2017) and Hairuddin, et al (2017) with the results of the study stated that motivation has a positive and significant effect on performance through job satisfaction.

## V. CONCLUSION

Based on the results of the research stated earlier, it can be concluded as follows:

1. Motivation has a positive and significant effect on the job satisfaction of the local government agencies of the Public Works Services of Gorontalo. The result indicates that if the motivation of employees is better, job satisfaction will increase significantly.
2. Motivation has a positive and significant effect on the performance of the local government agencies of the Public Works Services of Gorontalo. The result indicates that if the motivation possessed by employees is better, the performance will increase.
3. Job satisfaction has a positive and significant effect on the performance of the local government agencies of the Public Works Services of Gorontalo. The result indicates that if the employees' job satisfaction is better, the performance will increase significantly.
4. Motivation has a positive and significant effect on the performance of the local government agencies of Public Works Services of Gorontalo through job satisfaction. This result indicates that if the motivation possessed by employees is better, the

performance will increase positively through job satisfaction.

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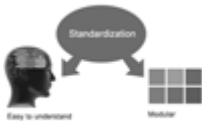


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**The individual Fellow and Associate designations accredited by Open Association of Research Society (US) credentials signify guarantees following achievements:**

- The professional accredited with Fellow honor, is entitled to various benefits viz. name, fame, honor, regular flow of income, secured bright future, social status etc.



- In addition to above, if one is single author, then entitled to 40% discount on publishing research paper and can get 10% discount if one is co-author or main author among group of authors.
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- The Fellow can become member of Editorial Board Member after completing 3yrs.
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- • This individual has learned the basic methods of applying those concepts and techniques to common challenging situations. This individual has further demonstrated an in-depth understanding of the application of suitable techniques to a particular area of research practice.

**Note :**

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- In future, if the board feels the necessity to change any board member, the same can be done with the consent of the chairperson along with anyone board member without our approval.
- In case, the chairperson needs to be replaced then consent of 2/3rd board members are required and they are also required to jointly pass the resolution copy of which should be sent to us. In such case, it will be compulsory to obtain our approval before replacement.
- In case of “Difference of Opinion [if any]” among the Board members, our decision will be final and binding to everyone.

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# PREFERRED AUTHOR GUIDELINES

**We accept the manuscript submissions in any standard (generic) format.**

We typeset manuscripts using advanced typesetting tools like Adobe In Design, CorelDraw, TeXnicCenter, and TeXStudio. We usually recommend authors submit their research using any standard format they are comfortable with, and let Global Journals do the rest.

Alternatively, you can download our basic template from <https://globaljournals.org/Template.zip>

Authors should submit their complete paper/article, including text illustrations, graphics, conclusions, artwork, and tables. Authors who are not able to submit manuscript using the form above can email the manuscript department at [submit@globaljournals.org](mailto:submit@globaljournals.org) or get in touch with [chiefeditor@globaljournals.org](mailto:chiefeditor@globaljournals.org) if they wish to send the abstract before submission.

## BEFORE AND DURING SUBMISSION

Authors must ensure the information provided during the submission of a paper is authentic. Please go through the following checklist before submitting:

1. Authors must go through the complete author guideline and understand and *agree to Global Journals' ethics and code of conduct*, along with author responsibilities.
2. Authors must accept the privacy policy, terms, and conditions of Global Journals.
3. Ensure corresponding author's email address and postal address are accurate and reachable.
4. Manuscript to be submitted must include keywords, an abstract, a paper title, co-author(s) names and details (email address, name, phone number, and institution), figures and illustrations in vector format including appropriate captions, tables, including titles and footnotes, a conclusion, results, acknowledgments and references.
5. Authors should submit paper in a ZIP archive if any supplementary files are required along with the paper.
6. Proper permissions must be acquired for the use of any copyrighted material.
7. Manuscript submitted *must not have been submitted or published elsewhere* and all authors must be aware of the submission.

## Declaration of Conflicts of Interest

It is required for authors to declare all financial, institutional, and personal relationships with other individuals and organizations that could influence (bias) their research.

## POLICY ON PLAGIARISM

Plagiarism is not acceptable in Global Journals submissions at all.

Plagiarized content will not be considered for publication. We reserve the right to inform authors' institutions about plagiarism detected either before or after publication. If plagiarism is identified, we will follow COPE guidelines:

Authors are solely responsible for all the plagiarism that is found. The author must not fabricate, falsify or plagiarize existing research data. The following, if copied, will be considered plagiarism:

- Words (language)
- Ideas
- Findings
- Writings
- Diagrams
- Graphs
- Illustrations
- Lectures



- Printed material
- Graphic representations
- Computer programs
- Electronic material
- Any other original work

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1. Substantial contributions to the conception and acquisition of data, analysis, and interpretation of findings.
2. Drafting the paper and revising it critically regarding important academic content.
3. Final approval of the version of the paper to be published.

### Changes in Authorship

The corresponding author should mention the name and complete details of all co-authors during submission and in manuscript. We support addition, rearrangement, manipulation, and deletions in authors list till the early view publication of the journal. We expect that corresponding author will notify all co-authors of submission. We follow COPE guidelines for changes in authorship.

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### Appealing Decisions

Unless specified in the notification, the Editorial Board's decision on publication of the paper is final and cannot be appealed before making the major change in the manuscript.

### Acknowledgments

Contributors to the research other than authors credited should be mentioned in Acknowledgments. The source of funding for the research can be included. Suppliers of resources may be mentioned along with their addresses.

### Declaration of funding sources

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## PREPARING YOUR MANUSCRIPT

Authors can submit papers and articles in an acceptable file format: MS Word (doc, docx), LaTeX (.tex, .zip or .rar including all of your files), Adobe PDF (.pdf), rich text format (.rtf), simple text document (.txt), Open Document Text (.odt), and Apple Pages (.pages). Our professional layout editors will format the entire paper according to our official guidelines. This is one of the highlights of publishing with Global Journals—authors should not be concerned about the formatting of their paper. Global Journals accepts articles and manuscripts in every major language, be it Spanish, Chinese, Japanese, Portuguese, Russian, French, German, Dutch, Italian, Greek, or any other national language, but the title, subtitle, and abstract should be in English. This will facilitate indexing and the pre-peer review process.

The following is the official style and template developed for publication of a research paper. Authors are not required to follow this style during the submission of the paper. It is just for reference purposes.



### ***Manuscript Style Instruction (Optional)***

- Microsoft Word Document Setting Instructions.
- Font type of all text should be Swis721 Lt BT.
- Page size: 8.27" x 11", left margin: 0.65, right margin: 0.65, bottom margin: 0.75.
- Paper title should be in one column of font size 24.
- Author name in font size of 11 in one column.
- Abstract: font size 9 with the word "Abstract" in bold italics.
- Main text: font size 10 with two justified columns.
- Two columns with equal column width of 3.38 and spacing of 0.2.
- First character must be three lines drop-capped.
- The paragraph before spacing of 1 pt and after of 0 pt.
- Line spacing of 1 pt.
- Large images must be in one column.
- The names of first main headings (Heading 1) must be in Roman font, capital letters, and font size of 10.
- The names of second main headings (Heading 2) must not include numbers and must be in italics with a font size of 10.

### ***Structure and Format of Manuscript***

The recommended size of an original research paper is under 15,000 words and review papers under 7,000 words. Research articles should be less than 10,000 words. Research papers are usually longer than review papers. Review papers are reports of significant research (typically less than 7,000 words, including tables, figures, and references)

A research paper must include:

- a) A title which should be relevant to the theme of the paper.
- b) A summary, known as an abstract (less than 150 words), containing the major results and conclusions.
- c) Up to 10 keywords that precisely identify the paper's subject, purpose, and focus.
- d) An introduction, giving fundamental background objectives.
- e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition, sources of information must be given, and numerical methods must be specified by reference.
- f) Results which should be presented concisely by well-designed tables and figures.
- g) Suitable statistical data should also be given.
- h) All data must have been gathered with attention to numerical detail in the planning stage.

Design has been recognized to be essential to experiments for a considerable time, and the editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned unrefereed.

- i) Discussion should cover implications and consequences and not just recapitulate the results; conclusions should also be summarized.
- j) There should be brief acknowledgments.
- k) There ought to be references in the conventional format. Global Journals recommends APA format.

Authors should carefully consider the preparation of papers to ensure that they communicate effectively. Papers are much more likely to be accepted if they are carefully designed and laid out, contain few or no errors, are summarizing, and follow instructions. They will also be published with much fewer delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and suggestions to improve brevity.

## FORMAT STRUCTURE

***It is necessary that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.***

All manuscripts submitted to Global Journals should include:

### **Title**

The title page must carry an informative title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) where the work was carried out.

### **Author details**

The full postal address of any related author(s) must be specified.

### **Abstract**

The abstract is the foundation of the research paper. It should be clear and concise and must contain the objective of the paper and inferences drawn. It is advised to not include big mathematical equations or complicated jargon.

Many researchers searching for information online will use search engines such as Google, Yahoo or others. By optimizing your paper for search engines, you will amplify the chance of someone finding it. In turn, this will make it more likely to be viewed and cited in further works. Global Journals has compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

### **Keywords**

A major lynchpin of research work for the writing of research papers is the keyword search, which one will employ to find both library and internet resources. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining, and indexing.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy: planning of a list of possible keywords and phrases to try.

Choice of the main keywords is the first tool of writing a research paper. Research paper writing is an art. Keyword search should be as strategic as possible.

One should start brainstorming lists of potential keywords before even beginning searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in a research paper?" Then consider synonyms for the important words.

It may take the discovery of only one important paper to steer in the right keyword direction because, in most databases, the keywords under which a research paper is abstracted are listed with the paper.

### **Numerical Methods**

Numerical methods used should be transparent and, where appropriate, supported by references.

### **Abbreviations**

Authors must list all the abbreviations used in the paper at the end of the paper or in a separate table before using them.

### **Formulas and equations**

Authors are advised to submit any mathematical equation using either MathJax, KaTeX, or LaTeX, or in a very high-quality image.

### **Tables, Figures, and Figure Legends**

Tables: Tables should be cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g., Table 4, a self-explanatory caption, and be on a separate sheet. Authors must submit tables in an editable format and not as images. References to these tables (if any) must be mentioned accurately.



## Figures

Figures are supposed to be submitted as separate files. Always include a citation in the text for each figure using Arabic numbers, e.g., Fig. 4. Artwork must be submitted online in vector electronic form or by emailing it.

## PREPARATION OF ELETRONIC FIGURES FOR PUBLICATION

Although low-quality images are sufficient for review purposes, print publication requires high-quality images to prevent the final product being blurred or fuzzy. Submit (possibly by e-mail) EPS (line art) or TIFF (halftone/ photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Avoid using pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings). Please give the data for figures in black and white or submit a Color Work Agreement form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution at final image size ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs): >350 dpi; figures containing both halftone and line images: >650 dpi.

Color charges: Authors are advised to pay the full cost for the reproduction of their color artwork. Hence, please note that if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a Color Work Agreement form before your paper can be published. Also, you can email your editor to remove the color fee after acceptance of the paper.

## TIPS FOR WRITING A GOOD QUALITY MANAGEMENT RESEARCH PAPER

Techniques for writing a good quality management and business research paper:

**1. Choosing the topic:** In most cases, the topic is selected by the interests of the author, but it can also be suggested by the guides. You can have several topics, and then judge which you are most comfortable with. This may be done by asking several questions of yourself, like "Will I be able to carry out a search in this area? Will I find all necessary resources to accomplish the search? Will I be able to find all information in this field area?" If the answer to this type of question is "yes," then you ought to choose that topic. In most cases, you may have to conduct surveys and visit several places. Also, you might have to do a lot of work to find all the rises and falls of the various data on that subject. Sometimes, detailed information plays a vital role, instead of short information. Evaluators are human: The first thing to remember is that evaluators are also human beings. They are not only meant for rejecting a paper. They are here to evaluate your paper. So present your best aspect.

**2. Think like evaluators:** If you are in confusion or getting demotivated because your paper may not be accepted by the evaluators, then think, and try to evaluate your paper like an evaluator. Try to understand what an evaluator wants in your research paper, and you will automatically have your answer. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

**3. Ask your guides:** If you are having any difficulty with your research, then do not hesitate to share your difficulty with your guide (if you have one). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work, then ask your supervisor to help you with an alternative. He or she might also provide you with a list of essential readings.

**4. Use of computer is recommended:** As you are doing research in the field of management and business then this point is quite obvious. Use right software: Always use good quality software packages. If you are not capable of judging good software, then you can lose the quality of your paper unknowingly. There are various programs available to help you which you can get through the internet.

**5. Use the internet for help:** An excellent start for your paper is using Google. It is a wondrous search engine, where you can have your doubts resolved. You may also read some answers for the frequent question of how to write your research paper or find a model research paper. You can download books from the internet. If you have all the required books, place importance on reading, selecting, and analyzing the specified information. Then sketch out your research paper. Use big pictures: You may use encyclopedias like Wikipedia to get pictures with the best resolution. At Global Journals, you should strictly follow here.



**6. Bookmarks are useful:** When you read any book or magazine, you generally use bookmarks, right? It is a good habit which helps to not lose your continuity. You should always use bookmarks while searching on the internet also, which will make your search easier.

**7. Revise what you wrote:** When you write anything, always read it, summarize it, and then finalize it.

**8. Make every effort:** Make every effort to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in the introduction—what is the need for a particular research paper. Polish your work with good writing skills and always give an evaluator what he wants. Make backups: When you are going to do any important thing like making a research paper, you should always have backup copies of it either on your computer or on paper. This protects you from losing any portion of your important data.

**9. Produce good diagrams of your own:** Always try to include good charts or diagrams in your paper to improve quality. Using several unnecessary diagrams will degrade the quality of your paper by creating a hodgepodge. So always try to include diagrams which were made by you to improve the readability of your paper. Use of direct quotes: When you do research relevant to literature, history, or current affairs, then use of quotes becomes essential, but if the study is relevant to science, use of quotes is not preferable.

**10. Use proper verb tense:** Use proper verb tenses in your paper. Use past tense to present those events that have happened. Use present tense to indicate events that are going on. Use future tense to indicate events that will happen in the future. Use of wrong tenses will confuse the evaluator. Avoid sentences that are incomplete.

**11. Pick a good study spot:** Always try to pick a spot for your research which is quiet. Not every spot is good for studying.

**12. Know what you know:** Always try to know what you know by making objectives, otherwise you will be confused and unable to achieve your target.

**13. Use good grammar:** Always use good grammar and words that will have a positive impact on the evaluator; use of good vocabulary does not mean using tough words which the evaluator has to find in a dictionary. Do not fragment sentences. Eliminate one-word sentences. Do not ever use a big word when a smaller one would suffice. Verbs have to be in agreement with their subjects. In a research paper, do not start sentences with conjunctions or finish them with prepositions. When writing formally, it is advisable to never split an infinitive because someone will (wrongly) complain. Avoid clichés like a disease. Always shun irritating alliteration. Use language which is simple and straightforward. Put together a neat summary.

**14. Arrangement of information:** Each section of the main body should start with an opening sentence, and there should be a changeover at the end of the section. Give only valid and powerful arguments for your topic. You may also maintain your arguments with records.

**15. Never start at the last minute:** Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

**16. Multitasking in research is not good:** Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

**17. Never copy others' work:** Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

**18. Go to seminars:** Attend seminars if the topic is relevant to your research area. Utilize all your resources.

**19. Refresh your mind after intervals:** Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

**20. Think technically:** Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.





**21. Adding unnecessary information:** Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

**22. Report concluded results:** Use concluded results. From raw data, filter the results, and then conclude your studies based on measurements and observations taken. An appropriate number of decimal places should be used. Parenthetical remarks are prohibited here. Proofread carefully at the final stage. At the end, give an outline to your arguments. Spot perspectives of further study of the subject. Justify your conclusion at the bottom sufficiently, which will probably include examples.

**23. Upon conclusion:** Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium through which your research is going to be in print for the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects of your research.

## INFORMAL GUIDELINES OF RESEARCH PAPER WRITING

### **Key points to remember:**

- Submit all work in its final form.
- Write your paper in the form which is presented in the guidelines using the template.
- Please note the criteria peer reviewers will use for grading the final paper.

### **Final points:**

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

*The introduction:* This will be compiled from reference matter and reflect the design processes or outline of basis that directed you to make a study. As you carry out the process of study, the method and process section will be constructed like that. The results segment will show related statistics in nearly sequential order and direct reviewers to similar intellectual paths throughout the data that you gathered to carry out your study.

### **The discussion section:**

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to prior workings.

Writing a research paper is not an easy job, no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record-keeping are the only means to make straightforward progression.

### **General style:**

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

**To make a paper clear:** Adhere to recommended page limits.

### *Mistakes to avoid:*

- Insertion of a title at the foot of a page with subsequent text on the next page.
- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.



- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

#### **Title page:**

Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

**Abstract:** This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite references at this point.

An abstract is a brief, distinct paragraph summary of finished work or work in development. In a minute or less, a reviewer can be taught the foundation behind the study, common approaches to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study with the subsequent elements in any summary. Try to limit the initial two items to no more than one line each.

*Reason for writing the article—theory, overall issue, purpose.*

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

#### **Approach:**

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

#### **Introduction:**

The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

*The following approach can create a valuable beginning:*

- Explain the value (significance) of the study.
- Defend the model—why did you employ this particular system or method? What is its compensation? Remark upon its appropriateness from an abstract point of view as well as pointing out sensible reasons for using it.
- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
- Briefly explain the study's tentative purpose and how it meets the declared objectives.



**Approach:**

Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done. Sort out your thoughts; manufacture one key point for every section. If you make the four points listed above, you will need at least four paragraphs. Present surrounding information only when it is necessary to support a situation. The reviewer does not desire to read everything you know about a topic. Shape the theory specifically—do not take a broad view.

As always, give awareness to spelling, simplicity, and correctness of sentences and phrases.

**Procedures (methods and materials):**

This part is supposed to be the easiest to carve if you have good skills. A soundly written procedures segment allows a capable scientist to replicate your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order, but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt to give the least amount of information that would permit another capable scientist to replicate your outcome, but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section.

When a technique is used that has been well-described in another section, mention the specific item describing the way, but draw the basic principle while stating the situation. The purpose is to show all particular resources and broad procedures so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step-by-step report of the whole thing you did, nor is a methods section a set of orders.

**Materials:**

*Materials may be reported in part of a section or else they may be recognized along with your measures.*

**Methods:**

- Report the method and not the particulars of each process that engaged the same methodology.
- Describe the method entirely.
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures.
- Simplify—detail how procedures were completed, not how they were performed on a particular day.
- If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

**Approach:**

It is embarrassing to use vigorous voice when documenting methods without using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result, when writing up the methods, most authors use third person passive voice.

Use standard style in this and every other part of the paper—avoid familiar lists, and use full sentences.

**What to keep away from:**

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings—save it for the argument.
- Leave out information that is immaterial to a third party.

**Results:**

The principle of a results segment is to present and demonstrate your conclusion. Create this part as entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Use statistics and tables, if suitable, to present consequences most efficiently.

You must clearly differentiate material which would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matters should not be submitted at all except if requested by the instructor.



**Content:**

- Sum up your conclusions in text and demonstrate them, if suitable, with figures and tables.
- In the manuscript, explain each of your consequences, and point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation of an exacting study.
- Explain results of control experiments and give remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or manuscript.

**What to stay away from:**

- Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
- Do not include raw data or intermediate calculations in a research manuscript.
- Do not present similar data more than once.
- A manuscript should complement any figures or tables, not duplicate information.
- Never confuse figures with tables—there is a difference.

**Approach:**

As always, use past tense when you submit your results, and put the whole thing in a reasonable order.

Put figures and tables, appropriately numbered, in order at the end of the report.

If you desire, you may place your figures and tables properly within the text of your results section.

**Figures and tables:**

If you put figures and tables at the end of some details, make certain that they are visibly distinguished from any attached appendix materials, such as raw facts. Whatever the position, each table must be titled, numbered one after the other, and include a heading. All figures and tables must be divided from the text.

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Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implications of the study. The purpose here is to offer an understanding of your results and support all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of results should be fully described.

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- You may propose future guidelines, such as how an experiment might be personalized to accomplish a new idea.
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- Recommendations for detailed papers will offer supplementary suggestions.



**Approach:**

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<i>References</i>	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring



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