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Highlights

Recycling Economy in Serang City

Effects on Stakeholder Remuneration

Product Development Strategy

Private Insurance Company in Jordan

Discovering Thoughts, Inventing Future

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Study the Effectiveness of the Compensation Management on the Successful of the Private Insurance Company in Jordan

By Dr. Nasser Assaf & Tala Abdulrahim
Talal Abu-Ghazaleh University Collage for Innovation

Abstract- The article conducts analysis on compensation management at the private insurance company insurance company. The researcher used the qualitative methodology to collect the research information.

An interview was done with the HR department at the company, they answered the research questions that are related to the Leading change process.

After reviewing research questions answers and related articles, many articles were identified and placed under this topic. The result that the company applied an effective compensation system, reward systems and this motivate employees in efficient way, in addition to ensure that the workplace is healthy, safety and achieve company's goals and objectives in addition to increase fairness and justice.

The used payroll system is Volt HRMS it is specific payroll system to be used by employees for attendance, letters, leaves, vacations, and to manage all of HR processes.

Keywords: compensation management, employee satisfaction, effectiveness, performance, benefits, rewards, compensations elements.

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Dr. Nasser Assaf [α] & Tala Abdulrahim [σ]

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I. Introduction

In this report I am going to talk about compensation management at the private insurance company and its impact on company's successful.

The private Insurance Company was founded in 1976 by Society National D'Assurances, under the name of "Jordan Eagle Insurance" and began selling its products (life insurance, personal accidents and individual health insurance).

In 1981, the company extended its' business by adding non-life insurance activities and group life & medical insurance.

a) The private insurance company Organizational Structure

The organizational structure at the private insurance company is hierarchy, total number of departments in the company distributed as below:

1. General manager office.
2. Legal department.
3. Reinsurance department.
4. Corporate communications office.
5. Medical claims department.
6. Grouplife and medical department.
7. Human resources department.
8. Information technology department.
9. Individual life and medical department.
10. Internal auditing department.
11. Finance department.
12. Nonlife and general insurance department.
13. Collection department.
14. Customer service department.
15. Administrative affairs department.
16. Retail distribution channels and sales department.

Each manager of the above departments is reported to the GM directly.

b) Size of the Company

The total number of employees at the private insurance company is 263 including sales team.

The company has 3 branches, the head quarter is in Amman, the other branch is in Aqaba, and the third one is in Irbid. Also, there is a disaster recovery site located in Al-Salt.

c) Human Resources Department Functions at the private insurance company

The scope of the HR department at The private insurance company covers all the following areas:

1. Conducting strategies.
2. Planning.
3. Conducting job analysis and job description.
4. Recruiting employees.
5. Orientation and induction programs
6. Training employees.
7. Performance evaluation or appraisals.
8. Attendance and vacations monitoring.
9. Maintaining employees files.
10. Resignation, termination employees.
11. Motivating employees.
12. Managing ethics, justice and fair treatments.
13. Managing conflicts.
14. Managing Job diversity.

To manage all employees activities, The private insurance company use specific payroll system which is (VOLT HRMS) , it is used to monitoring employees attendance transactions (leaves, vacations), financial transactions, tasks enrollment transactions, in addition to manage automated purchase orders transactions.

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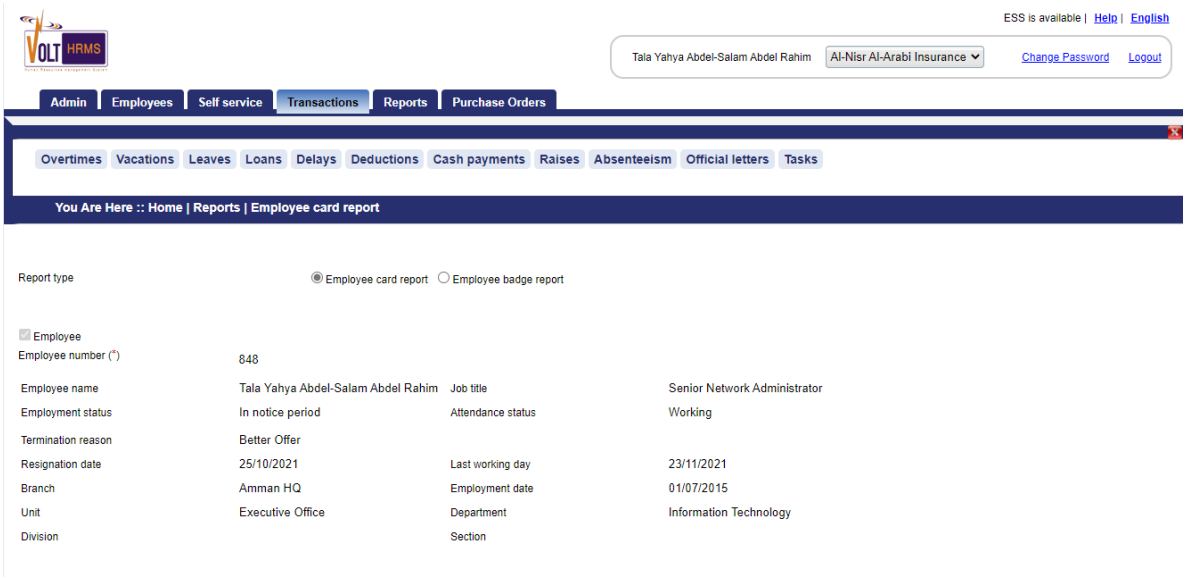


Figure 1: Payroll system at the private insurance company

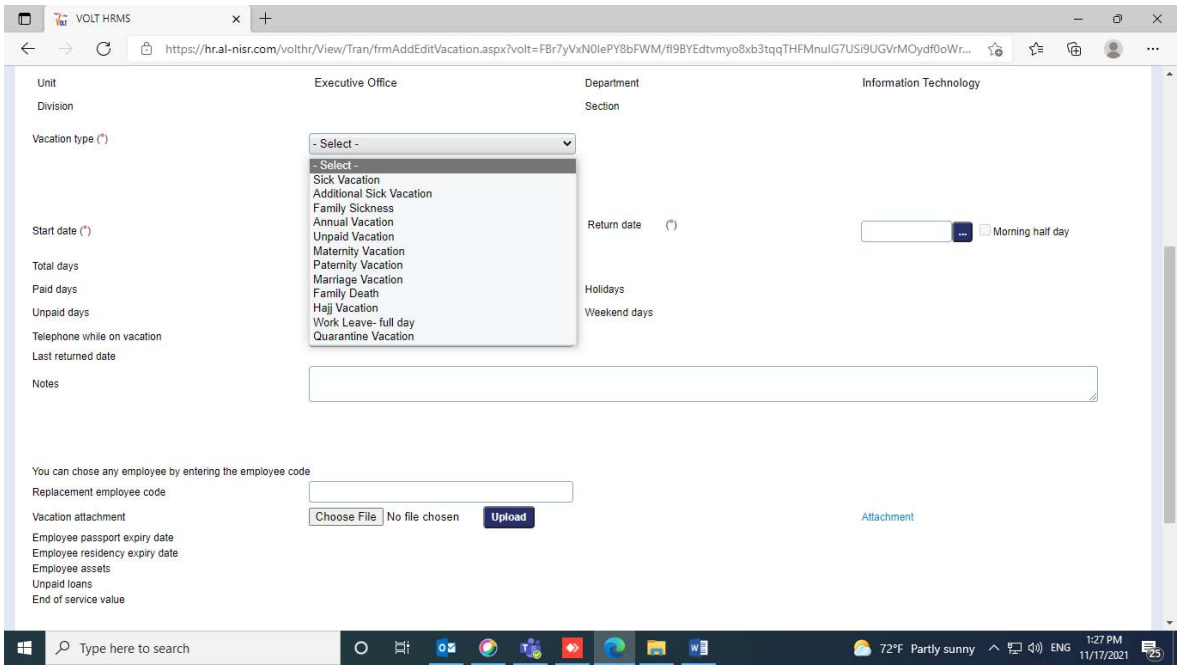


Figure 2: Vacations List

d) Problem Statement

The purpose of this research is to discover and analyze the applied compensation management strategies, system, and elements at The private insurance company and what are the previous system. and as the researcher considers one of the members of The private insurance company team, the researcher decided to write about this company, because she knows the importance of compensation management and what are the effects on compensation systems on employee performance, efficiency, and effectiveness.

In the past most of HR activities and compensation systems were applied in the traditional way and not systematic, all of them were done on paper and this effect on the effectiveness of the decision making and effect on the employee's productivity.

In addition, the payroll system played a big role on the enhancement of these activities.

e) Objectives

The main objective of writing on this research paper, is to find out the impact of Compensation System at the company's performance (efficiency, effectiveness, productivity), and how they help the company to be more successful.

In addition, to know the various types of Compensations provided by the company and to identify the satisfaction level of employees of their Compensation at the company.

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f) Hypothesis

H10: The Compensation Management Process doesn't have an Effectiveness on the successful of the private insurance company Insurance Company.

H1a: The Compensation Management Process do have an Effectiveness on the successful of the private insurance company Insurance Company.

g) Research Method and Data Collection

To collect the needed information for this paper the researcher used one of the qualitative methods, an interview (Face to Face) was done with the HR manager, the assistant of HR manager, and the HR officer at the private insurance company insurance company.

During the interview the researcher asked the participants the main question of this paper:

1. What is the used compensation management in the company?
2. What are the components of compensation management?
3. What is the importance of compensation?
4. What are the success factors for compensation management?
5. What is the job evaluation and employee's performance appraisals criteria at the company?
6. What is the used reward system at the company?

II. Literature Review

A case study was conducted to find out the relationship between the compensation management and employee's performance on food, beverages and Tabaco industry in Nigeria, this paper inspected the impact of Remuneration Administration on Workers Execution in the Fabricating Division, A case consider of A Legitimate Nourishment and Refreshment Industry. The goals were to: decide the degree at which stipend administration influence representative's execution, assess the relationship between working condition and worker execution, get to the rate at which welfare services influence representative's exhibitions, investigate relationship between recompense administration and improved efficiency and investigate the relationship between recompense administration and retainment of staff. From the comes about of the consider, it can be concluded that there's a noteworthy relationship between good welfare benefit and representative's performance. More so, there's a noteworthy relationship between compensation administration and improved efficiency. Aside from these, there's a significant relationship between recompense administration and retirement of staff. Conclusively, there's a positive significant relationship between emolument administration and workers execution. (Odunlami and Matthew, 2014).

A research paper was conducted on the Literature Review on Compensation System Design, this paper offers some implications for the effective implementation of compensation system design. This paper suggests that compensation system design should consider not only the methods used to reward employees' performance, such as combining short- and long-term incentives and placing a premium on the degree of team effort, but also the enterprise's conditions, such as corporate strategy, organizational culture, and so on. Furthermore, businesses should focus on internal building, such as enhancing internal control quality and preventing overlap between the Audit Committee and the Remuneration Committee, which will assist the compensation system perform well. Meanwhile, businesses should consider the use of external oversight mechanisms and the knowledge of auditors to reduce the influence of incentive measures on financial misreporting. In general, the article can assist businesses in developing a scientific and appropriate compensation system, as well as contributing to the positive and effective operation of compensation systems, both of which are important in the development of businesses. That is to say, it can assist businesses in improving their performance and reducing financial misreporting. Furthermore, because this paper summarizes the most recent research on compensation system design considerations and the effects of compensation system design on performance and financial misreporting, it provides a holistic view of related compensation system design research, which is useful for identifying research innovation points or new research directions in compensation system design. This is important if you want to keep up with scholarly research (Hong, 2017).

A Study on Compensation Management with Reference to Bank Employees Working in Hyderabad was conducted to determine the impact of compensation on employee productivity as well as employee perceptions and satisfaction with compensation. The research Compensation management provides a quick overview of employee compensation in the firm, explains the employee incentive system, and assesses employee performance at work. The study's rationale is to create an appropriate compensation package for employees that is both cost effective and motivates them to do their jobs. The research is being carried out in banks in Hyderabad.

Convenience sampling was utilized as the sample method. The respondents were asked to complete the questionnaires, which resulted in the collection of primary data.

Secondary data was gathered from a variety of sources, including books, survey reports, and the internet.

The study is predicated on the hypothesis that an organization's compensation has no bearing on employee productivity and retention. The primary source data and the secondary source data Secondary sources

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were studied with the help of relevant research tools such as graphs and tables. According to the findings of the research It was discovered that the staff are happy with their jobs. The policy on compensation and salary administration, as well as they believe their remuneration is worth the price of their situation Employees also agree that the Compensation policy in their organization helps Employees and their families have a better quality of life. Security in both life and money (Reddy, 2017).

In 2008, and important article with the title "CAN COMPENSATION BE STRATEGIC? A REVIEW OF COMPENSATION MANAGEMENT PRACTICE IN LEADING MULTINATIONAL FIRMS" was conducted, Employee behaviors must be aligned with the organization's strategic direction, according to modern remuneration approaches.

Organizations have embraced such ideas, which are referred to as strategic compensation. Nonetheless, our comprehension is limited.

Because of the nature of strategic compensation management, there are only a few options.

Even though strategic pay has It is believed that orthodoxy has received a lot of academic and practitioner attention.

Theoretical models of strategic pay include a number of significant flaws.

Furthermore, it is asserted that there is a wealth of factual facts that may be used to refute conventional wisdom Compensation approaches that are strategic.

In researching the usage and efficacy of strategic planning The conclusions of the survey that forms the basis for this report on remuneration in top companies Many firms face severe managerial challenges, according to the findings of this article. seeking to employ compensation in a smart manner, as a result, realized compensation practice often reflects neither what was desired strategically nor intended as policy. Often reflecting a poor acceptable the organization, negative outcomes of strategic compensation systems include high costs, a greater administrative burden and industrial conflict manifest in an exceedingly demotivated and disengaged workforce. More significantly still, the mismanagement of strategic compensation systems may induce undesirable employee behaviors leading to unintended consequences that are often discreet and so difficult to remedy. during this sense, compensation clearly is very important, but not because the value-creating activity purported by exponents of strategic compensation. Rather, it's a business risk that needs careful management and good governance to make sure that it doesn't diminish or consume more value than it creates. Theoretically, the study highlights variety of limitations of managerialist accounts of strategic compensation, and points instead to the importance of additional powerful, but currently underdeveloped, theory. Contingency and neo-institutional accounts of firm behaviors are seen considering the empirical data to be particularly relevant and worthy of further research to enable a greater understanding of this important economic and social aspect of organizational behavior (Trevor, 2008).

III. Research Questions

a) *The Used Compensation Management at The private insurance company*

Al Nisr applies Motivation and Incentives programs in a different way.

The motivation may be physical, moral or both, where the employee can be promoted to a higher position, be given a financial reward, or honored by providing a letter of thanks.

When I asked the assistant of HR manager about her satisfaction with the compensation system and how she evaluated it she said that their incentive and salary system is fair and very good in comparison with other systems.

Methods of motivation for employees vary between direct and indirect, intrinsic and extrinsic.

Motivation of employees depends on both matters the number of years of experience and merit, depending on the circumstances of each job and department.

b) *The Components of Compensation Management at the Private Insurance Company*

i. *Monetary Compensations*

Monetary compensations at the Private Insurance Company include:

1. Salary.
2. Overtimes.
3. Bonuses.
4. Health Insurance.
5. Yearly vacations.
6. Life Insurance.
7. Rewards.
8. Allowances.

ii. *Non-Monetary Compensations*

Non-monetary compensations at the private insurance company include:

1. Participation in the decision making.
2. Recognition of employee efforts.
3. Naming the ideal employee (giving the employee of the year thanking letter, at the private insurance company gold pin, and money)
4. Celebrations.
5. Paid vacations
6. Encourage the private insurance company employees in CSR (Corporate Social Responsibility) program.

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c) *The Importance of Compensation at the Private insurance Company*

As a member of this company, the compensation management is very important to develop a healthy workplace, in addition to encourage the creativity and motivation for employees, so when the employee felt that he is valued this will motivate him and increase efficiency, effectiveness, and productivity, this will lead to higher performance and achieving the desired outcomes and objectives for the company.

In addition, compensation management give for the private insurance company a competitive advantage in insurance field and reflecting a great image about the company in front of the competitors and customers.

The most important part of compensation management that it increases the employee happiness, and satisfaction and this will lead to customer satisfaction.

d) *The Success Factors for Compensation Management*

In my opinion the most important factor of compensation management successful process, that it is systematic and be applied depending on specific rules, regulations and KPIs, so every employee can know his compensation depending on his performance during the year, and the percentage of any raises or bonusses depending on this performance, even the range of percentages decided by board members depending on grades, qualifications, and years of experiences, so there is no bias or discrimination between employees.

e) *The Job Evaluation and Employee's Performance Appraisals Criteria at the Private Insurance Copmany*

The HR department at the insurance company conducting an appraisal policy to assess employee's performance and the needed training for each employee at the end of each year.

i. *Performance Assessment Elements*

- Skills competencies and work performance.
- Comments of employee's supervisor or manager.
- Key input for training needs identifications.

ii. *Rating Factors are Used to Evaluate Employee's Performance*

- Below expectations.
- Meet expectations.
- Exceeds expectations.

iii. *Steps of Appraising*

- The first step of appraising employees when the department's manager conducted target plan at the first of each year to be followed in the whole year and assign or divide these targets between the department employees.
- After that the HR manager set with the department's manager and conduct KPIs for each target, each target takes a certain weight from 100 and the total for these targets should be calculated from 100.
- The KPIs should be written and given to all employees to know their responsibilities and their targets weight.
- At the end of each year the department's manager set with their employees one by one to review the done targets and put the total weight out of 100.
- After that each department's manager set with HR manager to give her the results.
- depending on the result the HR manager put the percentage of salary increase for the next year depending on the approved allowance range from the board of members.

f) *The Used Reward System at the Private Insurance Company*

The reward system is part of compensation system, it is divided into extrinsic and intrinsic. There are many reasons for using reward systems in organizations. It is generally believed that the reward system affects the following aspects:

1. *Work hard and performance:* According to expectations theory, when employees believe that rewards depend on good performance, their efforts and performance will increase. Therefore, the reward system has a very basic incentive function.
2. *Attendance and Retention:* Reward systems have also been shown to influence an employee's decision to come to work or remain in the organization.
3. *People's commitment to the organization:* The reward system has been found to strongly influence employee engagement with the organization, especially through the exchange process.
4. *Job satisfaction:* There are four relationships between rewards and satisfaction: (1) reward satisfaction is a function of how much has been received and how much the individual feels he should receive; (2) Satisfaction is influenced by the comparison with what happens to other people, to colleagues; (3) People differ in what rewards they value; and (4) some rewards are satisfying because they lead to other rewards.

Rewards at Private Insurance Company are:

- Having fun at office.
- Bonuses.
- Overtimes.
- Employee of the year.
- Career development.
- Time off.

At the end the well managed compensation and reward system will lead to job performance enhancements and motivation to achieve company's objectives and goals (as shown in figure 3).

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Figure 3: The Impact of Reward system on Motivation

IV. Conclusion

In conclusion, and after analyzing the collected interview data by documentation the research, summaries, abstracts, and memos, the answer to the researcher question is that (Compensation Management Systems do have an Effectiveness on the Successful of the private insurance company Insurance Company) which is the H1a. On the other hand, compensation management have an important impact on the employee's satisfaction and generating a healthy work environment. At the end this will reduce turnover rates at the company and increase company's revenues and customers satisfactions.

V. Recommendations

The study recommends The private insurance company to enlarge the HR department at the company and divide the work on more than 3 persons, because if the company want to achieve better outcomes it should concentrate on each function of HR, such as specific team for employees relations as the number of employees is increasing and this will lead to a conflict between them, specific team for recruiting, specific team for appraising, because when the work divided on multiple teams the results for each function will be more efficient and the company will be more stable and well organized.

On the other hand the study recommends The private insurance company to concentrate more on compensation budget and give it a large weight from the total budget, to ensure that there is a high level of satisfaction and loyalty.

Finally the private insurance company should conduct appraising process on quarterly bases not only yearly, because the continuous performance monitoring process helps to improve performance and productivity.

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Considerations Regarding the Strategic Mission-Stockholders' Equity Relationship, Cash Flows, and their Effects on Stakeholder Remuneration

By Elio A. Farfán Torrelles
University of Carabobo

Abstract- The development of the following article aims to identify the relationships between the strategic mission and the stockholders' equity of the company, the cash flows that are generated from this interaction, and the effects on the remuneration received by the stakeholders of the entity. This time the analysis will focus on dividends paid to shareholders, although aspects of some income from other entities involved in the business process are pointed out, such as employee salaries. For these purposes, an analysis of the relationships between the mission of the strategic plan and the financial funds flows of the selected entities was developed, based on the study of the companies Tesla, Inc., General Motors, Inc., Ford Motors Company, Google Inc., Apple Inc., Facebook, Amazon, and Hertz. The data collection technique was constituted by the documentary research to later establish a study of the links and relationships existing between the interested parties in the companies. This is how it was possible to detect an interaction between the variables mission, flow of financial funds, dividends to shareholders, and salaries of employees.

Keywords: *strategic mission, stockholders' equity, financial cash flows, stakeholder remuneration.*

GJMBR-A Classification: *JEL Code: B10*

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Considerations Regarding the Strategic Mission-Stockholders' Equity Relationship, Cash Flows, and their Effects on Stakeholder Remuneration

Elio A. Farfán Torrelles

Abstract- The development of the following article aims to identify the relationships between the strategic mission and the stockholders' equity of the company, the cash flows that are generated from this interaction, and the effects on the remuneration received by the stakeholders of the entity. This time the analysis will focus on dividends paid to shareholders, although aspects of some income from other entities involved in the business process are pointed out, such as employee salaries. For these purposes, an analysis of the relationships between the mission of the strategic plan and the financial funds flows of the selected entities was developed, based on the study of the companies Tesla, Inc., General Motors, Inc., Ford Motors Company, Google Inc., Apple Inc., Facebook, Amazon, and Hertz. The data collection technique was constituted by the documentary research to later establish a study of the links and relationships existing between the interested parties in the companies. This is how it was possible to detect an interaction between the variables mission, flow of financial funds, dividends to shareholders, and salaries of employees. From the analysis of the different cases, the most remarkable thing turned out to be that the axis of this entire process is constituted by the strategic mission of the company and the flow of funds generated to be able to remunerate the stakeholders, which should feed the stockholders' equity, as well as its importance in the business process. That is why all interests must converge to achieve the company's objectives. If not, the company will succumb.

Keywords: strategic mission, stockholders' equity, financial cash flows, stakeholder remuneration.

I. Introduction

A the company brings together many factors around it to obtain its own goals through the deployment of its mission, outlined in its strategic plan. As reported in The Economist (Oct. 22, 2021) many times it is thought that the mission statement of an entity, especially those who start operations as entrepreneurs, is somewhat irrelevant. However, The Economist (Oct. 23, 2021) shows that the mission can provide vital information to successfully maintain the activity object of its exploitation, not only for investors but also for other factors involved in the company's processes. Several sources and studies address research related to the company, its strategic plan, and its performance in daily operations. These studies range from managerial models to proposals for greater accounting efficiency, constituting the basis for the development of this text, as well as information from the Security and Exchange Commission (SEC). An example of this is De Mooij, R., Klemm, A., Perry, V., (2021), Welch, I. (2017), Brealey, RA, Myers, S., C. and Allen, F. (2010), Van Horne, James., C. and Wachowicz, Jhon, M. (2002), who allowed to discover the relationships and links arising from the flows of funds. Additionally, the approaches of Kaplan R., Norton, David P., (2008), Drucker, Peter F., (1,989), Porter, Michael E., (1,987), Porter, Michael E., (1,985) were reviewed, and Anzoff, H., I., (1957). However, few works link the strategic plan, especially the entity's mission, with the company's stockholders' equity, both at an operational level and in the long term, including from the perspective of generating constant cash flows. financial funds destined to remunerate stakeholders.

But what should not stop has stopped. According to the review by Lee, A. (March 24, 2020) as of March 2020 in the United States, and almost simultaneously in the rest of the world, a quarantine was decreed that forced most of the people, especially to workers, to be confined indefinitely to their homes. This meant the abrupt and sudden cessation of cash flows in a large part of household, business economies, and markets, thus causing a global economic recession. This unprecedented phenomenon evidenced the importance of these flows of funds, becoming an important motivation for the development of this article, which aims to define the relationships and links that may occur in the entity, having as main variables the strategic mission of the company, to finance as a flow of funds, to stockholders' equity and accounting in general, as a record of such relationships and ties.

During the investigation, questions arose, such as what are the relationships and links that develop within the company, having finances as a generating source? How are they materialized and fed back? Why do these relationships and links between the factors involved occur? What are the interests that each of these individuals risks in business activities? How is the mission transformed into cash flows that will allow the generation of profits and wealth expected by the company? This article tries to answer some of these

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questions but others, which will wait for future studies. To address the problem posed, the work was structured as a case study, specifically of the companies Tesla, Inc., General Motors, Inc., Ford Motors Company, Google Inc., Apple Inc., Facebook, Amazon, and Hertz. All publicly-traded companies are regulated by the SEC. Concerning the scope of the analysis, two particularities should be noted: 1) The fiscal closing date of all companies is December 31 of each year, except for Apple Inc., whose closing is September 30 of each year and 2) The information collected from all companies corresponds to the interval between the years 2011 and 2020, except Facebook, whose data was taken from 2012 because that year is when it became a public company.

After reviewing the relevant literature, it was determined that the research is of a documentary nature for data collection, as a support to the interpretation of the information for its subsequent evaluation, which allowed determining the existing links between the entities involved in said companies. The information was often arranged in tables, as the basis for the graphs that make up the independent and dependent variables. In the case of Google Inc. and Alphabet, Inc., to determine net income, the item comprehensive income (loss) was chosen from their financial statements, since it contains adjustments, such as adjustments in foreign currency, which significantly modify the results of a given exercise. On the other hand, dividends were extracted from the statement of equity (Consolidated Statements of Stockholders 'equity), for each fiscal year under study. Regarding stockholders' equity, since this is an accumulated item from several financial years, the initial balance for the end of 2011 was subtracted from the said item, to eliminate any possible effect or bias from previous years, and thus equip it with sales that correspond to accumulations of periods not exceeding 12 months.

Due to the complexity of addressing in a single article the relationships and effects that occur between the mission and the different individuals and entities involved in the business process, this paper focuses solely on the interactions of the mission with the shareholders of the company, the generation and payment of dividends and the effects of these events on the stockholders' equity of the financial statements of the entity, except for Tesla Inc., which included a salary report and payments to the treasury. In addition, many of the situations posed by the individual dynamics of each of the companies under study would merit further analysis in the future. However, these other relationships are mentioned to support the explanation of the topic. The text continues with definitions and concepts expressed in the sections mission, flow of funds and stockholders' equity, evaluating the performance of the mission, activating the mission and interaction mission-allies; to continue with an adequate definition of the mission, evaluating the mission, an ideal model of cash flow and stockholders' equity.

Below are the analyzes, tables, and graphs of the companies under study, according to the following sections: creating the vehicles of the future, risks associated with the interested entities, the difficult business of manufacturing vehicles, a centenary business, connectivity as a business, the pioneers of digital technology, the business of the networks, Amazon the triumph in the pandemic and Hertz effects of the pandemic. Then a comment is inserted related to the situation of transactional dollarization and Venezuelan hyperinflation and its effects on the strategic mission-stockholders' equity binomial in local companies. Finally, the corresponding conclusions of the work are shown.

II. Relationship and Effects

The basic concepts necessary for the development of the article are presented below.

a) Mission, cash flow, and stockholders' equity

The company, as an organization, solves the problems of the market by offering the products that it demands and, in addition, allows investors to obtain remuneration, via dividends, for the money placed in the productive processes of the companies, whether they are factories or lending entities. of services. Similarly, the rest of the factors involved in said business activities receive income from their contributions. So, the mission of the company is to offer goods and services to the demanding market and, subsequently, deliver to investors, and other allies, part of the flows generated.

From another perspective, these remunerations to the company's allies correspond to the costs, expenses, and dividends paid in the production and services process.

b) Evaluating mission performance

The results of the mission are measured, evaluated, and recorded by the accounting of the organization and its surplus will accumulate in the stockholders' equity, generating a bidirectional relationship between it and the mission of the company, in such a way that for the positive performance of the mission correspond positive results or profits that will increase your equity. On the contrary, negative results or losses are associated with the negative performance of the mission, which would reduce the stockholders' equity and, in general, the equity of the company.

This positive performance of the mission is materialized in the generation of financial cash flows whose destination will be the entity's operating process, to achieve the strategic objectives, set by the company's management.

If the result is negative, the lost capital must be restored, or the capital reduced until the loss suffered occurs, since otherwise, it would be the imminent

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closure of the company, according to the provisions of USA Courts (1978) and in the Venezuelan Commercial Code (1955).

c) Activating the mission

In any case, to deploy the mission of the entity it is necessary to bring together a large number of individuals and organizations that will allow the achievement of the purposes of the company. This is how employees, directors, suppliers, advisers, government entities, banks, and other interested parties are involved in the business of the company so that it achieves its objectives and, simultaneously, these allies (stakeholders) receive remuneration for their efforts, materials, ideas or time that they applied to the production process of the company.

Each entity involved in the company (stakeholders) will, in due course, demand the remuneration generated by the services or materials provided. The cause of these payments has different natures. Thus, the company will receive profits or losses, shareholders dividends or losses, employees and directors salaries and bonuses, and banks interest. Additionally, the government tax administration will demand the taxes associated with the income generated, while the suppliers will demand the payment of their invoices and the market will demand the goods and services offered by the company.

Only the successful performance of the mission will allow paying these remunerations, so that each of these disbursements presents different levels of risk, whereby employees, directors, suppliers, and debt holders will receive their remuneration regardless of the results, while that the government tax administration, shareholders and the company itself must wait to collect at the end of the economic cycle, if, and only if, positive results are obtained, that is, profits, Welch, I. (2017).

d) Mission-allies interaction

The interaction between the company's mission and its different allies is linked to the flow of financial funds, materialized in two different dimensions. In the first instance, the efforts and resources that each factor contributes to the achievement of the strategic objectives generate flows of funds that will be converted into materials, time, as well as goods and services. In other words, they mean the company's working capital. The counterpart would be immobilized capital in the form of non-current assets. The formers are associated with the short term, while the latter corresponds to the medium and long term. In accounting terms, this difference can be appreciated when comparing working capital with fixed capital.

The second dimension is made up of the remunerations that allies receive for the contributions of resources, described above, through cash payments.

The amount and timing of these payments will largely depend on the risks assumed by each of the factors involved in the process that means fulfilling the strategic mission of the entity which, in the case of shareholders, will be the cancellation or not of the corresponding dividends as the last stage of the business process.

When the transactions and exchanges occur, each of the parties involved agrees and claims the remuneration corresponding to those transfers of resources or interests, which have different degrees of valuation, for which they correspond to different portions of the flow of funds generated by the company. A common objective could be, for example, to place highly efficient electric vehicles on the market, motivating these factors (stakeholders) to offer, on the one hand, personal skills to carry out certain jobs or tasks, offer high-quality products or supplies, knowledge market, managerial skills, development of cutting-edge technologies or ability to operate in international financial markets, etc. All this is placed at the disposal of the company or organization to achieve this common objective, thus generating a highly cohesive and efficient network of interests, a kind of economic-financial symbiosis capable to produce wealth, profitability, and prosperity for those involved.

e) An adequate definition of the mission

The foregoing requires establishing an adequate and clear strategic mission that allows setting realistic objectives, consistent with the plans pre-established by the institution and the capital and financial funds available for its development. This concept is summarized in the annual message of Alan Mullaly, president of Ford Motor Company, in Ford (2014) when he expresses “One team. One plan. One goal”.

On the other hand, declaring a diffuse, broad, and unspecific strategic mission could generate errors in the determination of the necessary and available resources, causing the collapse of the company.

Regarding how the mission is transformed into cash flows that allow the generation of profits and wealth expected by the company Kaplan, R., Norton, D., P. (2008: 61), points out that: “… The mission it should describe the fundamental purpose of the entity and, in particular, what it provides to clients”. Then, the entity's mission corresponds to the goods and services that the company places on the market, in direct connection with its sales, which constitute the monetary expression of the deployment of the strategic mission in each economic cycle, with its consequent flow of money. In other words, there is a directly proportional relationship between strategic mission and sales.

f) An ideal model

Following what has been said in previous paragraphs, an ideal model of mission-stockholders' equity relationship can be structured, as shown below in figure 1:

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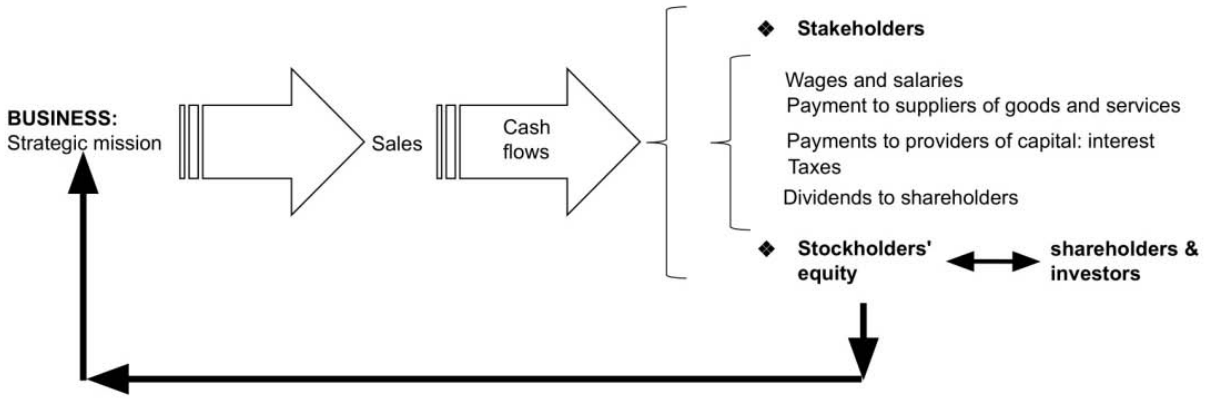


Figure 1: Mission – Sales Cash Flows

Fig.1: Shows the cash flows arising from the deployment of the strategic mission through sales, which are distributed among the various stakeholders and stockholders' equity. It is also shown that stockholders' equity can be fed from investors and shareholders by strengthening the equity of the company.

Based on this argument, table 1 shows the relationship of the different missions of the companies understudy with the sales of the goods and services that they offer to their clients in their respective markets as the origin of their financial funds.

Table 1: How the mission is expressed in the company operations

COMPANY NAME	Mission	Operating variable
TESLA, Inc. 2015	We design, develop, manufacture and sell high-performance fully electric vehicles and energy storage products.	**Revenue from:** Automotive + Development services
TESLA, Inc. 2016	We design, develop, manufacture and sell high-performance fully electric vehicles, and energy storage systems, as well as install, operate and maintain solar and energy storage products. We are the world's only vertically integrated energy company, offering end-to-end clean energy products, including generation, storage and consumption.	**Revenue from:** Automotive + Automotive leasing + Energy generation and storage + Services and other
GENERAL MOTORS COMPANY 2011/2020	We design, build and sell cars, trucks and automobile parts worldwide. We also provide automotive financing services through General Motors Financial Company, Inc. (GM Financial).	**Sales from:** Automotive + Financial Services
Ford Motor Company 2012/2020	OUR PURPOSE AS A COMPANY To help build a better world, where every person is free to move and pursue their dreams	**Revenue from:** Automotive + Financial Services
GOOGLE, inc. 2011	Our mission is to organize the world's information and make it universally accessible and useful.. + Our goal is to: "... develop services that significantly improve the lives of as many people as possible."	**Revenue from:** Google websites + Network Members'websites (advertising and other)
AlPHABET, Inc. 2020	Our mission to organize the world's information and make it universally accessible and useful is as relevant today as it was when we were founded in 1998.	**Revenue from:** Google Search & other +YouTube ads + Google Network Members' properties + advertising´Cloud
APPLE, inc. 2011/2020	The Company is committed to bringing the best user experience to its customers through its innovative hardware, software, peripherals, and services.	**Net sales by:** iPhone + Mac + iPad + Wearables, Home and Accessories + Services
FACEBOOK, inc. 2012/2020	Our mission is to give people the power to build community and bring the world closer together	**Revenue from:** Advertising ´other revenue
AMAZON, Inc. 2012/2020	We seek to be Earth's most customer-centric company. We are guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking.	**Net sales by:** Net product sales + Net service sales
HERTZ, Inc. 2012/2020	Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918.	**Revenue from:** Worldwide vehicle rentaL + All other operations

Source: SEC & Ford website. Own elaboration.

At this point, it is important to highlight the quality of flow, of current, of mass in continuous movement that money has in business operations. Financial funds are nothing more than resources in the form of money that is always, constantly, in motion, like a kind of river of goods and services that flow from the warehouses of companies to the hands of consumers to solve problems and satisfy needs. Hence the severity of the quarantine phenomenon of early 2020.

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Therefore, if sales are the monetary expression of the mission, then a correlation could be established between mission (sales) and stockholders 'equity, in such a way that, the higher the sales, the higher the stockholders' equity. However, in real life this relationship is not linear, nor is it directly proportional, since there are factors that modify it.

Table 2 shows the relationship between the sales of each company under study and its stockholders' equity, through its corresponding correlation coefficient for each company under study.

Many causes could change the interrelation between sales, as a monetary expression of the strategic mission, and the increase in stockholders 'equity, so that each company individually considered will have a particular sales-stockholders' equity correlation coefficient. This is because each company presents a situation, a particular dynamic, not only in the way of generating financial funds but, above all, in the subsequent management of these funds. Even the same entity, analyzed in different periods, could show different sales-equity ratios. But in any case, the stockholders' equity must be increased from the flows generated in the sales (the mission), as an expression of a profitable business.

The money generated by the sales of goods and services is distributed among the participants in the process as already indicated above, but, in addition, in business dynamics, situations arise that prevent a direct relationship between sales and stockholders' equity. In the first place, the diversion of financial funds to other destinations not contemplated in the strategic plan, including early distribution of profits, purchase of non-productive assets, unscheduled investments, or unexpected or excessive expenditures or due to an unclear definition or very ambition of the strategic mission of the company or, even, the appearance of a global event that paralyzed the flows of funds generated in sales.

A wrong reading of the market, the power of competitors, or an overestimation of one's competitive advantages can alter this mission-stockholders' equity relationship, as outlined in E. Farfán T., EA (2018) and Farfán T., EA (2017), with attention to the losses generated in a specific fiscal year.

III. Studying some Companies

Next, a brief analysis of the companies under study is made in the light of the strategic mission, the flows of funds generated, some allies interested in business management, and the behavior of the entity's stockholders' equity for each case.

a) Creating the vehicles of the future

Tesla, Inc (Tesla) is a company dedicated to the production and sale of high-end electric vehicles and the sale of solar energy, an item that represents a very low percentage of the corporation's total income. As a public company listed on the NASDAQ electronic stock exchange since 2010, the majority of its shares are held by institutional organizations. In addition, it has many branches around the world, where 70,757 employees worked as of May 21, 2021, according to the Yahoo finance portal (2021). Its main director (CEO) Elon Musk stands out as a leader of the organization promoting renewable energy, the protection of the environment, and trading cryptocurrencies, especially Bitcoin and Dogecoin. Over the years, the company has developed a solid network of allies and stakeholders, both externally and internally, which constitutes an important strength in its evolution as a company.

Table 3 compares the financial cash flows, sales income, with the salary paid to its workers, the annual profits (or losses) of the entity, the dividends corresponding to the shareholders of Tesla, Inc. and its shareholders' equity. Additionally, graph 1 shows the parallelism between the salaries paid by the company and the successive losses accumulated between the years 2011 and 2019. The previous situation has prevented the payment of dividends to shareholders and the payment of income taxes, as shown in Macrotrend (s / f), evidencing that, for years, these two allies have not been remunerated and have not received, for a very long time, their share of the flow of financial funds, which that could lead to these factors (shareholders and government entities) giving up, in the future, offering their resources and services to the company Tesla, Inc. Similarly, it could be inferred that, if profits had been generated during each of those years, the employee compensation, wages, salaries, and other benefits could have been higher, both in quality and quantity.

What was pointed out in the previous paragraph contrasts enormously with the upward trend in sales, a trend that is replicated in stockholders' equity, for the same period. Why is this situation happening? As indicated in USA Courts (1978) and in the Commercial Venezuelan Code (1955), the economic losses of an entity must be covered by the shareholders to restore the lost capital and continue as a going concern. The decision to inject new capital avoided that Tesla, Inc. was within the budgets of Chapter 11 of USA Courts (1978), having to face a situation of bankruptcy. But, can an entity remain for long periods generating losses in operations and "being saved by its shareholders" to remain active? The causes of these losses could be found in the primary objective of "accelerating the world's transition towards sustainable energy", which, as a business mission, is considered very broad, demanding large amounts of resources that are not generated in the central operation of the entity. Another source of losses is the incursion into other projects such as a space race, for which the help of third parties must be resorted to.

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In a similar situation, shareholders and stakeholders should ask themselves if the business in which they operate is profitable if remaining in a loss situation for longer will not lead to the disappearance of the capital generated and accumulated by other activities, and if Tesla's, Inc. current activity really can be sustained over time without generating benefits for everyone, including the tax collection office and investors.

TESLA, Inc.

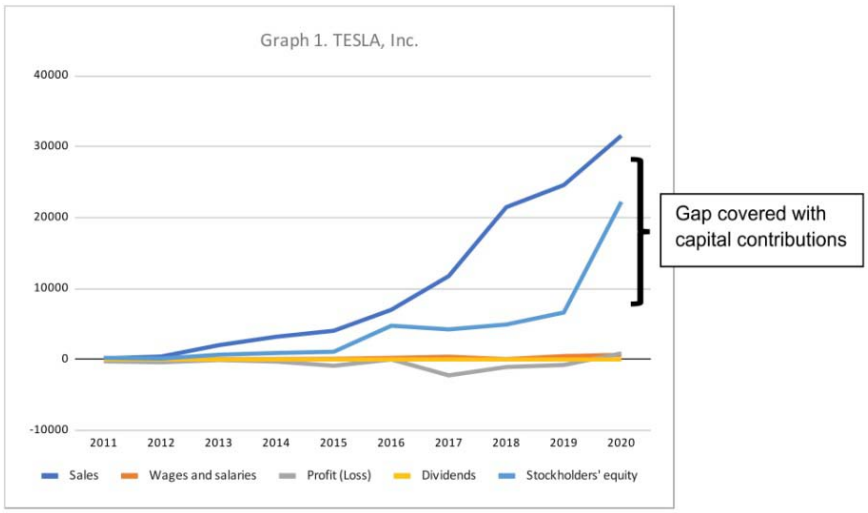
Table 3. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity

In million USD

Year	Sales	Wages and salaries	Profit (Loss)	Dividends	Stockholders' equity
2011	149	9.00	-254.41	0.00	224.05
2012	413	16.00	-396.21	0.00	124.70
2013	2,013	27.00	-74.01	0.00	667.12
2014	3,198	54.00	-294.04	0.00	911.71
2015	4,046	87.00	-888.66	0.00	1,088.94
2016	7,000	219.00	-0.77	0.00	4,752.91
2017	11,759	378.00	-2,241.00	0.00	4,237.24
2018	21,461	44.00	-1,063.00	0.00	4,923.00
2019	24,578	466.00	-775.00	0.00	6,618.00
2020	31,536	654.00	862.00	0.00	22,225.00

Source: SEC. Own elaboration.

Additionally, having included the line "wages and salaries" in Tesla Inc.'s analysis reveals that the compensation of employees, as interested parties in the business process, is canceled regardless of whether the entity obtained profits or generated losses, as show table 3 and graph 1.



Source: SEC. Own elaboration.

Figure 2 shows the parallelism between mission and equity. In other words, between the routes indicated both in the strategic plan and those covered in the company's financial statements, which, for educational purposes, the existing time bias between both processes was smoothed out. The plan must be registered and controlled in the accounting. Every company, every entity, be it for-profit or non-governmental organizations present this parallel. In the case of Tesla, Inc., the deployment of the mission materializes in a loss situation, forcing shareholders to inject even more capital into the company, which is why the negative results of the deployment of the mission are absorbed by the new injection of funds, as shown in Figure 2.

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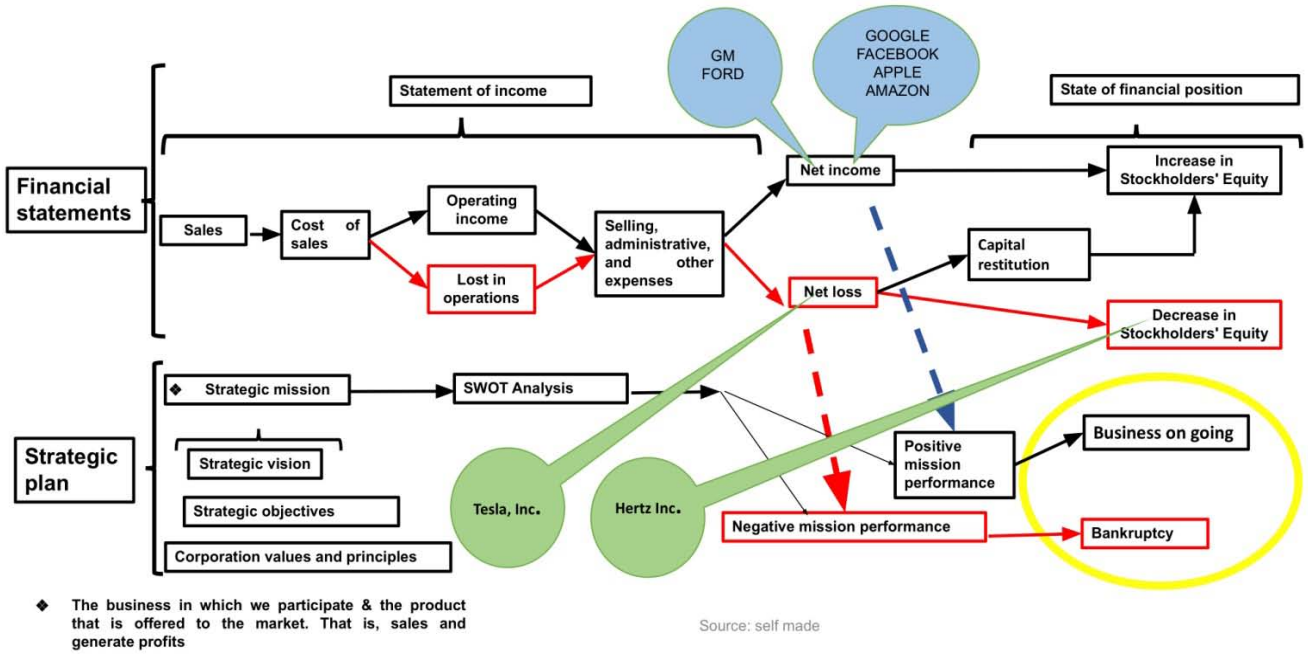


Figure 2: Tesla motors, Inc, mission & stockholders' Equity

b) Risks associated with interested entities

Many correlations can be identified within and outside of a company or organization. One of these could be the conduct that directors may show in the exercise of their functions. According to BBC News Mundo. (February 8, 2021) Elon Musk acquired $ 1,500 billion in Bitcoin, to boost the sales of Tesla, Motor, Inc. using the crypto currency as a means of payment. However, this was reversed according to BBC News Mundo. (May 13, 2021), which could generate distortions within the company-organization weakening the network of interests of Tesla Motors, Inc. Additionally, it sold an important lot of its stock package of the Tesla company, whose effects on the entity, especially in its cash flow and stockholders' equity, have yet to be identified, according to Velez, JF (December 22, 2021), Steverman, B. and Carpenter, S. (December 14, 2021).

c) The difficult business of building vehicles

General Motor Corporation is one of the oldest automobile manufacturers with global coverage, founded in 1908. Throughout its history, it has experienced successful moments, as well as crises of different kinds. The most recent occurred between 2007 and 2008 due to the effects of the Subprime mortgage crisis, which ended with the absorption of the company by the Obama administration, changing its name to General Motor Company (GM). It is a public company that is listed on the New York Stock Exchange (NYSE). The performance of some of its items, such as sales, profit or loss for the year, as well as dividends paid to shareholders and the related stockholders' equity for each fiscal year under study. shown in table 4.

GENERAL MOTORS, Inc.

Table 4. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity

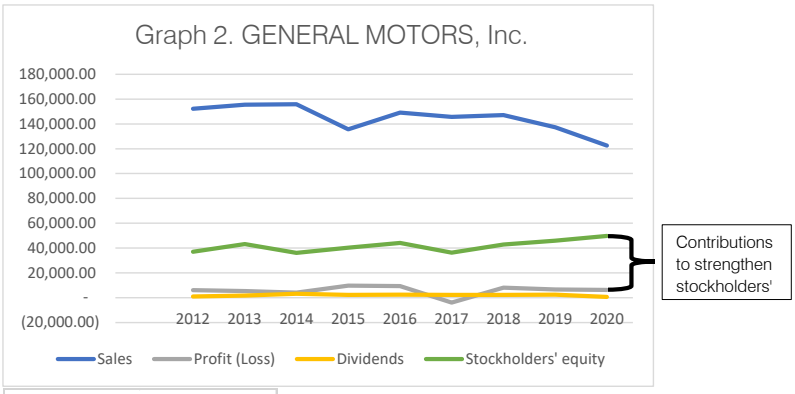
In million USD

Year	Sales	Profit (Loss)	Dividends	Stockholders' equity
2012	152,256.00	6,136.00	939.00	37,000.00
2013	155,427.00	5,331.00	1,669.00	43,174.00
2014	155,929.00	4,018.00	3,161.00	36,024.00
2015	135,725.00	9,615.00	2,249.00	40,323.00
2016	149,184.00	9,268.00	2,368.00	44,075.00
2017	145,588.00	- 3,882.00	2,233.00	36,200.00
2018	147,049.00	8,005.00	2,313.00	42,777.00
2019	137,237.00	6,667.00	2,331.00	45,957.00
2020	122,485.00	6,321.00	591.00	49,677.00

Source: SEC. Own elaboration.

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From the above information, graph 2 shows the trend of the previous accounting items.



Source: SEC. Own elaboration.

The enormous gap between sales and the evolution of profits over the period studied is noteworthy, which should have a similar impact on stockholders' equity. Notwithstanding this, the stockholders' equity is approximately 1/3 of the total sales instead of 5% of the same, as it is supposed to be, given the low net profits of the different financial years, so it can be thought that the Stockholders' equity has had increases through capital contributions. In business dynamics, this situation may arise, but temporarily, for reasons not contemplated in either the strategic plan or the company's operating budgets, which have generated losses in a specific fiscal year. What should not be allowed is a temporary prolongation of a loss situation as it could damage the company as a going concern.

d) A centennial business

Ford Motor Company (Ford) is a company that has not only been an innovator in vehicle manufacturing technologies but also in manufacturing process improvements such as process standardizations and production lines. Incorporated in 1906 in the state of Delaware, it is listed on the New York Stock Exchange (NYSE), it was one of the few companies that remained out of the global financial crisis of 2007 and 2008 caused by the Subprime mortgage crisis.

Table 5 is a summary of the sales, profit or loss, dividends paid, and stockholders' equity for this century-old automaker. Later, graph 3 shows the curves of such items taken from their financial statements published at www.sec.gov

Capital contributions to increase stockholders' equity are due to two main reasons: 1) to restore the capital lost in operations or other types of activities as indicated in previous paragraphs and 2) to strengthen equity with a view to future projects, generate trust in the markets and interested third parties.

Both table 5 and graph 3 show the gap between sales and the rest of the items analyzed (profit or loss, dividends, and stockholders' equity), identifying the portion of the cash flows that are destined to the remuneration of the rest of those interested in the company.

Similarly, the progressive increase in stockholders' equity is observed from 11% of total sales for 2012 to approximately 24% for the year ended December 31, 2020, however, the loss was generated by the pandemic that began in March 2020.

FORD MOTORS COMPANY

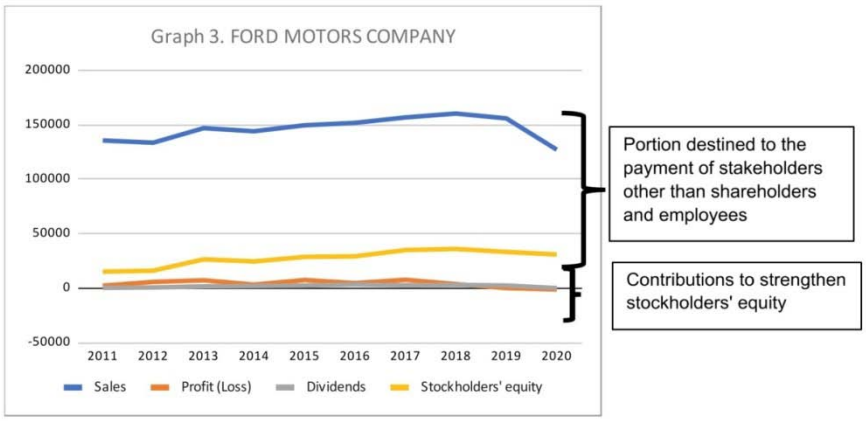
Table 5. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity

In million USD

Year	Sales	Profit (Loss)	Dividends	Stockholders' equity
2011	135,605	2,213	190	15,071
2012	133,559	5,665	573	15,989
2013	146,917	7,155	1,574	26,416
2014	144,077	3,187	1,954	24,465
2015	149,558	7,373	2,386	28,657
2016	151,800	4,596	3,381	29,187
2017	156,776	7,602	2,595	34,918
2018	160,338	3,677	2,927	35,966
2019	155,900	47	2,408	33,230
2020	127,144	-1,279	0	30,811

Source: SEC. Own elaboration.

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Source: SEC. Own elaboration.

e) Connectivity as a business

The advances experienced by humanity in the last fifty years have one of their most important and popular examples on the internet, where communication and information constitute the axis of new proposals, management and marketing practices, and, in general, in new businesses. Google, Inc. and Alphabet Inc. (Google) stand out not only in the technological vanguard but also in business innovation, from which they have derived new commercialization models based on digital advances, giving way to previously unknown virtuality. Google is a technology company founded in 1998 listed on the NASDAQ electronic stock exchange.

GOOGLE, Inc. (ALPHABET)

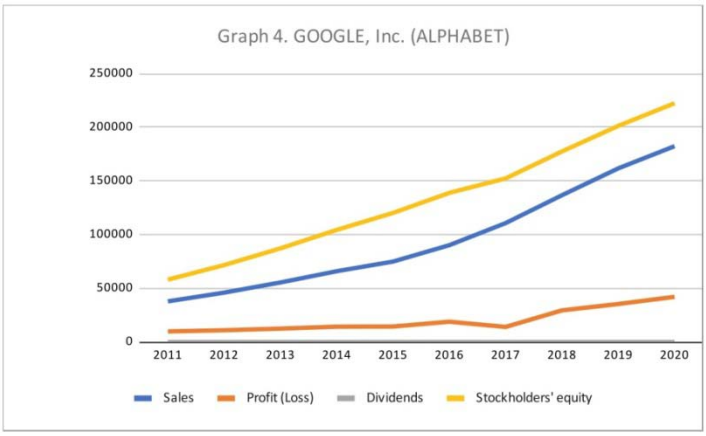
Table 6. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity

In million USD

Year	Sales	Profit (Loss)	Dividends	Stockholders' equity
2011	37,905.00	9,875.00	0.00	58,145.00
2012	46,039.00	10,999.00	0.00	71,715.00
2013	55,519.00	12,507.00	0.00	87,309.00
2014	66,001.00	14,326.00	0.00	104,500.00
2015	74,989.00	14,447.00	0.00	120,331.00
2016	90,272.00	18,950.00	0.00	139,036.00
2017	110,855.00	14,072.00	0.00	152,502.00
2018	136,819.00	29,520.00	0.00	177,628.00
2019	161,857.00	35,447.00	0.00	201,442.00
2020	182,527.00	42,134.00	0.00	222,544.00

Source: SEC. Own elaboration.

Table 6 and graph 4 show increased sales, growth in profits, increased dividend payments and stockholders' equity, measurable reflections of a company constantly expanding towards success, a product of innovation, and focused on the market. The questions that arise are what is it and what is your closest competitor doing? And will there be any company soon that will dispute the market with Google? The answers to these questions need further research.



Source: SEC. Own elaboration.

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Unlike the previous companies, all the items analyzed here belonging to Google have shown a positive trend for a long time.

f) The pioneers of digital technology

Apple, Inc. (Apple) is the classic example of a pioneer who succeeds through initiative, talent, and hard work. Founded in 1976, it is listed on the NASDAQ and, under the leadership of its iconic leader Steve Job, radically transformed the world of telecommunications, introducing new products that spawned multiple segments of the general market.

Unlike the market where Google operates, the cell phone market is highly competitive, with many providers of goods and services for personal communication devices, where many software and application developers compete fiercely. However, Apple has been able to stay ahead of the markets it enters.

Table 7 and Graph 5 show the performance of some Apple activities. The initial situation of 2011 is striking when the company's stockholders 'equity maintain amounts slightly higher than sales, which over time differ with opposite trends: sales increase and stockholders' equity decreases until 2020. Notwithstanding this, the entity's stockholders' equity is positive and robust. A later study could shed light on this very particular phenomenon.

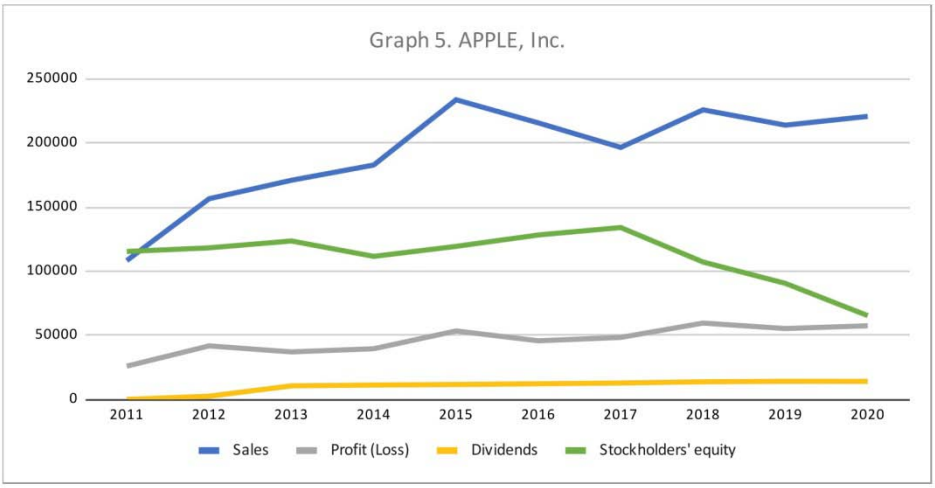
APPLE, Inc.

Table 7. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity

In million USD

Year	Sales	Profit (Loss)	Dividends	Stockholders' equity
2011	108,249.00	25,922.00	-	115,371.00
2012	156,508.00	41,733.00	2,488.00	118,210.00
2013	170,910.00	37,037.00	10,564.00	123,549.00
2014	182,795.00	39,510.00	11,215.00	111,547.00
2015	233,715.00	53,394.00	11,627.00	119,355.00
2016	215,639.00	45,687.00	12,188.00	128,249.00
2017	196,534.00	48,351.00	12,803.00	134,047.00
2018	225,847.00	59,531.00	13,735.00	107,147.00
2019	213,883.00	55,256.00	14,129.00	90,488.00
2020	220,747.00	57,411.00	14,087.00	65,339.00

Source: SEC. Own elaboration.



Source: SEC. Own elaboration.

As shown in graph 7, all the items under study belonging to Apple maintain positive trends.

g) The business of networks

Digital communication became the big business of the moment and Facebook is the great driver. In less than 15 years, more than 2.3 billion users were recounting the details of their daily lives, circulating billions of dollars in the business of social networks. Facebook (now a member of the Meta Platforms, Inc. corporation) was founded in 2004 and debuted on NASDAQ as a public company in 2012, raising $ 16 billion at the time.

When reviewing the information contained in table 8 and graph 6 of Facebook highlights the fact that the stockholders' equity is approximate twice the volume

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of sales. This phenomenon shows a company with a constantly growing stockholders' equity, promoting an image of shareholders committed to the company and its strategic mission. Either because the founding shareholders inject money into the entity or because shares are issued to be sold in the stock market. However, a company that encourages investors to obtain only profits from transactions in the value market, denatures the essence of companies in terms of providing solutions to the needs of their natural market, in the process, paying shareholders their dividends and paying their allies the remuneration to which they are entitled. Speculation in the stock market, as the main means of generating wealth, could cause companies to close.

The concrete result is that investors trust Facebook, in its current business model and, above all, in the future. However, a company cannot base its growth on a constant injection of fresh capital. The company must grow with the wealth, the profits generated in its operations that give meaning to its strategic mission, to its business. Otherwise, it could be in the presence of an unprofitable activity that is not able to cover its costs and expenses to naturally remunerate its stakeholders. The foregoing undermines the principle that the second should grow with the positive performance of the first in the strategic mission-stockholders' equity relationship.

Starting in 2017, the company began a share buyback program, a policy that continued until the end of 2020.

FACEBOOK, Inc.

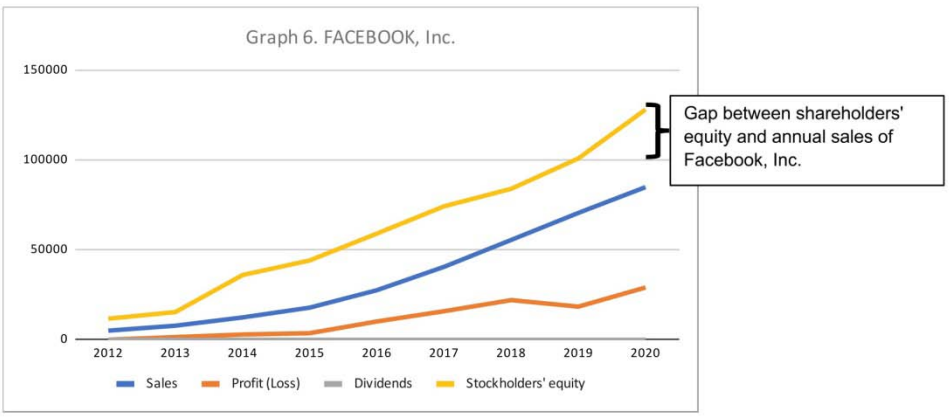
Table 8. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity

In million USD

Year	Sales	Profit (Loss)	Dividends	Stockholders' equity
2012	5,089.00	61.00	-	11,755.00
2013	7,872.00	1,512.00	-	15,470.00
2014	12,466.00	2,940.00	-	36,096.00
2015	17,928.00	3,688.00	-	44,218.00
2016	27,638.00	10,217.00	-	59,194.00
2017	40,653.00	15,934.00	-	74,374.00
2018	55,638.00	22,112.00	-	84,127.00
2019	70,697.00	18,485.00	-	101,054.00
2020	85,065.00	29,146.00	-	128,290.00

Source: SEC. Own elaboration.

Graph 6 shows the gap between the entity's annual sales and its stockholders' equity in more than double the same. The benefits or damages that a stockholders 'equity in frank growth may mean higher than the growth of its operational sales should be analyzed later, however, this behavior of the stockholders' equity of Facebook, Inc. is not usual. On the other hand, the effects that the policy of non-payment of dividends to shareholders for long periods, which are the natural remuneration to the owners of the company, exerts on the going concern principle of Facebook, Inc.



Source: SEC. Own elaboration.

h) Amazon or the triumph in the pandemic

Market dynamics often impose difficulties for some economic agents and, simultaneously, invaluable business opportunities for others. It is a reality that is still being experienced by the fact that the quarantine that began in March 2020, imposed by the Covid 19

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pandemic, has significantly damaged the global economy, in almost all the productive and commercial sectors, thereby affecting the households and, indeed, markets in general.

The restrictions imposed by the quarantine accelerated businesses and behaviors that had already been developing before its imposition. Remote work, global connectivity, and the distribution of merchandise were already activities in operation that were strengthened by the new reality. Amazon was one of the companies that have benefited from this situation. Amazon was founded in 1994 by Jeff Bezos, it is a public company of open capital that trades in the electronic exchange of NASDAQ.

As seen in the Consolidated Statements of Stockholders' equity section of Amazon Inc., no dividends were declared for the years under study, in other words, in almost a decade the shareholders did not receive their natural remuneration.

AMAZON, Inc.

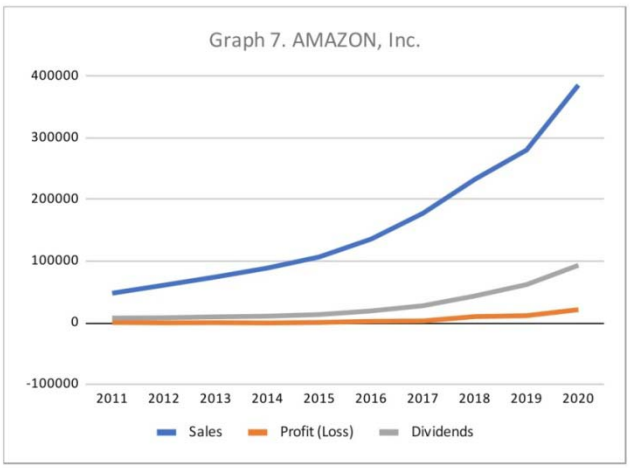
Table 9. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity

In million USD

Year	Sales	Profit (Loss)	Dividends	Stockholders' equity
2011	48,077	631		7,757
2012	61,093	-39		8,192
2013	74,452	274		9,746
2014	88,988	-241		10,741
2015	107,006	596		13,384
2016	135,987	2,371		19,285
2017	177,866	3,033		27,709
2018	232,887	10,073		43,549
2019	280,522	11,588		62,060
2020	386,064	21,331		93,404

Source: SEC. Own elaboration.

Graph 7 shows a business in total expansion, with growing sales and stockholders' equity strengthened by them, although the issuance of shares has not been ruled out, especially as compensation to employees. Of course, the great performance of the entity stands out in 2020, registering an increase in sales of 38%, approximately 84% in net profits, and 51% in stockholders' equity, which generates confidence in the company.



Source: SEC. Own elaboration.

i) Hertz. Effects of the pandemic

The first decades of the 20th century witnessed the appearance of new products, saw the birth of companies that had never existed, with innovative business models and service proposals, whose founders and leaders constituted the elite of innovative millionaires, a kind of technological aristocracy at that time. As at the beginning of this XXI century. The Hertz Corporation was one such company, founded in 1918, starting operations with a handful of Ford Model T vehicles. Today it is a public company listed on the NASDAQ electronic stock exchange.

As a result of the confinement of consumers in their homes, the economy experienced a strong contraction that affected many productive sectors. One of these was tourism and with it the car rental business, in which Hertz is one of the most important suppliers. Such a situation forced the company to declare bankruptcy, invoking the provisions of Chapter 11, as indicated by Chokshi, N. (June 30, 2021), Ferris, R.

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(August 17, 2020), and Kelly, J. (May 23, 2020), from which it recovered, overcoming strong financial pressure due to debt and deficit in its cash flows. According to the SEC (June 30, 2021), Hertz's stockholders 'equity increased, by the end of the first half of 2021, to a maximum of $ 3,639 million, a figure that had never been recorded by the corporation, in terms of stockholders' equity. it means. On the other hand, sales reached 3.161 million dollars, which indicates that there is an improvement within the crisis of the company, which has already left the protection of chapter 11, as indicated in Chokshi, N. (June 30, 2021).

But a more retrospective look shows a company that has had negative, or very low, numbers for more than a decade, so the Covid 19 phenomenon only accelerated the decline of the corporation. Given this and with a global economy threatened by the Omicron virus, the immediate question is, will Hertz be able to face a market paralyzed by fear of a pandemic again and emerge stronger after overcoming this threat?

HERTZ, Inc.
Table 10. Sales, Salaries, Profit (loss), Dividends & Stockholders' Equity
In million USD

Year	Sales	Profit (Loss)	Dividends	Stockholders' equity
2011	8,298	230	0	2,629
2012	7,631	184	0	2,742
2013	9,236	302	0	2,567
2014	9,475	-82	0	2,464
2015	9,017	273	0	2,019
2016	8,803	-491	0	1,075
2017	8,803	327	0	1,520
2018	9,504	-227	0	1,120
2019	9,779	-50	0	1,888
2020	5,258	-1,723	0	93

Source: SEC. Own elaboration.

Graph 8 shows the downward trend of Hertz, Inc.'s sales and stockholders' equity with very low net profits and in many cases showing losses, which, of course, prevents the natural remuneration of shareholders through the dividend payment.

IV. Results Obtained from the Study

The analysis focused on determining the behavior of the strategic mission-stockholders' equity binomial, considering the cash flows generated (sales), the course that these funds follow as remuneration within the business process, especially in terms of net profit, to the payment of dividends to shareholders; with particular reference to the company Tesla, Inc., the salaries paid to employees, as well as the cancellation of income taxes. The following information was extracted from the eight companies considered:

1. Regarding the fulfillment of the mission: in general, all the companies examined fulfilled their mission with the market and the clients, however, concerning the remuneration of the shareholders, an important group does not carry it out.
2. Regarding stockholders' equity
   i. Capital contributions to repower stockholders' equity due to loss in results: Tesla Inc.
   ii. Capital contributions to repower stockholders' equity due to very low net profit in results: GM inc.
   iii. Capital contributions to repower stockholders' equity, despite presenting adequate annual profits in the results: Ford Motor Company.
   iv. Capital contributions to overpower stockholders' equity, despite presenting higher annual profits in the results: Google Inc. (Alphabet) and Facebook.
   v. Adequate Stockholders' Equity and Growing Sales: Apple, Inc., and Amazon.
   vi. Weak and declining stockholders' equity. Bankruptcy filing and overcoming: Hertz.
3. Regarding the payment of dividends
   i. Companies that pay dividends regularly: GM, Ford, and Apple.
   ii. Companies that have a policy of not paying dividends: Tesla Inc., Google, Facebook, and Amazon.
   iii. Companies that do not pay dividends for negative mission performance: Hertz.

V. The Venezuelan Paradox

As indicated in the preceding paragraphs, there are various situations in which the strategic mission-stockholders' equity relationship is not an ideal model, or at least it does not constitute a directly proportional relationship. One such case is when the company is in hostile environments of severe inflation and hyperinflation.

The Venezuelan economy during the last three decades of the last century suffered inflation of more than three digits, as well as successive exchange rate controls. In the first twenty years of the 21st century, the local economy has gone from inflation to hyperinflation, from a strict and prolonged exchange control to a de facto transactional dollarization without institutions that

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endorse it and protect economic agents. Simultaneously, three currency reconversions have been applied that consist of "eliminating zeros" to the nominal values of the bolivar, the local currency. Of course, all these events have drastically impacted the entire economy, especially the national productive apparatus, with only approximately 25% of the productive agents remaining in operation, almost all from the commercial sector and the food sector.

The three successive "currency reconversions" have affected the stockholders 'equity of all these companies to such an extent that many of them, although they are operating and fulfilling their strategic mission, have stockholders' equity equal to zero (0). So, how to reconcile the fact that companies have zero equity in their financial statements and yet generate wealth and remain a going concern? And how can this situation be reversed?

This situation shows a distortion between the business reality, its management, and the financial statements when the financial statements are issued in the local functional currency affected by an environment of severe inflation or hyperinflation. Although the issue is complex, one way to minimize such anomaly would be by issuing accounting principles that allow transferring financial and accounting information to a stable functional currency and thus, issuing financial statements closer to reality, closing the gap between strategic mission and capital accountant.

VI. Conclusion

There is a relationship between the strategic mission and the equity of an entity. The strategic mission materializes through the sales of the goods and services that the company places on the market so that customers satisfy their needs. The foregoing would allow a balance to be established between the strategic mission (sales) - stockholders 'equity, which, in theory, should be directly proportional, in such a way that higher sales should correspond to a proportional increase in stockholders' equity. However, this linearity is not verified in reality since many factors distort the mission-stockholders equity parity.

The preceding text about the study of eight companies shows different behaviors regarding the mission-equity balance. Thus, in the case of Tesla, Inc., very low operating losses or profits would harm stockholders' equity, but it is remedied with the injection of fresh money to repower the entity's equity. This is a frequent situation in business dynamics, but a recurring practice of this policy could reveal profitability problems in the business or the diversion of cash flows in other objectives different from the mission of the company, which in the long run could compromise the status of a going concern.

On the other hand, the situation in which stockholders' equity is excessively higher than sales and the rest of the items related to the company's mission, although it projects a powerful image of its assets, could also reveal profitability problems or inappropriate use of the funds generated. Cases like Google and Facebook fall into this category.

A group of companies was found that, in different volumes of both sales and net profits, maintain an adequate balance between strategic mission and stockholders' equity or, in some cases, well above; they are GM, Ford, Apple, and Amazon. Due to its condition of loss and weakness in the business, Hertz had to go to chapter 11 and thus strengthen its equity.

In summary, whatever the condition of the company, at least in the sample examined, care has always been taken to maintain a robust and positive stockholders' equity, regardless of the path and means used for doing so.

The Venezuelan case presented at the end due to its particularities and complexity is only presented for information, pending further analysis.

Finally, it can be said that the company is the most efficient means to distribute the wealth generated in the markets, not only among those involved but, above all, in the rest of the population downstream of the companies. The balance in this distribution will depend on the efforts and resources that each stakeholder contributes to the business process and the negotiations made with the directors of the company. But to achieve sustainable success all those involved and interested in the business process must be timely and adequately remunerated, otherwise the company will cease. And the more companies that produce wealth, the greater the number of people benefited.

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Role of Product Development Strategy on Performance of Tea Factories in Kenya

By Omosa Motongwa Henry, Dr. James Muya, PhD, Dr. Stella Omari, PhD & Dr. Charles Momanyi, PhD

Abstract- Tea factories especially those managed by Kenya Tea Development Agency are faced with challenges of implementing business growth strategies. This has resulted to poor performance leading to public outcry. The study sought to establish the effect of market development strategy and performance of selected tea factories in Kenya. This study was anchored on the Ansoff Matrix theory and Agency theories. A descriptive research design was adopted and used in this study. KTDA has seven regions comprising of 69 factories with 1506 management staff. This study purposively selected Kisii and Kericho Highlands regions. The population of this study was 701 with a sample size of 364 obtained using Yamane's (1967) formula. Simple random sampling was used to get specific respondents. A self-constructed questionnaire was used to collect data from respondents. A pilot study was conducted at Kagwe and Theta Tea Factories in Aberdare Ranges region to test reliability of the data collection instruments. Cronbach's Alpha coefficient was used to test reliability which had an overall coefficient of 0. 903. The study tested face validity through peer reviews and content validity by opinions of research expert and supervisors.

Keywords: product development, kenya tea development authority, tea board of kenya, tea research foundation of kenya, confirmatory factor analysis.

GJMBR-A Classification: JEL Code: M10



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Role of Product Development Strategy on Performance of Tea Factories in Kenya

Omosa Motongwa Henry [α], Dr. James Muya, PhD [σ], Dr. Stella Omari, PhD [ρ] & Dr. Charles Momanyi, PhD [ω]

Abstract- Tea factories especially those managed by Kenya Tea Development Agency are faced with challenges of implementing business growth strategies. This has resulted to poor performance leading to public outcry. The study sought to establish the effect of market development strategy and performance of selected tea factories in Kenya. This study was anchored on the Ansoff Matrix theory and Agency theories. A descriptive research design was adopted and used in this study. KTDA has seven regions comprising of 69 factories with 1506 management staff. This study purposively selected Kisii and Kericho Highlands regions. The population of this study was 701 with a sample size of 364 obtained using Yamane's (1967) formula. Simple random sampling was used to get specific respondents. A self-constructed questionnaire was used to collect data from respondents. A pilot study was conducted at Kagwe and Theta Tea Factories in Aberdare Ranges region to test reliability of the data collection instruments. Cronbach's Alpha coefficient was used to test reliability which had an overall coefficient of 0. 903. The study tested face validity through peer reviews and content validity by opinions of research expert and supervisors. Data analysis was done using descriptive statistics, which included mean, standard deviation, percentages and frequencies. Inferential statistics, that is Pearson correlation was used to determine strengths of relationship while simple linear regression was used to estimate relationship between variables. The analyzed data was presented using tables, charts and graphs. Study findings indicated that product development strategy has a positive effect on firm performance. The study concluded that tea factories employ business growth strategies to enhance firm performance. The study also concluded that tea factories employ product development strategy to increase their competitive advantage over other firms and create products that appeal to customers.

Keywords: product development, kenya tea development authority, tea board of kenya, tea research foundation of kenya, confirmatory factor analysis.

I. Introduction

Thompson and Strickland (2018)noted that organizational structure influences the choice of a strategy. Growth of organizations is determined by three major factors –resources of the industrialist, the nature of an organization and the strategic directions taken by the manager. Storey (2014) indicated that the growth of an organization is strong-minded by the environment of the firm resources of the entrepreneur and the strategic decision taken by the owner. The entrepreneur therefore needs to employ both strategic and tactical skills to improve firm performance (Kuratko et al, 2011). Carland et al, 2014) indicated that entrepreneurs need to plan how to handle uncertainties that are expected to distress the performance of their business ventures. It is therefore important for small organizations to establish the fundamental set of relationships with the environment (Murray, 2011).

The influence of product innovation in enabling firms retain and grow competitive position is incontestable in product innovation strategy. Products have to be restructured and absolutely rehabilitated for retaining sturdy market incidence. The practice of pricing strategy can accomplish mutually short-run and long-run goals (Fraccastoro, Burton & Biswas, 2014). Short-run ends include: reducing inventory, mounting store traffic and sales, creating product awareness and interest and enhancing perception of savings and value. Marketers develop strategies to ensure that their products are not only available in required quantities but also at the right place and time. Distribution decisions involve, inventory control, warehousing, order processing, transportation modes and selecting of marketing channel. Promotion strategy includes the various ways an organization employs to inform and to persuade target customers to buy their products (Foss, 2014).

a) Statement of the Problem

Successful implementation of business growth strategies in a firm leads to peak performance (Kagwiria, 2014, Hrebiniak & Joyce 2016). Business growth strategies have a positive and significant effect on organizational performance of a firm (Ojwaka & Deya, 2018). Product development strategies provide a plan of action for improving a firm's sales, profits, output and efficiency (Matthews and Scot, 2015). Product development strategies provide a vision of where a business seeks to go and how it expects to get there. It is the form by which a business communicates its goals and works towards attaining them (Pearlson and Saunders, 2016).

Tea sector is a key player in the agricultural development in Kenya. However, Kenya Tea Development Authority managed factories have been performing poorly in bonus payment for the last five years (KTDA, 2020). Studies by (Rose & Hudgins, 2018, Ng'ang'a, Namusonge and Sakawa 2016, Kariuki 2016 and Njuguna, Kwasira &Orwa, 2018) have shown that

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tea manufacturing factories in the region have been hit by a downward trend in bonus payment. The factories have experienced dwindling bonuses (Wainaina, Mbeche, Njihia & Otulia 2017, Ombaka, Machuki & Mahasi 2015 and Ojwaka & Deya, 2018).

Previous empirical studies demonstrate the positive relationship between business growth strategies and firm performance (Kagwiria, 2014, Hrebiniak & Joyce 2016, Ojwaka & Deya, 2018, Matthews & Scot 2015 and Pearlson & Saunders, 2016). Furthermore, most of the recent research took place in European, American, Asia and China contexts and consequently there is little understanding as to how business growth strategies affects performance in KTDA managed factories in Kenya. The existing studies related to the study include (Maina, Mugambi & Waiganjo, 2018; Muriuki, 2016 & Gesimba, 2015) who agree that Product development strategy has a positive relationship on organizational performance. None of these studies in my knowledge has considered product diversification strategy and performance. Groosma (2015) pointed out that business growth strategies are always dynamic from one organization to another and do not operate in isolation. Muriuki (2016) assessed various types of business growth strategies but did not focus on the Ansoff Matrix. The study therefore sought to establish the relationship between Product development strategy and performance of selected tea factories in Kenya.

II. Literature Review

a) Ansoff Matrix/ Model

Ansoff (1957) is the proponent of the Ansoff Matrix, a model that states that for an organization to grow its presentation, it is essential to realize products and market growth through four different strategies which be contingent on whether or not a company or product is previously or current in the market. He measured two scopes; one measurement is based on the product being either new or current while the other measurement considers market as new or existing. Market penetration which involves selling more of existing products in already exiting market possess the lowest risk (Schroder, 2015), this strategy is aimed at achieving market dominance through gaining competitor's customers, attracting non-users and having the current users buy more (Gardetti, 2015).

On product development, strategy organizations try to vary products for similar current markets, for instance, a company may try to alter package sizes or new recipes of similar products of the present market. Development of goods is seen as one of the types of strategy growth, because the aim of businesses is to present fresh products in markets existing now. A strategy like this might need developing of different competencies and requires development of modified products, which could be presented to markets existing at any one time (Jain, 2017). Adopting a strategy like this might require attention on the following: market inquiry, developing and innovating in product design and their manufacture techniques and detailed attention on clients' desires and needs, and to follow changing in the same, through continuous market research that is consistent with customer preferences.

b) Agency Theory

It was proposed by Jensen and Mackling in 1976. It states that departure between the owner and manager(s) of a firm/company will always be shadowed by the rise of costs because of lack of interest's arrangement between the owner(s) and the manager(s). The costs are referred to as agency costs and these might include costs to observe managers' activities, spending to create a firm's structure to reduce undesirable manager actions and the cost coming from the condition in which managers cannot make decisions without shareholders' approval. One vital suggestion of the agency problem is related to a company's investment policy (Jeen, 2016). Investors prefer high risk-high returns profiles, while managers prefer low risk-low return profiles. This happens because they have a personal fear of losing their jobs. Expanding can provide inspirations for managers through ownership and investment. Hence, the emphasis is not based on performance evaluation of financial outcomes, but more emphasis on optimizing behavior (Jensen & Meckling, 1976; Jensen, 1986).

The Agency theory is viewed as one of the oldest theories in economics and management literature (Daily, Dalton & Rajagopalan, 2013; Wasserman, 2016). It discusses difficulties that come up in firms due to separation of managers and owners and emphasizes the reduction of this difficulty. It contributes to applying the various governance mechanisms to control agents' actions in companies held jointly.

Critics of this theory questioned the impartial of economic relationship between the principal and agent. This theory adopts a contractual agreement between the principal(s) and agent(s) for a limited/unlimited future period, in which the future is unknown. It further assumes that contracting might eliminate the problem of agency, but in practical terms, it faces a number of hindrances like transaction cost, fraud, rationality, and information asymmetry (Jean, 2015). Shareholders' interest in the industry/firm is only meant to maximize returns, but their role is a small one in the firm. Roles of directors are limited only to monitor managers and their further roles are not defined clearly. This theory considers managers as opportunistic hence ignoring their competencies.

This study is based on the proposition that the tea owners [principals] have in good faith given management of their tea factories to KTDA [agents] to process and market the tea products. KTDA has various

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employees who have various skills that if well-harnessed results in optimal performance of the tea sector ultimately benefiting the tea farmer [the principal]. This theory relates to both organizational resources variable and performance of the factory variable of this study.

c) Empirical Literature Review

Geroski (2015) carried a study on the effects of product development of various company performance procedures such as stock market rates of return, corporate growth, and secretarial effectiveness. In the study, descriptive research design was adopted and used. The research was anchored on RBV theory. An assessment of 21 service industry firms in India was included in the study. The study noted direct significances of developments on company/firm presentation are relatively small and the benefits from expansions are most likely indirect.

Kilika and Koks (2016) conducted a study to suggest a theoretical model related to product development strategies; firm performance, and market adoption in Kenya. It relied on Igor Ansoff's Matrix Model, Resource-based view of the firm, and Diffusion of Innovation Theory were used. The study identified weaknesses in existing literature and provided an integrated approach to market adoption characteristics and its influence on product development strategies. The study identified the need for investigations, as this relationship is not direct, evaluating the moderating consequence of market adoption features, which might not only improve conceptual but also improve appreciating of the connection in a more relevant style. The research indicates that subsequent research needs to adopt such an integrated approach to conduct research in less researched environments to establish the link between development of product approaches and adoption of market features and ultimately its effect on corporation performance. This, in itself, is thought to create a future empirical study agenda item, which aims at responding to some key questions, for instance, the effect of market adoption characteristics on development of product strategies and the relationship between product development strategies and a corporation's performance.

Maina, Mugambi, and Waiganjo (2018) studied the influence of strategic product development practices on competitiveness of Kenyan tea in the world market. The research adopted a cross-sectional survey design in which the population targeted comprised of all 189 members of the East African Tea Association, who participated in the tea auction at Mombasa. Stratified sampling technique was used to select the study sample; purposive sampling technique was used to select managers who represented the small-scale and large-scale producers. Structured and unstructured questionnaires were used to collect primary data from the respondents. Collected data were analyzed using SPSS version 24. The research findings indicated a weak positive relationship between competitiveness and strategic product development practices. It was concluded that the competitiveness of Kenyan tea in the world market was influenced by other extraneous factors other than strategic product development practices.

d) Research Design

This study used a descriptive research design. Sekaran (2013) asserts that research design is used equally for the overall process and also, more precisely, for the research design structure. The latter is to do with how data collection is structured. Kothari (2014), descriptive research studies are designed to obtain relevant and precise information concerning the current status of a problem or phenomenon and whenever possible to draw effective conclusions from the facts exposed. The descriptive research design was used because data and information can be obtained using the technique without shifting the environment (Deyrup, 2013). Scholars who have used descriptive research design before are Kimei (2017); Geroski (2015) Cherotich (2018) and Ojwaka and Deya (2018)

e) Study Area

The study was conducted in two main regions under the KTDA managed factories that is Kisii Highlands, and Kericho Highlands. These include region 5 and 6. All the 28 KTDA managed tea-processing factories were included in the study. Kericho highlands is to the west of Mau forest and it boarders the Kisii Highlands. Decimal latitude and longitude coordinates for Kericho highlands are -0.36774 and 35.28314 respectively. The two regions were chosen because they were found to be applying various business growth strategies and geographically, the tea factories were closely and highly concentrated. Therefore, sufficient requisite data as per the variables of this study could be obtained from the respondents since they were considered to have relevant practical knowledge.

f) Target Population

Population is a cluster of items, persons or items from which a sample was taken for measurement (Sekaran, 2013). Oso & Onen, (2015) argues that population consists the objects of a study comprising of individuals, organizations, events and products. KTDA has seven regions in Kenya with 69 factories. The total number of management staff in Kenya (top managers (Unit Manager, Production Manager, Factory Accountant, Field/Research Manager and Field Service Administrator), section heads (Production Assistant, Assistant Factory Accountant and Assistant Field Service Administrator) and supervisors (Factory Supervisor I, Senior Factory Mechanic, Clerk II Green leaf, Tea Extension Service Assistant, Boil Attendant, Plant Technicians, Stores Clerk I)) is 1506 (KTDA, 2018). Kisii and Kericho highlands regions were purposively

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selected. The study population for this study comprised of 701 managers of Kisii and Kericho highlands regions' KTDA managed tea processing firms in Kenya. There were 140 top level managers, 179 section heads and 382 Supervisors=701 (KTDA, 2018). The unit of analysis for this study was therefore the 701 management staff of the 28 KTDA managed factories in the two regions as tabulated below.

g) Sampling Procedure and Sample Size

The study categorized the study population into strata, which included the 28 tea processing firms and further into cadres of management. The sample size is symbolic of the large population (Bryman, 2012). The sample size was developed using Yamane's (1967) formula, which provides a simplified formula to calculate sample sizes for proportions or finite populations as indicated below.

$$n = \frac{N}{1 + Ne^2}$$

Where;

N is the size of the population is the size of the sample and e is the level of precision or the level of statistical significance set. The degree of precision desired, generally set at 0.05 levels. At 95% confidence level, therefore level of precision = 5% (0.05)

Hence given the population as

$$n = \frac{701}{1 + 701(0.05)2}$$

$$\frac{701}{1 + 701(0.0025)}$$

n = 255respondents

The study had a 30% provision for non-response. Cheung (2017), Berg (2018) and Yangon (2015) in their studies proposed that to cover for non-response bias there is need to create a provision of between 10-30% of the sampled population. Therefore, the total sample size will be 255 +109 = 364 respondents.

The sample size was then proportionately apportioned to each factory and employee strata based on the percentage of the sample to the target population. The study strata included top level managers, section heads and supervisors. Proportions apportioning was done using stratification method. Parson (2014) opined that stratification is used to increase efficiency of a sample design with respect to survey costs and estimator precision.

h) Data Collection

The researcher used primary data which was collected using self-administered questionnaires from 28 Kericho and Kisii Highlands regions KTDA managed factories. The researcher used simple random sampling to obtain data from the respondents.

i) Instrumentation

The study used primary data. Primary data involves collection of information for the first time and it will be done with self-structured questionnaires. A questionnaire is a pre-constructed set of questions to which the respondents respond to (Mugenda & Mugenda, 2013). Use of questionnaire is one of the most common data collection tools employed in research (Kothari, 2014). Questionnaires are used extensively to gather data on current issues, practices, attitudes, opinions and conditions speedily and in a precise way (Orodho, 2018). Questionnaires give a comparatively cheap way of getting information. Structured questions were used to capture the opinion of the respondents. Open-ended questions will be used to gather information about the subject from the respondents. The questionnaires were administered through drop and pick technique.

j) Data Analysis and Presentation

Once the questionnaires were collected by the researcher, they were coded and keyed into SPSS V.24computer software and analyzed. The data analysis tools included descriptive statistics that is means and standard deviation. Regression analysis was done using simple regressions.

The simple regressions was as follows;

Product Diversification Strategy and Organizational Performance

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \quad \ldots\ldots\ldots\

a) Product Development Strategy

The study sought to assess the product development strategies employed by the tea factories. The study results were presented in table 4.1.

Table 1.1: Descriptive Statistics Results on Product Development Strategy

Statements	Min	Max	Mean	Std. Dev
There is a defined policy governing product development process	1	5	3.76	1.146
Processes in product development are adopted from industry practises	1	5	3.89	0.929
There is a minimum of five processes that a new product has to go through before it is developed	1	5	3.56	1.129
Management defines the processes a new product will go through before development	1	5	3.72	1.058
The firm level of innovativeness in new product development has been recognised in the past	1	5	3.59	1.052
The firm new products are received well in the market due to high level of innovation	1	5	3.65	0.996
Intra-preneurship in the organisation has led to the development of new products	1	5	3.43	1.098
The firm promotes creativity among various developments by investing in their ideas	1	5	3.75	1.051
The firm has a research and development department	1	5	3.49	1.153
The research and development department has been sufficiently funded	1	5	3.22	1.144
Many new products have been developed through R&D	1	5	3.44	1.138
The r & d department activities have been recognised by industry players	1	5	3.55	1.087
Average Mean			**3.588**	**1.082**

Source: Field Data, (2020)

The study findings indicated that majority of the respondents were of the opinion that there is a defined policy governing product development process (mean=3.76, SD=1.146). Further, the respondents agreed that processes in product development are adopted from industry practices (mean=3.89, SD=0.929). Most respondents were of the opinion that there is a minimum of five processes that a new product has to go through before it is developed (mean=3.56, SD=1.129). Majority of respondents also were of the opinion that management defines the processes a new product will go through before development (Mean=3.72, SD=1.058). In addition, most respondents agreed that the firm's level of innovativeness in new product development has been recognized in the past (mean=3.59, SD=1.052). Most respondents were of the opinion that the firm new products are received well in the market due to high level of innovation (mean=3.65, SD =0.996). In the same breath, respondents expressed mixed reactions to the statement that intra-preneurship in the organization has led to the development of new products (mean =3.43, SD=1.098).

Most of the respondents were of the opinion that the firm promotes creativity among various developments by investing in their ideas, (mean =3.75, SD= 1.051). Many respondents agreed that the firm has a research and development department (mean=3.49, SD=1.153). Majority of the respondents disagreed that the research and development department has been sufficiently funded (mean=3.22, SD=1.44). The study further revealed that most respondents were of the opinion that the R&D department activities have been recognized by industry players (mean =3.55, SD=1.087).

With an average standard deviation of 1.082, it shows that all the items were of close range and were not widely dispersed apart thus an indication that they had high level of internal consistency and therefore would measure the same concept of product development. The overall results of findings on product development strategy indicated an aggregate mean of 3.588 and standard deviation of 1.082. This connotes the importance that management of the KTDA managed factories attach to product development as a business growth strategy.

The study findings that various processes are needed for product development which can be adopted from industry practices are interpreted to mean that there is a need for technology adoption in order to

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enhance product development. These study findings are supported by Feng, Li, Wang, Zhang, Wan & Yang, (2019) who notes that in order to target new markets in the Far East, the Kenya Tea Development Agency Ltd (KTDA), a private company providing management services to small-scale tea farmers for the production, processing, and marketing of teas in Kenya, has introduced processing of orthodox teas. Orthodox teas are "whole leaf teas manufactured using the traditional process", and generally fetch higher prices than those manufactured by the "crush, tear and curl" (CTC) process. KTDA's target level of production for orthodox teas is 60 million tonnes per annum, with at least one factory in each production zone manufacturing the product.

Further, Van Lelyveld & De Rooster, (2016) found that the range of tea products is increasing with there being a lot of process and product development. With there being an increase in the industry, the manufacturers who do not conform to the market demands cannot survive. They can borrow best manufacturing practices from other industries to succeed in their operational performance depending on the market requirements.

b) Descriptive Statistics Results on Firm Performance

The study sought to assess performance of tea factories managed by Kenya Tea Development Authority. The study results were presented in table 4.2.

Table 1.2: Descriptive Statistics Results on Firms Performance. (N=316)

	Minimum	Maximum	Mean	Std. Deviation
The company is a cost leader in the market	1	5	4.27	.851
The company pricing of its products is the best for its suppliers	2	5	4.14	.835
The firms market share is among the highest in the industry	2	5	4.07	.857
The firm market share has improved with business growth diversification	2	5	4.02	.822
Bonus payments by the firm are among the highest	1	5	3.64	1.090
The factory farmers are paid in time and at a high rate	1	5	3.60	1.078
Surveys have indicated that customers are satisfied with the firm's products	1	5	4.13	.824
There are high levels of referrals by customers	1	5	4.09	.910
level of customer retention is high	1	5	4.31	.734
Average Mean			**4.03**	**.889**

Source: Field Data, (2020)

The study findings indicated that tea factories were cost leaders in the market (mean= 4.27; SD=.851). Majority were of the opinion that the company pricing of its products is the best for its suppliers (mean=4.14; SD=0.835). That firm market share has improved as a result of business growth strategies and stands as the best in the industry (mean=4.07; SD=0.857).Most respondents agreed that firm market share has improved with business growth diversification (mean=4.02; SD=0.822). However, respondents had divergent opinion regarding the statement that bonus payments by the factories are among the highest (mean=3.64; SD=1.090). Respondents also varied in opinion regarding the statement that factory farmers are paid in time and at a high rate (mean=3.60; SD=1.078). Others were of the opinion that surveys have indicated that customers are satisfied with the factory's products (mean= 4.13; SD=0.824). Majority of respondents were of the opinion that there are high levels of referrals by the company (mean=4.09; SD=.910). The study findings indicated that respondents were of the opinion that level of customer retention is high (mean=4.31; SD=0.734). Overall, the study items on firm performance objective posted an aggregate mean of 4.03 and a standard deviation of .889 this implies that business growth strategies have an influence in firm performance.

The study findings are supported by Namu *et al*, (2014) who argued that the production of tea in Africa is on a minimal scale and with small-scale farmers. The region has the task of competing with large producers who have been able to provide their product at lower prices with their ability to produce at lower costs with advancements in operations.

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IV. Exploratory Factor Analysis

a) Principle Component Analysis (PCA) for Product Development

The study tested validation of data for product development using exploratory factor analyses. SPSS version 24, the results of this factor analysis, with the assumption of extracting via principal components method and rotating via Varimax were presented in table 4.3.

Table 1.3: Factor Analysis for Product Development

Rotated Component Matrix[a]			
	Component		
	1	2	3
Many new products have been developed through R&D	.848		
The R&D department activities have been recognized by industry players	.838		
The research and development department has been sufficiently funded	.816		
The firm has a research and development department	.793		
The firm promotes creativity among various developments by investing in their ideas	.494		
Processes in product development are adopted from industry practises		.855	
There is a defined policy governing product development process		.828	
Management defines the processes a new product will go through before development		.629	
There is a minimum of five processes that a new product has to go through before it is developed		.595	
The firm new products are received well in the market due to high level of innovation			.755
The firm level of innovativeness in new product developmenthas been recognised in the past			.695
Intra-preneurship in the organisation has led to the development of new products			.694
Total Variance Explained			
Initial Eigen values	4.389	2.119	1.027
% of Variance	36.576	17.656	8.558
Cumulative %	36.576	54.232	62.789
KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.847
Bartlett's Test of Sphericity Approx. Chi-Square			1412.944
Df			66
Sig.			.000
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Source: Field Data, (2020)

The 12 items for product diversification were subjected to principal components analysis using SPSS version 24. Prior to performing PCA, the suitability of data for factor analysis was assessed. Factors with factor loadings of above 0.5 and above were retained for further data analysis. All items met this criterion and none was dropped. Therefore, the 12 items were retained for further analysis. The Kaiser-Meyer-Olkin Measure value was 0.847exceeding the recommended value of 0.6 (Kaiser 1970, 1974) and Bartlett's Test of Sphericity (Bartlett 1954) was significant with p value less than 0.000 (Bartlett's test=1412.944, $p<.05$) indicating the manifestation of factorization of 3 factors for product diversification.

Principal components analysis revealed the presence of two components with Eigen Values exceeding 1, explaining 36.576, 17.656 and 8.558 of the variance respectively. An item is considered to belong to a factor component if its factor loading corresponds to that particular component and is relatively higher than its factor loadings in the other factor components. The two components explained a total of 62.79% of the variance.

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b) Correlation Analysis

Results indicates that Product development strategy had a strong, positive and significant relationship (r=.716, n=316, p <0.05) with firm performance.

c) Regression Analysis

Product Development Strategy and Firm Performance.

The objective of this study was to establish the role of product development strategy on performance of tea factories in Kenya. The study predicted that product development had no significant statistical effect on firm performance. A simple regression model was used to determine the relationship between product development strategy and firm performance. The model that tested the hypothesis was as follows.

$$Y = \beta o + \beta_1 X_1 + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots i$$

Where:

Y -Firm Performance,
β_o -Constant (coefficient of intercept),
X_1-Product Development Strategy
ε - The error term

Table 1.4a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.716[a]	.513	.511	.52640

a. Predictors: (Constant), Product Development

Source: Field Data (2020)

Results in Table 1.4a showed that product development had (R^2 = .513), meaning that, product Development, explain 51.3% of the changes in firm performance (dependent variable) The ANOVA results were presented in table 4.4b

Table 1.4b: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.618	1	91.618	330.640	.000[b]
	Residual	87.008	314	.277		
	Total	178.626	315			

a. Dependent Variable: Firm Performance
b. Predictors: (Constant), Product Development

Source: Field Data (2020)

The ANOVA model showed model fitness for influence of product development strategy on firm performance was statistically significant (F = 330.640, ρ<0.05). Given that the calculated F = 330.640, while the $F_{critical}$ = 3.94(1,314). Then $F_{calc} \geq F_{critical}$ α 0.05. This finding indicated that product development is a significant predictor on firm performance, hence the null hypothesis was rejected and it was concluded that product development strategy had a significant effect on firm performance.

The findings were in agreement with those of Maurice and Scholastica (2016), who found that creativity of the innovation procedure exert a positive influence on product development and on an organization's performance. In the same way, McAdam and Keogli (2016) found out that the company's/firms' inclination to development was of important in the competitive environments in order to obtain bigger competitive advantages. Further findings by Mbithi, Rambo, and Muturi (2015) indicated that introduction of newer products has been, to a significant degree, negligible, while improving of existing products has adapted through rebranding and repackaging. Resulting performance was seen as positive in output turnover and sale quantities; capacity utilization was found to be moderate, while profitability after tax indicated fluctuating results. Performance was found to be responsive to improvement of product procedures, but poor in introduction of new products since maximization is yet to be actualized. Kinyanjui (2015) also alluded that most of the firms that have diversified in production processes, products and market, were found to be coming with new products, improving on existing ones or adopting new technology to enhance efficiency. These findings undoubtedly indicated that product development is key in tea factory performance.

The regression coefficients in table 1.4c below established the mean change in firm performance for each unit change in the product development Strategy.

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Table 1.4c: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.401	.189		2.120	.035
1 Product Development	.910	.050	.716	18.184	.000
a. Dependent Variable: Firm Performance					

Source: Field Data (2020)

Findings showed that product development strategy had coefficient of estimate which was significant basing on $\beta_1 = 0.716$ ($p < 0.05$). The effect of product development strategy was more than 18 times the effect attributed to the error; this was indicated by the t-test value = 18.184 Based on the above results, the following simple linear regression model was derived.

$$Y = 0.401 + .910x_1$$

V. Summary of Findings, Conclusions and Recommendations

a) Product Development Strategy and Performance of Selected Tea Factories

The study findings indicated that various processes are needed for product development which can be adopted from industry practices. This is interpreted to mean that there is a need for technology adoption in order to enhance product development. The study results indicated that there was a significant relationship between product developments of firms and performance. The study finding noted that advertising is important in market development. This is interpreted to mean that the tea marketing farms are keen to tap into new markets where they can sell various tea products so as to fight emerging competitions through advertising campaigns on the products on offer.

b) Conclusions

Product development strategy in tea factories has significant effect on performance of these factories however various processes are needed for product development which can be adopted from industry practices. These processes are often dictated by research and development, levels of innovation and creativity, intra-preneural initiative as well as having favourable policy frame work. Most factories had little to show in terms of their product development processes other than depending on the experience of some employees though the respondents affirmed the essence product development strategies.

c) Recommendations of the Study

The researcher further recommended that the management need to promote creativity among various product development processes by investing in new and viable ideas, putting more funds to the research and development department so as to enable it come up with new products that can cope with the global market. Factories which have put resources in research and development have often improved their innovative skills as well as creativity in product development processes and this has made their products more appealing to the target clientele and minimized production costs.

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- Electronic material
- Any other original work

Authorship Policies

Global Journals follows the definition of authorship set up by the Open Association of Research Society, USA. According to its guidelines, authorship criteria must be based on:

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

Global Journals is in partnership with various universities, laboratories, and other institutions worldwide in the research domain. Authors are requested to disclose their source of funding during every stage of their research, such as making analysis, performing laboratory operations, computing data, and using institutional resources, from writing an article to its submission. This will also help authors to get reimbursements by requesting an open access publication letter from Global Journals and submitting to the respective funding source.

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 though 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.



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- 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.



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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.

Discussion:

The discussion is expected to be the trickiest segment to write. A lot of papers submitted to the journal are discarded based on problems with the discussion. There is no rule for how long an argument should be.

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.

Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact, you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved the prospect, and let it drop at that. Make a decision as to whether each premise is supported or discarded or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."

Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work.

- You may propose future guidelines, such as how an experiment might be personalized to accomplish a new idea.
- Give details of all of your remarks as much as possible, focusing on mechanisms.
- Make a decision as to whether the tentative design sufficiently addressed the theory and whether or not it was correctly restricted. Try to present substitute explanations if they are sensible alternatives.
- One piece of research will not counter an overall question, so maintain the large picture in mind. Where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

When you refer to information, differentiate data generated by your own studies from other available information. Present work done by specific persons (including you) in past tense.

Describe generally acknowledged facts and main beliefs in present tense.

The Administration Rules

Administration Rules to Be Strictly Followed before Submitting Your Research Paper to Global Journals Inc.

Please read the following rules and regulations carefully before submitting your research paper to Global Journals Inc. to avoid rejection.

Segment draft and final research paper: You have to strictly follow the template of a research paper, failing which your paper may get rejected. You are expected to write each part of the paper wholly on your own. The peer reviewers need to identify your own perspective of the concepts in your own terms. Please do not extract straight from any other source, and do not rephrase someone else's analysis. Do not allow anyone else to proofread your manuscript.

Written material: You may discuss this with your guides and key sources. Do not copy anyone else's paper, even if this is only imitation, otherwise it will be rejected on the grounds of plagiarism, which is illegal. Various methods to avoid plagiarism are strictly applied by us to every paper, and, if found guilty, you may be blacklisted, which could affect your career adversely. To guard yourself and others from possible illegal use, please do not permit anyone to use or even read your paper and file.

Criterion for Grading a Research Paper (Compilation) by Global Journals

Please note that following table is only a Grading of "Paper Compilation" and not on "Performed/Stated Research" whose grading solely depends on Individual Assigned Peer Reviewer and Editorial Board Member. These can be available only on request and after decision of Paper. This report will be the property of Global Journals.

Topics	Grades		
	A-B	**C-D**	**E-F**
Abstract	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form Above 200 words	No specific data with ambiguous information Above 250 words
Introduction	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
Methods and Procedures	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
Result	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
Discussion	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

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