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Perspective of Market Expansion

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Teaching Case: Accept the Tender or
Hold on to the Stock – Sharmaji's Dilemma

Pardhasaradhi Madasu



GRG School of Management Studies
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PRERANA: Journal of Management Thought and Practice

PRERANA in Sanskrit means hope and inspiration. The primary objective of PRERANA journal is to enhance the standard of management education by drawing from conceptual and empirical research based articles reflecting current industry practices. PRERANA shall include contributions from eminent members of the academia and sharing of practices by experts from industry. The Journal will also contain book reviews, editorial abstracts and executive summaries of recent publications in management.

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FROM THE EXECUTIVE EDITOR

It is my pleasure to place before you the first issue of the thirteenth volume of '*PRERANA: Journal of Management Thought and Practice*.' The objective of *PRERANA* is to disseminate contemporary developments in the field of management in the form of empirical research that tests, extends or builds management theory and contributes to management practice. *PRERANA* encourages manuscripts that present strong empirical and theoretical contributions to the management field. Preference is given to submissions that test, extend, or build strong theoretical frameworks. *PRERANA's* international and multi-disciplinary review team ensures maintenance of standards of excellence with regard to the quality of contents.

José G. Vargas-Hernández, Lic. Laura Guadalupe Isabel and López Becerra in their study analysed and determined the factors and strategies that can be implemented within the D-Ksa Microenterprise in order to expand its capabilities, from the perspective of market expansion.

SANUSI, Surajudeen Ishola, ADEDOYIN, Isaac Salami, and ISHOLA, James Aransiola examined the effects of training on academic staff performance in Kwara State Polytechnic, Ilorin. The specific objectives of their study were to determine the extent to which on-the-job training affects productivity and to evaluate the impact of off-the-job training on work quality.

Jyoti Mor and Shweta Singh studied the banking scenario in various regions before and after implementation of knowledge management to assess the impact of expertise control on value as well as satisfaction and to know the significance of knowledge management for banks in addition to their clients.

Arul Senthilkumar and Punitha have developed a case study that talks about an entrepreneur who is running a hotel and his entrepreneurship strategies. The case describes the quality of the products, goodwill of the business, customer service, loyalty to the customer and ethics in business.

Finally, Pardhasaradhi Madasu has come up with an excellent teaching case entitled 'Accept the Tender or Hold on to the Stock.' This case deals with the dilemma faced by a shareholder.

I thank all the authors for their contributions towards the first issue of the thirteenth volume of *PRERANA*. I look forward for novel, insightful and crafted conceptual work that challenges conventional wisdom concerning all aspects of organizations from academicians, bureaucrats and business executives for publishing in *PRERANA*. The focus of the articles could be on diverse aspects of management focusing on contemporary issues and future challenges.

- Dr. B. Sripirabaa, PhD

GROWTH OF THE D-KSA MICRO-ENTERPRISE FROM THE PERSPECTIVE OF MARKET EXPANSION

José G. Vargas-Hernández*

Lic. Laura Guadalupe Isabel López Becerra**

ABSTRACT

The objective of this research is to analyze and determine the factors and strategies that can be implemented within the D-Ksa Microenterprise in order to expand its capabilities, from the perspective of market expansion. It is intended to answer the research question, why, even with the participation in different events to position the brand in the market, do not specify more points of sale in the state of Jalisco ?, through the hypothesis that by means of alliances strategic alliances will increase participation in the market, the aforementioned alliances will give the guidelines to carry out this analytical research based on the point of view of resources and capacities, implementing the value, rarity, imitability and organization model (VRIO).

Keywords: Market expansion, Microenterprise, VRIO Model.

JEL: D01, D41, L11, L20.

1. INTRODUCTION

In September 2013 the D-Ksa microenterprise started in the city of Tepatitlán de Morelos, its main activity is the production of amaranth energy bars. Over the years D-Ksa has diversified its presentations in order to open the market. In the year of 2015, it had five presentations, which increased to double by 2016 and in 2017 it launches another four, and currently has a total of fourteen. With the passing of time, D-Ksa has sought to increase its market, so it requests government support through different secretariats which promote the development and training of entrepreneurs, in which they did not get an answer, so they do not it could detonate the growth of the microenterprise.

Analyzing the aforementioned by the General Manager of D-Ksa it is observed that this microenterprise is positioned in a small market corresponding to the municipality of Tepatitlán de Morelos, as well as in the sector of the city of Guadalajara it begins to open the market. It is clear that the objective of this research is to analyze with strategic management the factors that D-Ksa could promote for its

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expansion. Consequently, the state based on the resources and capacities in which it has been raised previously generates a question from which all this research arises: How to make the growth of D-ksa from the perspective of the expansion to the market?

The hypothesis is that there are few strategies that are not effective enough for expansion into new markets, however, these premises cannot be accepted or rejected until the analysis of the VRIO model is concluded, which is presented then.

2. BACKGROUND

A. Concepts

1) Market expansion

The authors Vargas, Guerra, Borjórquez and Borjórquez (2014) mention that the diversification and expansion of competition and technical knowledge in certain areas of specialization of the company, ensure a strong position in the market and greater durability of the same. The factors that determine the availability of administrative services and the need for these, determines the maximum rate of growth of the company, which is defined as the percentage in which the size of the company increases per unit of time.

According to Delgadillo Moreira (2011), a market expansion strategy seeks to enter new market segments, before being threatened by the offensive of another company that could apply flanking strategies, in this way this policy is proactive and not reactive.

2) Microenterprise

Next, some concepts of microenterprise are defined. For the Ministry of Economy (2010), are all those businesses that have less than 10 workers, annually generate sales up to 4 million pesos and represent 95 percent of the total of companies and 40 percent of employment in the country. In addition, they produce 15 percent of the Gross Domestic Product. On the other hand, for the Official Gazette of the Federation, microenterprises in Mexico are those productive units that have between 1 and 10 employees, including the owner. Although a large part of them is concentrated in the stratum of between 1 and 5 employees according to the classification by number of employees.

Other authors such as Carpintero, BID and Ruiz (1998) consider the microenterprise as a subsistence production unit that, in many cases, is outside the regulatory framework, whose owner is the one who carries out most of the activities of the business (Samuel, 1998). In this case, it is worth noting that many of the times their workers are family members, so it is very difficult to separate between the family and the company.

On the other hand, Murguía, Ashby, & Luz, (2000) state that micro-enterprises play an important role both in the generation of jobs and in the contribution to national GDP. However, they emphasize that these are the companies that receive less support from government and private institutions. Likewise, Murguía, Ashby and Luz define microenterprises as establishments with a maximum of 15 workers and whose total annual sales do not exceed 110 minimum salaries, as well as having low capital intensive operations; that is, not advanced or dynamic technologies that depend on the work factor. In these micro enterprises the most precious resource is labor, most of them present an informal economy, as they belong to a single owner or owner and have a small volume of their operations (Murguía, Ashby, & Luz, 2000).

3) *Model VRIO*

Manifest Alvarado, Varas and Sánchez, for the case of the study of the strengths and weaknesses of the company, is the VRIO model developed by Barney and based on the theoretical foundations developed by the theory of resources and capabilities (2009). The scientific literature considers Barney (1991) as the forerunner of the VRIO model, which consists of analyzing the relationship of heterogeneity and immobility of the company's resources, as well as the sustainability of competitive advantage, through the study of the resources used by the company from the point of view of issues of value, rarity, imitability and organization.

Barney (2009) also mentions that the external and internal analysis of the company are not substitutes but complementary, so the VRIO model is structured based on four questions whose answers determine whether a resource or capacity is a strength or weakness (Alvarado, Varas, & Sánchez, 2009). On the other hand, Alvaro Moncada and Oviedo state that the VRIO analysis is presented as an adequate tool to evaluate the strategic resources of the SME and determine how they contribute to the generation of competitive advantages and superior performance. Besides that, it can contribute to establish the possible strategic changes in the development and acquisition of resources and capacities of the SMEs.

B. Theoretical revision

Peng (2015) mentions that an industry is a group of firms or companies that produce similar goods and / or services, while for Penrose, as cited in Vargas (2014, page 102), a firm is more than a unit. administrative, and also a collection of productive resources, where the choice of the different uses of these resources over time is determined by administrative decision. The physical resources of a company consist of tangible things; plant, equipment, land and natural resources, raw materials, semi-finished products, waste products and by-products, and even unsold stocks of finished products; There are also human resources available in a company such as unskilled and skilled labor, office personnel, administrative, financial, legal, technical and management personnel.

In order to complement the previous concepts, Peng (2015) defines resources as tangible and intangible assets or assets that a firm uses to choose and implement its strategies, it also specifies the characteristics of each class of resources, for example, the tangibles are those that can be easily seen and quantified while intangibles are difficult to see and quantify. The former is subdivided into: financial, physical, technological and organizational; At the same time, intangible resources and capacities are of three types: human, innovation and reputation. The previous conceptualization helped generate the theory of resources and capabilities, where companies differ among themselves, causing them to be unique and unrepeatable and focusing on their strengths and weaknesses.

The previous approach is useful to explain the Penrose effect, which argues that an administrative group is a group of individuals who have had experience in teamwork, also argues that if a company expands its organization more quickly than the people of the organization, the efficiency of the company will be affected (Strategic management of organizations, 2014). Therefore, there cannot be a growth of resources over capacity or vice versa.

In the book *Strategic Management of Organizations*, Vargas (2014, page 102) cites Heracleous, noting that: the point of view of the company based on resources has had a great influence on the theory and practice of strategic management since 1980 this has contributed to various disciplines and has much potential to be useful in other areas such as organizational adaptation in highly changing environments. Similarly, Wernerfelt (1984) formally raised the resource-based point of view, suggesting that the most relevant tools to dominate the market are strongly related to the company's resources in terms of strengths and weaknesses.

In parallel Adam Smith's model is based on perfect competition which mentions that the invisible hand is the one that fixes the market price, so perfect competition is a factor to analyze the resources that are available to establish the strengths and capabilities which will allow the approach of a strategy in order to outperform other companies. It can be added that the value is of the utmost importance since with this a comparative analysis is made to know the strategic resources of the company. The basic idea of the perfect competition model is that a market, which complies with a set of basic characteristics or assumptions, should lead society to a result in which all participants obtain the highest possible remuneration, all win, and so it is as much possible to achieve what Tirole calls the common good "(Del Toro Gonzalez, 2018, page 164).

Vargas (2014) in his book *Strategic Management of Organizations*, quotes Penrose who states that there are three kinds of explanation of why there may be a limit on the growth of companies, the first relative to the management capacity, which is refers to the conditions within the company; the second explanation is due to product markets or factors, that is, to conditions outside the company, such

as uncertainty and risk; the third is a combination of internal attitudes and external conditions.

On the other hand, Porter (1990) suggests three generic strategies in relation to the previous model to reinforce the position of the company against the five forces, which are: cost leadership, differentiation and focus. The focus contained in the five forces covers the needs of a particular segment or niche of the market, be they geographic, customer types or product lines (Peng, 2015).

An important factor that will analyze the growth of the market will be the VRIO model based on aspects of value, rarity, possibility of imitation and organization. This adds competitive advantages to the company since its valuable, rare, inimitable resources are valued through of the organization of its resources. The present investigation is proposed to be analyzed with this tool. The main argument of Barney (1991) is that a company that has valuable resources (V) and rare (R) has the potential to obtain a competitive advantage, and when those resources are also imperfectly imitable (I) and non-substitutable (S), resources have the potential to generate a sustained competitive advantage (1991).

According to Barney and Clark (2007), each one of the strategic resources and capacities identified must be evaluated and the competitive implication of it determined, by means of the following questions:

- 1) The question of value: Do the resources and capabilities of the company allow it to respond to the opportunities and threats of the environment?
- 2) The rarity question: Is a resource currently controlled by only a small number of competing companies?
- 3) The question of imitability: Do companies without resources face disadvantages in costs to obtain or develop it?
- 4) The question of the organization: Are the policies and procedures of the company organized to support the exploitation of its valuable, rare and expensive resources to imitate?

It is stated that a company has a sustained competitive advantage when it applies a value creation strategy that is not used simultaneously by current or potential competitors and when these other companies cannot duplicate the benefits of this strategy. To be valuable, the resource must provide positive rents when it is deployed. Rarity requires that the same resource is not available to competitors, and non-substitutability requires that other types of resources cannot obtain the same effects (Barney, 1991).

The resource-based view is based on the assumption that most resources are negotiable. However, some resources and capabilities are company-specific and “sticky” (Barney, 1991), that is, they cannot be transferred easily between companies without significant costs. What this imperfect imitability obtains by one or more

combination are: the growth of resources historically developed in the company, its nature is tacit based on the skills or the intensive use of people and, therefore, complicates the understanding of the source of competitive advantage, and with complex resources residing in collective actions.

Although the main originator of the theory based on resources was Edith Penrose's who emphasized dynamic concepts and change over time, with a static nature (2004). However, in 1997 Teece, Pisano and Shuen once again expanded the vision based on resources to dynamic markets, introducing the perspective of dynamic capabilities, referring to the ability of a company to deploy resources.

On the other hand, Amit and Schoemaker state that information-based processes, tangible or intangible, are specific to the company and are developed over time through complex interactions between company resources (1993). Teece, Pisano and Shuen (1997) argue that dynamic capabilities are more important for the company than other resources, because they build new forms of routines, while other resources only replicate existing routines.

Analyzing the aforementioned processes to build new routines and apply the conceptualization will be considered an alliance in which the internal factors of the company are analyzed, evaluating the feasibility of this, so for Jordan D. Lewis (1990) a strategic alliance is a formal and mutual collaboration agreement between companies. The partners share or exchange specific resources of their businesses for the benefit of all those, but they continue to manage their own companies. In the partnerships there is a risk, however, you are providing opportunities for improvement.

Are the alliances good? They are considered to be a link to obtain growth in the market, becoming a competitive advantage, creating new business opportunities and strengthening the company. Although in the formation of an alliance there are some disadvantages as mentioned (Peng, 2015).

- 1) The possibility of getting stuck with the wrong partner, that is, not being different enough to provide complementary capabilities;
- 2) There is also the potential opportunism of the partner;
- 3) There are negotiation and coordination costs, and
- 4) Alliances can be dangerous because they can help competitors, opening to "strangers" is easier to observe and imitate the capabilities of a firm, here there can be a learning career where allied partners seek to overcome learning the tricks from the other side as quickly as possible and leave the alliance to apply the skills learned before the other partner.

In the book by Vargas Hernández, Guerra García, Bojórquez Gutierrez and Bojórquez Gutiérrez (2014) it is mentioned that to obtain a complete model of

strategic alliances and networks, there is a group of strategic considerations taken from the “tripod of the strategy”:

- 1) Industry-based considerations,
- 2) considerations based on resources, and
- 3) considerations based on institutions.

Taking into account the aforementioned, emphasis will be placed on considerations based on the resources contained in the VRIO model:

- a) Value: is it a valuable resource to achieve an advantage? According to Álvaro Fernando Moncada Niño and Martha Lucía Oviedo Franco in their work, valuable resources are considered those that can be used as a response to external threats, and in turn, help take advantage of opportunities. The definition of the value of the resource or capacity is related to its possibility to exploit an opportunity or mitigate a threat in the market. If one of those two things is done, it can be considered as a strength of the company; otherwise, it is a weakness. When these are properly exploited they usually lead to an increase in revenue or a decrease in costs or both.
- b) Rarity: is it being used by a small group of firms? The VRIO framework considers that resources must be rare, limited or unique, that is, very few companies are using it in their activities, otherwise the resource would not serve as a competitive advantage. If the rarity remains, and few companies manage to acquire it this would mean that the resource would remain scarce, which would give it the characteristic of sustainable competitive advantage (Moncada Niño & Oviedo Franco, 2013).
- c) Imitability: is it expensive to imitate? The resources are inimitable when the possibility that competitors have to analyze and duplicate them makes obtaining or acquiring them expensive or taking their replication too long (Moncada Niño & Oviedo Franco, 2013).
- d) Organization: is the organization prepared in its policies and procedures to use this resource? Relative to the fact that the company has certain organizational aspects, such as the organizational structure, processes and systems, as well as the business culture itself, to exploit the full competitive potential of its resources and capabilities. Therefore, the resources and capacities have to be exploited efficiently by the company (Moncada Niño & Oviedo Franco, 2013).

3. RESEARCH METHODS

This research is in the field of social sciences, given this nature, the method is the analytical, implementing the theory of resources and capabilities through the VRIO model. This theory is necessary to recognize the way to execute actions that

allow the micro-enterprise D-Ksa to generate a competitive advantage and with this achieve the objective of market expansion.

4. ANALYSIS OF RESULTS

Next, the VRIO model is realized through the four attributes of the resource-based vision and its contribution to the competitive advantage of D-Ksa.

- A. Value: the consistency achieved in the amaranth energy bar. Since it is something that characterizes a lot to these products and why consumers choose this good over another in the market.
- B. Rarity: they provide a temporary competitive advantage. In practice, the products are made from agave honey, but there are other competitors that handle this base.
- C. Imitability: this case is the value with which the consistency of the products has the facile difficulty to imitate, since in the market there are substitute products but their competitive advantage is not that of D-Ksa.
- D. Organization: for this value is to find the specific and commercial market that consumes these products.

Now, a VRIO matrix is shown for its proper analysis. It is not valuable and is not exploited by the organization and is shown as a weakness which results in a competitive disadvantage. On the contrary, if it counts on the value, but it is not uncommon, it is a strength obtaining a competitive parity. And if it has the value, it is rare, but it is not expensive to imitate it is considered that as a company it has a strength with a temporary competitive advantage. And if it has value, rarity, is expensive to imitate, is exploited by the organization has a strength as a sustainable competitive advantage. The aforementioned is taken as reference research work: ICT as a source of competitive advantage in SMEs (Moncada Niño & Oviedo Franco, 2013).

5. CONCLUSIONS AND RECOMMENDATIONS

In the present investigation carried out by the theory of resources analyzed by the VRIO model, in which it was sought to give answers to the research question, why, even with the participation in different events to position the brand in the market, is not specify more points of sale in the state of Jalisco? It was concluded that despite the efforts made as a microenterprise by making its products known in the market, there is no corresponding follow-up, which tends to limit its potential market. The fact of having few personnel affects the capacity of organization making it very limited. It is considered that it has a temporary competitive advantage, therefore, innovation and organization is important.

The result proved that an alliance is necessary to have new markets and customers, the organization is an important factor since thanks to this the costs and risks that would significantly affect D-Ksa will be reduced.

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EFFECTS OF TRAINING ON ACADEMIC STAFF PERFORMANCE IN KWARA STATE POLYTECHNIC, ILORIN

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ABSTRACT

Training today is about training in times of rapid changes and the need to develop better training programs is becoming increasingly necessary in all organizations because different individual employee requires different training needs. Some tertiary institutions in Nigeria face the problems of withdrawal behaviors from staff, poor innovation, lower productivity and inability to meet performance targets due largely to lack of interventions of required training programs to particular individuals and their areas of specialization which is constantly affecting academic staff performance. This study examines the effects of training on academic staff performance in Kwara State Polytechnic, Ilorin. The specific objectives were, to: determine the extent to which on-the-job training affects productivity and evaluate off-the-job training as it affects work quality. The study adopted survey research design where the population consists of all academic staff of Kwara State Polytechnic, Ilorin which were 386 as at March, 2020 and using Taro Yamane (1973) sample size determination formula, a sample size of 196 was obtained.

The hypotheses were tested using Ordinary Least Square [OLS] method of regression at 0.05 alpha level of significance. The study concluded that there is a positive and significant effect of training on employees' performance. This implies that effective training programs in terms of on-the-job training and off-the-job training positively impacts employees' performance in terms of productivity and work quality. The study recommends that tertiary institutions in Nigeria and around the world should adopt effective training of academic staff in such a way that it gives room for higher performance.

Keywords: Training, Employee Performance, On-the-job Training, Off-the-job Training, Productivity, Work Quality.

INTRODUCTION

Globalization, changes in technology, political and economic environments are making organizations today to face huge competitions in the market place,

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and thereby forcing these organizations to train their workers as a major means of preparing them to measure up to the dynamics of time so as to improve their performance. It is highly imperative to uphold the known facts on growth of knowledge in the business world [Barsoux, 2012]. This growth is brought about by a combination of improved technology and increased efforts towards development of firm's employees. Therefore, it is the responsibility of every organization to improve the job performance and work quality of employees and, mainly, enforcement of training cum development is key. Meanwhile, Nasir & Sobria, [2014] asserted that it is very clear that employees are crucial resources of an enterprise and their contributions must be fully optimized for operational efficiency. This then calls for firms' management to ensure prompt supply of workers that are technically, skillfully and socially competent and capable of career advancement into respective departments and/or managerial positions.

Meyer & Allen, [2016] argued that employees require effective training programs to develop the desired skills, knowledge and abilities so as to perform better on the job. In a bid to ready their teaming employees to perform as expected, firms give training to their employees in order to maximize employees' potentials. Most organizations apply long term planning and invest in creating new capabilities for their staff to enable them to cope with some uncertainties they may face in the environment, thereby increasing employees' productivity through a high level of satisfaction, motivation and commitment. Once the employees discover that their firm means well for them in the area of offering training programs, they, in turn, put forth their best efforts to ensure the achievement of the firm's goals and exhibit a very high level of confidence and interest in their job.

Faruq and Aslam [2011], asserted that employees who pass through requisite training find it much easy to perform highly and bring divergent innovations into their jobs as opposed to those that do not. Training is, indeed, a necessity on the job, without which employees will not have a firm understanding of their responsibilities or duties. Employees' training is described as programs that furnish employees with information, capabilities, new skills and professional development opportunities.

The study postulated that, in an attempt to meet up with the global educational standards in kwara State Polytechnic, Ilorin, the management with the support of Tertiary Education Trust Fund [Tetfund] over the time, has been engaging academic staff members on relevant training and educational programs at respective postgraduate levels within and outside Nigeria so as to equip them with the needed competence, knowledge, skills, capabilities and abilities to achieve the set goals. Effective training programs afford academic staff of the polytechnic the opportunity to be acquainted with the best international practices by gaining full command of the skills and competencies required of their respective areas of specializations and to avert on-the-job errors and mistakes.

RESEARCH QUESTIONS

The following were the questions raised with a view to achieving the objectives of the study;

- i. To what extent can on-the-job training affect productivity in Kwara State Polytechnic?
- ii. To what extent can off-the-job training affect work quality in Kwara State Polytechnic?

RESEARCH OBJECTIVES

The main objective of the study is to examine the effects of training on academic staff performance in Kwara State Polytechnic, Ilorin. The specific objectives are to;

- i. Examine the effects of on-the-job training on productivity in Kwara State polytechnic
- ii. Evaluate the effects of off-the-job training on work quality in Kwara State Polytechnic

RESEARCH HYPOTHESES

The following hypotheses were formulated based on the study objectives;

- H_{01} : On-the-job training has no significant effects on productivity in Kwara State Polytechnic
- H_{02} : Off-the-job training has no significant effects on work quality in Kwara State Polytechnic

Conceptual Clarifications

Training programs are meant to improve employees' performance and it is therefore referred to as the process of bridging the gap between current performance and the desired performance levels. Roger, [2015] asserted that training programs do not only enhance employees but also assist a firm to make good use of its human capital in order to gain competitive advantage. Thus, it is expedient for the firm to arrange such a training program for its workers to develop their competencies and abilities that are relevant to their respective work situations.

Ngede, [2014] argued that training is not just a means of equipping employees with the skills they require to execute their tasks. It is, many a times, seen as employers' commitment to their work force. David, [2016] opined that training does not only develop the capabilities of the work force but also sharpens their thinking ability and creativity so as to make well informed and productive decisions. Derue & Guzzo, [2014] stated that training enables academic staff of Kwara State Polytechnic, Ilorin to effectively take care of students and attend to their complaints

timely. However, training enhances self efficiency and leads to high productivity on the job [Rowden, 2017]. Training refers to planned intervention aimed at improving the elements of individual job performance [Chiaburu, 2013]. It is about developing the skills that seem to be requisite for the attainment of the firm's goals. Effective training programs assist employees to reduce their frustration or anxiety brought about by the work itself [Chen, 2011]. The extent of gap between the skills and competencies required of employees and those possessed by them determines the level of their job satisfaction or otherwise. Employees that feel unable to perform at the desired level may be frustrated and decide to leave the firm because their stay can result in low productivity [Akrivos, 2013].

Employees' training, according to Griffin [2016] is seen as an organized approach by the firm to bring about employees' learning of job related competence, capabilities and expected behaviours.

Importance of Training

Training is a crucial and imperative mechanism for a firm to patch the performance of workforce for firm's growth and development. It is useful to both employers and employees of the firm. An academic staff becomes more effective, well exposed and productive if appropriately trained. Organizations stand to develop the quality of the current members of staff by providing effective/comprehensive training and development.

Training is important not only to increase employees' productivity level but also to encourage and infuse employees by showing them how important their jobs are and providing them with necessary information they require in executing these tasks, [Akrivos, 2008]. The overall benefits derived from training are: increased satisfaction on the job, increased efficiency in processes, increased ability to employ new technology and methods, increased motivation, and increased creativity all of which result in financial gains for the firm and consequently withdrawal behaviours such as employee turn-over, absenteeism, low productivity etc are reduced to the minimum.

Methods of Training

All human resource development activities are meant to improve individual productivity on the job, train new skills and capabilities for new or future positions and the overall growth of individuals, groups and the firm at large in order to realize the current and future goals.

However, there are basically two methods of training available to a firm for training and developing skills and capabilities of its workers. These methods are on-the-job training and off-the-job training.

- i. *On-the-job training*: this is made available to firms' employees in the process of carrying out their routine tasks in the same work location e.g rotation and transfers, coaching and mentoring, orientations etc. Stuart, [2014] argued that on-the-job-training may consist of coaching by experienced trainers on the desk.
- ii. *Off-the-job training*: this has to do with completely taking employees away from their day-to-day work environment. Therefore, employees on training programs concentrate fully on it. Examples are role playing, conferences, formal training courses and development programs, further studies in schools etc.

The following are reasons for undertaking a particular training method.

- i. Firms' available resources, strategies and their set goals
- ii. The training needs of employees
- iii. Target employees to be trained which may include individual worker, groups, teams, departments, and the entire organization.

Job Rotation and Transfers

McCourt and Eldridge, [2013] asserted that job rotation is a means of improving employees' skills within the organization and it has to do with their movements from one official duties to the other. On the other hand, job transfer has to do with movement of employees from one state, region or country to the other. The two methods help employees to be exposed to knowledge of varying operations within the organization as well as the differences [i.e socio-cultural, political, legal, technological etc] existing in different countries where the organization operates. The knowledge and expertise acquired by the identified employees will be of immense benefits to the organization since it will improve the overall competitive advantage of the organization.

Coaching and Mentoring

Here, employees that are more versatile and experienced on the job teach the less experienced ones. Hartenia, [2009] postulated that a mentor is he who has more specific knowledge, skills and abilities in problem solving, conflict resolution, communication, goal setting and planning. Basically, this has to do with helping others to learn quickly with less risk.

Formal Training Courses and Development Programs

These courses and programs are usually a set of defined and known programs where the contents, duration and all the details about the training program are clear to both the organization and the personnel to be trained. This could be a very good example

of off-the-job training because trainers will undertake these courses and programs while completely off the work for a specified duration of time or alternatively, be present for work on part-time arrangement. Off-the-job kind of training is adjudged to be more effective since employees are completely away from work place to gain full concentration on the training course. For academic staff of Kwara State Polytechnic, Ilorin, this is the most common method of training, that is, further studies they embark upon outside the campus. They [academic staff] are commonly found in universities within and outside Nigeria mostly for their Masters and Ph.D programs.

Employees' Performance

Hawthorne studies and other research works on productivity of workers highlighted the fact that employees who are satisfied with their jobs will put forth higher performance and thus job retention is assured than those who are not happy with their jobs.

More so, organizations tend to experience high employee turnover if they [employees] are not satisfied and hence less motivated to exhibit high productivity. Kinicki and Kreitner, [2007] affirmed that performance is higher in happy and contented workers and the management takes solace in motivating high performers to reach firm's targets. Employees could only be satisfied when they feel themselves competent enough to execute their task which is better achieved through sufficient training programs.

McGrill, [2013] argues that employee performance is important for the company to ensure that the low performers are braced up. Performance is classified into five elements; Planning, monitoring, developing, rating and rewarding. In the planning stage, the following are in place – setting goals, developing strategies, outlining tasks and schedules to achieve the set goals. Monitoring is the phase in which the goals are analyzed to see how well on track the firm is to reach those goals and to suggest changes to unrealistic and problematic standards. During the developing stage, an employee is expected to improve on any poor performance that has been identified. In planning and monitoring of works, deficiencies in performance become evident and could be addressed. The rating is to summarize the employee performance; that is, looking at and comparing performance over time among various employees. At the rewarding stage, the firm's management wants to know who its best performers are at the end of the cycle which is designed to reward and recognize behavior such as that which is better than expected.

Sub-variables of employee performance are numerous, but for the purpose of this paper, productivity and work quality shall be discussed.

Productivity

Business dictionary described productivity as the measure of the efficiency and effectiveness of a person, machine, factory, system, etc in turning the inputs (labour, capital, energy, materials etc) to desired outputs (products and services). Productivity seems to be the only meaningful measure of industrial competitiveness due to its unambiguous connections with profitability.

Productivity is the output to input ratio within a particular period of time with equal consideration for quality. Productivity is therefore, computed by dividing average output per period by the total costs incurred or resources (capital, energy, material, personnel) consumed in that period [Wehrich, 2008].

Work Quality

This is described as the value of work delivered by an individual, team or organization. This may include the quality of task completion, interactions and deliverables. Work quality is a common consideration in managing the performance of projects, programs, vendors and individuals. It is incumbent on the manager to know how to describe the expected quality of work in such a way that will assist employees to remain stress-free. Planning the performance review carefully and being selective on how the manager expresses/presents the framework can lead to improved performance from employees, and a stronger working relationship among supervisors and employees is assured.

Conceptual Model

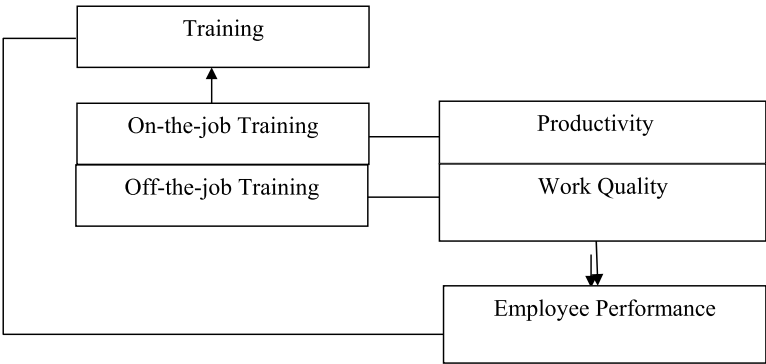


Figure1: Researcher’s conceptual model, 2020

Theoretical Framework

There have been series of theories propounded by various scholars to elicit the relevance of training needs in any set up. Two of these theories are social learning theory and reinforcement theory.

Reinforcement Theory

This theory postulates that training in itself is a strategic mechanism that makes job more motivating to the employees and it is seen as a means for employees to improve themselves for optimal performance which can translate to advancing employees for higher performance, resulting from the training attended.

Social Learning Theory

Here, employees are exposed to new skills, competencies and capabilities by observing other members of staff who they have much confidence in and are believed to be competent and knowledgeable. The theory argued that training is influenced by an individual worker's self-efficacy and such an individual's ability to successfully learn new skills which can be communicated to others through motivation, oral conviction and authoritative confirmation.

This theory aligns more with on-the-job training method.

METHODOLOGY

This study employed survey research design. The population comprised the three hundred and eighty six [386] academic staff which include the library unit of Kwara State Polytechnic, Ilorin. However, using Taro Yamane [1973] sample size determination formula, a sample size of one hundred and ninety six [196] respondents was obtained. These respondents were contacted to gather information relevant to this work through administration of a well-structured questionnaire, a total of one hundred and eighty nine [189] copies were completed and returned accordingly, which implies a response rate of 96%. The data gathered were analyzed using Ordinary Least Square [OLS] method of regression with the aid of statistical package for social sciences [SPSS] software version 20. A five point Likert rating scale was used to categorize responses ranging from 5 point – strongly agreed down to 1 point – strongly disagreed so as to bring out the relevant information from the respondents.

DATA PRESENTATION AND ANALYSES

Test of Hypotheses I

Hypothesis 1 [H_{01}]: On-the-job training has no significant effect on productivity

Table 1: Regression results of the Effect of On-the-job Training On Productivity.

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig
	B	Std. Error			
1. (Constant)	17.025	.490		23.206	.000
On-the-job Training	.546	.075	.805	5.824	.000
a. Dependent Variable: Productivity					
b. $R = 0.805a$ $R^2 = 0.648$ $F = 48.429$ $DF = 319$					

Source: Researcher's Computation, 2020.

Table 1 shows that productivity = 17.025 when all other variables are held constant. Productivity would increase by 0.546 when there is an increase in on-the-job training by one unit, while other variables remain constant. However, the results indicate that on-the-job training has positive and significant effect on productivity as a possibility of $p\text{-value} = 0.000 < 0.05$ ($B=0.805$, $t\text{-value} 5.824$, $p < 0.05$) and since $p\text{-value} < 0.05$, the null hypothesis which stated that on-the-job training has no significant effect on productivity is rejected, thus the alternative that on-the-job training has significant effect on productivity is hereby, accepted.

This implies that when Kwara State Polytechnic, Ilorin adopt effective training program, there will be 80.5% improvement on the way its trained lecturers and instructors make profound impact on their students.

Result of the hypothesis tested implies that there is a significant effect of on-the-job training on productivity. This result supported the findings of Asaju (2008), which affirmed that there is a positive relationship between on-the-job training and employee productivity since it affords employees the opportunity to learn new skills on the job which ultimately impact organizational performance.

Test of Hypothesis II [H_{02}]:

Off-the-job training has no significant effect on work quality

Table 2: Regression results of the Effect of Off-the-job Training on Work Quality.

Model	Unstandardized Coefficient		Standardized Coefficients	T	Sig.
	B	Std. error	Beta		
1. (Constant)	15.095	.254		14.576	.000
Off-the-job Training	.512	.065	.963	5.428	.000
a. Dependent Variables: Work Quality					
b. $R = 0.963a$		$R^2 = 0.927$	$F = 45.096$	$DF = 337$	

Source: Researcher's Computation, 2020.

Table 2 above holds that work quality = 15.096 when all other variables are held constant. Work quality would increase by 0.512 when there is an increase in off-the-job training by one unit, while other variables remain constant. However, the result indicates that off-the-job training has positive and significant effect on work quality as a possibility of $p\text{-value} = 0.000 < 0.05$ ($B=0.963$, $t\text{-value} 5.428$, $p < 0.05$). And since $p\text{-value} < 0.05$, the null hypothesis which stated that off-the-job training has no significant effect on work quality is rejected; the alternative hypothesis that off-the-job training has significant effect on work quality is hereby accepted. This implies that when tertiary institutions adopt off-the-job training over time, there will be 96.3% improvement on the quality of work, hence, employees are actively engaged.

Result of this hypothesis tested indicates that off-the-job training has a significant effect on work quality. This is consistent with the findings of Abang

(2012), which observed that off-the-job training, if well implemented, improves work quality especially when more emphasis is placed on effective and efficient training program.

DISCUSSION OF FINDINGS

Resulting from the analyses above, it was shown that employee performance in terms of productivity and work quality positively correlates with training given the numerical significance weighed by on-the-job training and off-the-job training. It then indicates that productivity and work quality improves when on-the-job training and off-the-job training are well explored. It was also discovered that the two hypotheses have strong relationship, considering the value of their results of 0.963 and 0.805 respectively.

From the tested hypothesis one, it was revealed that there is a positive and significant effect of on-the-job training on productivity which warranted the rejection of the null hypothesis that stated otherwise. This outcome supported the findings of Asaju [2008] which hold that on-the-job training allows higher employee productivity and also increases their competence on the job.

Result of the tested hypothesis two also shows that there is a positive impact of off-the-job training on work quality which necessitated the rejection of the null hypothesis that stated otherwise. The result falls in line with the findings of Abang [2012] which maintained that off-the-job training helps academic staff to acquire the requisite skills and capabilities.

CONCLUSION AND RECOMMENDATIONS

The study turns out to be very imperative because in recent times, tertiary institutions are striving to elicit the best from their teaming academic staff and this is better achieved when management sustains appropriate training programs and set attainable productivity levels which will in turn, give birth to effective employee commitment to duties.

Findings of this study indicate positive and significant impact of training on employee performance which clearly shows that effective training ranging from on-the-job to off-the-job positively enhances employee performance which ranged from productivity to work quality. Therefore, judging from the research objectives stated earlier in the study, it could be concluded that putting effective training program in place has significant effect on improving academic staff performance. In fact, from the above analyses, on-the-job training was found to positively affect productivity while off-the-job training, on the other hand, has higher positive correlation with work quality. The study then recommends, considering the findings, that tertiary institutions in Nigeria should adopt impactful training programs for academic staff efficiency.

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KNOWLEDGE MANAGEMENT PRACTICES IN BANKING SECTOR IN INDIA: A SEE-THROUGH OF CURRENT SCENARIO

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INTRODUCTION

Knowledge management is described as the system of creating, storing, and shifting, applying organizational understanding. In the prevailing context each company can create understanding and use this obtained information correctly and correctly for reaching the competitive gain. The banking area adjustments their sports due to the cutting edge records and technologies and their utility. By adopting the know-how management practices banks are accomplishing their goals. Banks are usually gives better services to their clients. In the technological edge IT and ICT made the banking business greater difficult and provides various advantages to the customer including e-banking, on line banking, ATM, EFI, NEFT, RTGS, EDI. In Indian industrial banks divided into two sorts specifically public region and personal quarter. In both the world know-how management may be used. The success of each company relies upon on the expertise centric human resource control.

Knowledge Management (KM) has been in life in our society ever for the reason that discovery of language. Human beings learnt the way to speak and knowledge switch occurred from father to son, teacher to pupil, from educated to the uneducated thru various method as written form, songs and dances or by means of folklore. As long as society become not good sized, those extraordinary tools and techniques served its motive of facilitating the transfer of expertise. In small organizations, which are geographically not unfold out or which are psychologically close knit, know-how dissemination takes vicinity without any formal process in place. The grapevine is sufficient to make certain unfastened low of information. However, a first-rate disadvantage is that of the content material being distorted because it moves away similarly from the originator.

Today even in small groups it isn't feasible to count on that each and each worker is privy to every little bit of facts current or generated within the enterprise. The concept of information control is to make sure that reinvention of the wheel does no longer take place, to make certain that we will construct on what we research from others and inside the organizational context to ensure that

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the response time to evolve to environmental modifications is decreased. In an exceptionally aggressive international in which every unit of time is important and in which each choice is strategic, it becomes vital that an organizational repository of information is generated and stored in an available vicinity. What could be higher than having a centralised database in a person pleasant shape. The goal of information management is to capture tacit understanding of various stakeholders of the employer as clients, shareholders, employees, suppliers and so forth. And make it specific in order that other employees can take advantage of it. Such sharing of information will enable advanced and faster selection making and advantage the agency. Knowledge control is the exercise of including actionable cost to records by means of taking pictures tacit understanding and converting it to explicit expertise; via filtering, storing, retrieving and disseminating explicit expertise; and with the aid of growing and trying out new expertise. In this context, tacit know-how consists of the beliefs, views, and intellectual models so ingrained in a person's mind that they may be taken for granted. KM may have six dimensions:

1. developing of knowledge,
2. acquiring of knowledge,
3. organizing of expertise,
4. saving of knowledge,
5. disseminating of know-how and
6. applying of understanding.

The inclusion of human's collaboration and help is the element that distinguishes understanding from corresponding records and data with it and this provides greater fee to the person to whom information is transferred". KM improves the know-how activities performance, system overall performance, worker performance, marketplace overall performance, and organizational overall performance. Data and statistics are the maximum vital objects which laptop approaches and analyses. But now there are a few people think of computer as information processing machines. So we need to think about their relation and difference.

The Stages of Development of KM

Looking at KM traditionally via the levels of its development tells us now not simplest about the records of KM, however it also well-known shows a super deal about what constitutes KM.

First Stage of KM: Information Technology The initial stage of KM changed into pushed in general via IT, records generation. That first stage has been defined using an equestrian metaphor as "through the internet out of intellectual capital". The idea of intellectual capital furnished the justification and the framework, the seed,

and the supply of the internet supplied the tool. As defined above, the consulting community jumped at the new talents supplied through the Internet, the use of it first for themselves, figuring out that if they shared understanding across their business enterprise greater effectively, then they may keep away from reinventing the wheel, underbid their competition, and make extra earnings. The first use of the term Knowledge Management inside the new context seems to were at McKinsey. They realized quick that they had a compelling new product. Ernst and Young organized the primary conference on KM in 1992 in Boston (Prusak, 1999). The salient point is that the first level of KM changed into about a way to set up that new technology to perform greater effective use of statistics and knowledge The first stage might be defined as the “If handiest Texas Instruments knew what Texas Instruments knew” level, to revisit a far quoted aphorism. The hallmark word of Stage 1 was first “first-rate practices,” to get replaced by the more politic “classes learned.”

Second Stage of KM: HR and Corporate Culture The second level of KM emerged when it became apparent that simply deploying new technology became not sufficient to successfully permit records and information sharing. Human and cultural dimensions had to be addressed. The 2d level might be defined as the “‘If you build it they’ll come’ is a fallacy” degree—the popularity that “If you construct it they will come” is a recipe that may effortlessly result in quick and embarrassing failure if human factors are not sufficiently taken into consideration.

It have become clean that KM implementation could contain adjustments inside the corporate way of life, in many instances as an alternative massive adjustments. Consider the case above of the brand new pediatric remedy and the invention of the efficacy of including orange juice to the recipe. Pharmaceutical income reps are compensated mainly not through profits, but by using bonuses primarily based on income effects. What is in it for that income rep to proportion her new discovery while the most probable result is that subsequent year her bonus might be drastically reduced? The adjustments in company culture needed to facilitate and inspire records and information sharing can be most important and profound. KM therefore extends some distance beyond just structuring facts and knowledge and making it more available.

Third Stage of KM: Taxonomy and Content Management The 1/3 stage developed from the awareness of the importance of content, and particularly the notice of the importance of the retrievability of content material, and therefore of the significance of the association, description, and structure of that content material. Since a very good alternative description for the second one level of KM is the “it’s no exact in the event that they don’t use it” stage, then in that vein, perhaps the nice description for the new 0.33 stage is the “it’s no accurate if they try to apply it but can’t discover it” level. Another bellwether is that TFPL’s record of their October 2001 CKO (Chief Knowledge Officer) Summit mentioned that

for the first time taxonomies emerged as a subject, and it emerged full blown as a primary topic (TFPL, 2001 Knowledge Strategies – Corporate Strategies.) The hallmark terms rising for the third level are content material control (or organisation content material control) and taxonomies.. At KM World 2000 a music on Content Management appeared for the first time, and by the 2001 KM World Conference, Content Management had become the dominant music. In 2006, KM World delivered a -day workshop entitled Taxonomy Boot Camp, which still exists today. The hallmark terms for the third stage of KM are taxonomy and content material.

LITERATURE REVIEW

G. Chandana (2014) on this observe entitled “Knowledge Management in India: A Case Study Of An Indian Bank” this paper focuses how km work at ICICI (India) and tries to discover the critical achievement elements of km. A small survey turned into achieved by means of the researcher many of the ICICI personnel and based on their responses a thing evaluation turned into performed. This resulted in identity of the essential success elements.

N. Abhishek (2013) in this observe entitled “Report In Knowledge Management In Banking Sector” This look at focuses know-how management software in a bank are client dating control and performance dimension, risk control, marketing management. Km device in banks higher and more efficient consequences in choice making .

U.Y. Ozlem, K. Duygu (2013) on this look at entitled “A Comparative Analysis of Knowledge Management in Banking Sector: An Empirical Research”. The essential goal of this study is to observe the basic components of km in banking sector with an empirical evaluation and additionally to decide whether or not there is a difference among the non-public and State Bank within the context of km practices.

Maryam B et al (2010) have studied the KM practices and reviews of Iran banks. Their observe indicates that casual training is the main source of verbal exchange for sharing information. Working on the opposite aspects which includes IT structures, for the convenience of robust and sharing stories or lesson learned are useful. The examiner elaborates on shooting knowledge from industrial resources in three investigated banks, consisting of industrial associations, competitors, clients and suppliers. It showed that banks adopt themselves with the converting surroundings and can be more proactive than reactive (Maryam, Rosmini and Wan, 2010).

Today aggressive blessings of strategic attempts along with expertise control have pretty been recognized amongst all industries the world over. Research results supply firm evidences and files about this factor that organizational lifestyle has a nice relation with information control and organizational advantages programs

(Allame et al, 2010). D. CHATZOGLOU et al, Proposed an technique for integrating a device that makes use of choice help and KM to decorate the quality of the support provided to choice makers in a bank's mortgage branch is offered. Some of the benefits of this new system encompass superior high-quality of guide provided to financial institution managers in real time decisionmaking and KM capabilities.

Furthermore, banking technology make a contribution superb blessings now not most effective to banks themselves however also to their customers (e.G., convenience, security, upgrades, better get entry to to information, and an alternative to cash). Thus, new models which consist of all of the factors referred to in the above statements will offer extra advantages and conveniences to banks and their customers (Chatzoglou, Vanezis and Christoforidis, 2005). The value of expertise on financial institution's clients and merchandise can erode through the years. Since know-how can get stale speedy, the content in a expertise control programme ought to be continuously up to date, amended and deleted the use of outcomes from ordinary survey of customers and Customer Satisfaction Index.

Therefore, there's no endpoint to a expertise management application. Like product development, expertise control is a constantly evolving business exercise which reflects the wishes of banks' clients (Yarong& Ling 2006). True enterprise wide KM solution cannot exist without a BI-based meta-statistics repository. In truth, a metadata repository is the backbone of a KM solution. That is, the BI metadata repository implements a technical solution that gathers, retains, analyses, and disseminates corporate "expertise" to generate a aggressive benefit inside the marketplace, the highbrow capital (records, records and understanding) is each technical and business related (Marco, 2002).

Techniques of information discovery inclusive of online analytical processing and records mining, although they assist the control of express know-how, help in mastering the hidden knowledge of the character inside the decision making technique. The selection making gadget can be observed as selection making based on guidelines and decision making based totally on abilities and information (Curko,Vuksic& Loncar,2009).

OBJECTIVES OF THE STUDY

1. To understand about the banking scenario in various regions before and after implementation of knowledge control.
2. To recognize the about impact of expertise control in lowering the value as well as purchaser satisfaction.
3. To know the blessings of knowledge management for banks in addition to their clients.
4. To realize how the banks can gain exact know-how management practices?

RESEARCH METHODOLOGY

From the above exchange one may state that KM isn't an innovation. In any case, innovation is a premise to KM advance. In a general sense, there must be an acknowledgment that an association is in a steady procedure of improvement and that achievement is reliant on rehearsing new thoughts and encounters and taking activities to help such developments inside the financial administration or business condition (Atkinson, 2000).

The accomplishment of KM execution won't happen without the aggregate work of numerous empowering influences. These incorporate the degree that the administration has faith in KM impacts, the data innovation utilized, human asset the executives, and the way of life of the association. Actually, any KM framework will incorporate these factors to make learning related authoritative capacities useful. These factors reflect how much the proposed model is reliable with our examination on one side, and how much these factors mirror the execution and practices of KM in the financial administration on others (Bieber, et.al, 2002) - this will be talked about in the following segment.

The board or initiative is basic to invigorate workers' inspiration to get to the different wellsprings of learning and support them of information sharing. Again data innovation is a fundamental factor to help the way toward putting away and dispersing information for sharing. An authoritative structure mirrors the association's arrangement in examining with its representatives and in retaining new thoughts and experience inside and outside its ability.

Inside the association all workers need to create related KM abilities and experience; for instance, recovering learning for a circumstance in order to settle on a choice. Some portion of these aptitudes is data innovation abilities and issues identified with administrative issues, for example, time the executives (Gold et al, 2001).

The principle objective of KM is to improve authoritative accomplishment, hence, characterizing the basic achievement factors is helpful for organizing a natural investigation in light of the fact that there is a significant connection between ecological examination and basic achievement factors prompting hierarchical survival (Chong and Choi, 2005). Truth be told these elements will distinguish the center procedures that are vital to effective KM usage, and upgrading the administration of KM.

The elements adding to KM achievement are what Davenport and Klahr (1998) recognize as eight KM achievement factors: Technology framework, Organizational foundation, Balance of adaptability, Ease-of-availability to learning, Shared learning, Knowledge-accommodating society, Motivated laborers who create, offer, and use learning (Means of learning exchange utilizing different data innovation foundation), and Senior administration backing and duty. As we will

find in the following area through the talk of the proposed model, that all the above distinguished variables are referenced in our model. In this way we can survey how much financial administration in the example rehearsing the KM idea (Hansen, 2002). Any KM program needs to distinguish markers of accomplishment to pass judgment on the degree of KM practices and the executives execution as needs be.

Moffett *et al* (2003), recognize another two components for effective KM: Benchmarking and Performance estimations. When all is said in done no particular methodology for effective KM applications in business association has been summed up by all specialists and impressive exertion must be made to expel imperatives to guarantee fruitful KM usage and interrelationships. Such contrasts reflect various scientists' mentalities and a differentiated and discontinuity of fruitful practices of KM. Truth be told little endeavor is made to incorporate these components.

Featuring the fundamental factors that lessen the opportunity of fruitful KM practices or the obstructions to sharing information is likewise significant. Information sharing is viewed as an obstruction for much administration. This is expected, as referenced already in our discourse, to its immaterial nature. Since learning is data in real life, this makes it hard to tell who comprehends what (King and Marks, 2008).

On the representatives' or even the administration side, sharing learning or data may not be energized by the two sides until/except if they perceive its advantages or impacts in taking care of issues or its utilization inside the basic leadership process. The issue might be exacerbated relying on the authoritative structure and the eagerness of divisions to participate and contribute in information sharing, either exclusively or all in all.

Workers' aptitudes or experience speaks to the opposite side of the coin in abusing making and profiting by the new information created inside the association. At the point when the two sides (i.e., workers and the executives) think little of learning impacts, information turns into a second need, and such circumstance is an obstruction in sharing (King and Lekse, 2006). Individuals trust that learning is control and the accumulating of information prompts dealing with power. This sort of assumption additionally goes about as an obstruction to information sharing. The scientists' conviction that empowering representatives by their association for information sharing is the beginning stage in structure a system and accomplishing destinations, despite the fact that exhibition might be vary starting with one association then onto the next. By and by, the progressive structure might be utilized as an empowering influence in finding satisfactory practices in the association. Aggregate investment by representatives will energize and reinforce connections and trust among workers and their associations in critical thinking, and such practices will serve in making continuous best authoritative practices for learning and the job of KM. Such cooperation mirrors the authoritative culture and representatives' inspiration (Cramton, 2001).

From the above discourse, one may presume that inside a specific business condition the act of KM needs connection between workers, data innovation, and changing learning inside the offices in a company's hierarchical structure.

DATA ANALYSIS

The proposed model in Figure 2 mirrors the motivation behind this paper in that it contains the for the most part acknowledged phrasing of KM. It is imperative to make qualifications between information creation, learning sharing, and information obtaining by the association.

The Model demonstrates that the commencement of the KM cycle includes the making of new information by supplanting old learning with new substance inside the impacts of both the inner and outside situations. Making new learning relies on the way of life and the administration conduct seeing information as an empowering influence and donor for structure methodologies over the long haul.

The visual cues under learning (i.e., creation sharing, and procurement) allude to Nonaka's (1994) four methods of new information creation. These four modes are: apprenticeship, exercises educated, storehouses and individual or gathering learning through dialogs.

Learning obtaining includes look for acknowledgment of and absorption of conceivably profitable information regularly from outside the association (Menon and Pfeffer, 2003).

Practically speaking, authoritative inclinations improvement is the thing that KM at last about. Foreseen upgrades are the essential premise that associations use to pass judgment on the estimation of KM activities. This might be accomplished, for instance, by installing information, learning reuse, and making dynamic capacities (King and Malhotra, 2001).

The end (right side) of the model is usage. After new information is made or procured, at that point use happens. Use alludes to the procedures and components that are utilized to choose and clean and boost information for consideration inside the KM frameworks that are being used. It might be used through elaboration and meticulousness, so as to be useful in encouraging development, aggregate learning, singular learning and critical thinking (King, 2005).

We referenced in the past segment that administration, data innovation, social association and human asset the executives are the primary empowering factors regarding actualizing KM. The field ponder is delegated exploratory research, and the subjective information was gathered through association with administrators of these banks in the example. Data was additionally accumulated at casual sessions. In the principal phase of the field contemplate, interviews were held with most group pioneers, and directors (Oliver and Kandadi, 2006).

The Model demonstrates that the commencement of the KM cycle includes the formation of new learning by supplanting old information with new substance inside the impacts of both the inner and outside conditions. Making new information relies on the way of life and the administration conduct seeing learning as an empowering agent and giver for structure procedures over the long haul.

The visual cues under learning (i.e., creation sharing, and obtaining) allude to Nonaka's (1994) four methods of new information creation. These four modes are: apprenticeship, exercises scholarly, storehouses and individual or gathering learning through discourses.

Information securing includes scan for acknowledgment of and absorption of possibly important learning regularly from outside the association (Menon and Pfeffer, 2003).

By and by, hierarchical inclinations improvement is the thing that KM at last about. Foreseen upgrades are the essential premise that associations use to pass judgment on the estimation of KM activities. This might be accomplished, for instance, by inserting information, learning reuse, and making dynamic capacities (King and Malhotra, 2001).

The end (right side) of the model is usage. After new learning is made or obtained, at that point usage happens. Usage alludes to the procedures and instruments that are utilized to choose and refine and augment learning for incorporation inside the KM frameworks that are being used. It might be used through elaboration and painstaking quality, so as to be useful in encouraging advancement, aggregate learning, singular learning and critical thinking (King, 2005).

We referenced in the past segment that administration, data innovation, social association and human asset the board are the primary empowering factors as for executing KM. The field think about is delegated exploratory research, and the subjective information was gathered through connection with administrators of these banks in the example. Data was likewise assembled at casual sessions. In the main phase of the field think about, interviews were held with most group pioneers, and chiefs (Oliver and Kandadi, 2006).

Table 1: Present And Future State of KM

	Present %	Future %
Current Practicing	10	15
Implementing	8	10
Pilot Project	-	-
Planning	30	45
Evaluating	10	15
Not Considering	-	-

The outcomes in Table 1 demonstrate that administration in the example was endeavoring in the following quite a long while of forming its assets into

information and mindfulness inside the authoritative administration frameworks. (15%) of the respondents in the example will streamline data gathering, however just (10%) of the respondents guarantee that they are as of now utilizing their assets to give logical data to amplifying KM impacts. (30-45%) of the respondents use or endeavor to utilize learning later on separately will form specially appointed assets into thorough information mindfulness. (10-15%) of the respondents revealed that they are assessing their insight now or will proceed later on. The analysts' conviction that assessing KM and information offering to such a rate is simply to demonstrate that they know and perceiving what learning aggressive impact is. The reason for this end is the low level of the current situation with KM practices which is (10%). Likewise (30%) they plan to utilize information later on speak to a desolate allurements.

Supervisors in the example understand that information capital or authoritative learning is a significant component that can be overseen productively and adequately in order to improve their operational exhibition.

Information the executives implies associating whose workers, sharing thoughts by and large or exclusively and utilizing innovation to encourage the accomplishment of such purposes. To build an unmistakable picture concerning KM accomplishment practices, we asked the administrators in the example to distinguish the authoritative reasons for KM from a rundown gave to them. Table 2 demonstrates the chiefs' suppositions.

Table 2: Organizational Purposes of KM

No.	Purpose of KM	Percentage %
1	To provide new knowledge	10
2	To enhance collaboration	40
3	To achieve effective practices	30
4	To build customer relationship management	20
5	Competitive edge	25
6	To enhance bank's Webpage	15
7	To provide project workplace	10
8	Improving operations quality	15
9	Improving network communications	5
10	To manage intellectual assets legally	6
11	Others	3

The above purposes identify with the reasons that are the center of the paper (i.e., learning making, sharing, and obtaining) that improve the nature of tasks, mirror the authoritative culture, and create trust and the sharing of information among representatives and with their administration or association, and building methodologies in the long haul that depend on learning.

The above outcomes are not empowering. Most of the respondents guarantee that KM rules exist to make new learning, to improve trust, and better representatives' connections inside the association. Despite the fact that this is consistent with accomplish these destinations the bank needs administration and capable individuals, which does not exist at the required dimension (i.e., proficient mastery). Such administration capacities are required for basic leadership process in critical thinking, codification methodologies, effectiveness of new learning and tasks dependent on an information premise.

No supervisor referenced different purposes, for example, taking activities to quantify the effect of their association or individual execution, or to record effectiveness improvement between its various offices. Such an end appears, that administration is as yet not proactive in changing the workplace.

The above talk uncovers that some empowering elements, for example, the earth, representatives, and the required innovation is required for KM practices. A solid situation to exhibit top notch administrations and administration information is vital to keeping up client learning in order to improve connections between the administration and its clients. This may require able representatives who experience learning separately or on the whole for critical thinking.

The bank's administration needs new data to improve its site, and to improve correspondence contacts with its clients and different associations inside its business condition. In this manner refreshed innovation is expected to keep them focused and to improve the administration's picture with various kinds of customers. Such activities taken by the administration in the example were insufficient, or set the administration in a place to judge emphatically towards KM practices.

CONCLUSION

The reason for this investigation was to comprehend the financial administration practices of KM through the creation, sharing, and securing of learning in their tasks. Learning sharing separately or on the whole, by the financial administration includes esteem when new KM is drilled in an information concentrated association.

Learning the board practices were observed to be in its earliest stages organize and are not compelling. The nearby perception in this examination uncovered the presence of boundaries that a financial administration needs to survive. As needs be, administrative ramifications were attracted to limit the equivalent. In this investigation, a model is proposed to demonstrate the degree that this model has been connected by banking the board in the example in the UAE. Proof recommends that practices of KM are still toward the starting stage are as yet not compelling in their activities. We found that in spite of the fact that administration in the example is focusing on a customized technique the advantages got from sharing between representatives isn't created inside their tasks.

This examination reveals insight into the degree of KM ideas in the financial business in the UAE, and might be viewed as a manual for urge banking the executives to actualize these ideas through the joining of information creation, sharing and obtaining, and reconciliation among the executives and workers.

For top administration in the example, it is important to improve their human capital and their workers' cooperation in taking care of issues by improving their insight and experience in order to accomplish vital targets in the long haul. Such improvement might be accomplished through the rebuilding of both their HR and their hierarchical pecking order.

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FINGER LICKING FOOD FOR THOUGHT: JOURNEY OF AN ENTREPRENEUR

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This case is solely developed for the students' purpose for classroom discussion. The case is developed based on secondary sources. The case does not indent to illustrate either effective or ineffective management or Managerial situation.

ABSTRACT

This case reflects the life of an entrepreneur. Entrepreneurship is the most powerful term which is imperative across the world. The progress of any country depends on entrepreneurship. Hence, entrepreneurship is inevitable and indispensable. Entrepreneurship includes more essential things such as initiative, creativity, innovative ideas, understanding the customers and competitors, satisfying the customers, know the market and a lot of uncertainties and challenges. Entrepreneurship can be classified into large and small businesses. Now a day's small-scale business plays a vital role to accelerate the country's growth. As India's population is vast with a different culture, wherein small-scale business predominantly plays a major role. Moreover, small scale businesses satisfy the customer needs, bring more innovations, highly competitive, good quality and variety of products and services, specifically focus on rural areas, create more entrepreneurs, employment and support their livelihood. This case talks about one such entrepreneur who is running the hotel and his entrepreneurship strategies. I have described more details about the hotel and the business model in this case. It is a small hotel named "UBM HOTEL". Last decade, if Customers wants to have non-veg food, UBM hotel would be their first and foremost choice. This case described the quality of the products, goodwill of the business, customer service, loyalty to the customer and ethics in business.

Keywords: Customer service, Entrepreneurship, Loyal to the customer, Goodwill of the business, Business ethics

BACKGROUND OF THE HOTEL

UBM hotel is small in size and which is being called (NAMMA VEETU VIRUNTHU). It is located in a small village near Seenapuram, en route of Perundurai to kunnathur in the Erode district of Tamilnadu, India. The owner of this hotel is Mr. Karunaivel. In 1992-93, Karunaivel's family started a canteen at saw-

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mill in their village. When he started his business, the very first day he got the order for the food. As he was very happy to deliver the food, he had a great shock. He was asked to provide the food for the canteen employees at less cost (almost 50% less) than the prepared cost of the food. Though he felt sad, he wanted to satisfy the people through his food service as he loved his business. He took it on the positive side and continued the business. After a few days, some other issues had come, eventually, he was not able to continue the business at the saw mill. As he loved the hotel business intensively, he did not take any other business. He introspected again and again. Eventually, after six years, he decided to set up the hotel at his home itself.

UBM hotel was started in the year of 1998 by Mr. Karunaivel and Ms. Swarnalakshmi as a vegetarian mess. The hotel is located on the road, people were commuting for their daily and business purposes, government officials were passing through on the road would stop and have food. Gradually, the hotel became famous; people started coming from around 20 to 25 km to have the food. In the course of time, the UBM hotel was famous for both Veg and Non-veg. Gradually customers started liking the taste of the non-veg food of UBM hotel. UBM's Non-Veg food holds the upper hand than Veg food. On account of the high demand for non-veg food, propelled the hotel to Non-veg diners. Mr. Karunaivel said his family is meant for giving good hospitality to people. Mr. Karunaivel grew up being fed with a variety of delicious food at home. His grandparents thought that nobody visiting our house would go back hungry which was passed to my parents thus we have been following the same in our life.

Surprising aspects of UBM hotel, it serves food only for lunchtime, whereas normal hotels were serving food three times a day. The hotel got customers from nearby places, districts, and states as well. Totally more than 20 different varieties of Non-veg items were served there, all the non-veg items were unlimited. A very interesting factor is Karunaivel & Swarnalakshmi both are vegetarians who gave Non-veg feast to the customers every day. All the non-veg items were prepared by the owner's own experience.

INFRASTRUCTURE

UBM hotel is located in a small place, the hotel did not have any big infrastructure. The front portion of the home was converted as a hotel. Normally, now a day's in the hotel business, a high volume of money to be spent on infrastructure like A.C, tables, chairs, menu cards, parking space, attractive ambiance all those things are inevitable, whereas UBM Hotel did not have those things. In fact, the hotel did not bother with those stuffs. In fact, the UBM hotel is set up in the thatched roof, tables were set up in the cement stone with plastic chairs. Maximum 20 people can sit simultaneously and the rest of them have to wait outside under the shadow of the



Inside view of the UBM hotel

trees where chairs were put up by the roadside for the customers to wait and small family lounge is also there. At lunchtime, the entire hotel area is surrounded by swanky cars parked outside the hotel; customers are curiously waiting and getting drool in their mouths to have food.

Customers

Nowadays the customers' objective is to go to the hotel is different from the earlier period. Now the customer preferences to choose the hotel based on the location, infrastructure, Parking space, Time, Air condition than food which is pretty common in today's hotel business. Generally, every place has its own culture and taste pertaining to food. UBM hotel served the food at par with the culture of the region. Mr. Karunaivel understood customer preferences well. As he was keen on customer



Front view of the UBM hotel

satisfaction, he had a practice that customers have to make an appointment for lunch through phone prior come to the hotel. Based on the total count, food will be prepared. Since customers were coming from faraway places, he ensured that all customers must have food and avoid overcrowding as well. Hence, he has been following the procedure of getting an appointment before coming to UBM. On weekdays and weekends around 50 and 100 plus people respectively visit there. Mr. Karunaivel received calls for the food from many states for appointments; Customers were coming from all across Tamilnadu and other states nearby like Bangalore, Kerala. In some interesting cases, people have visited UBM from other countries as well. Some famous celebrities visited the UBM hotel were Tamil Director Mr. Sandana Bharathi, Mr. Pandiarajan and his family, Tamil actor Mr. Prabhu and his family, National award lyricist Mr. Vairamuthu, Tamil comedian Mr. Mayilsamy, Actress Ms. Kajal Aggarwal and other celebrities. Recently Belgium couple had visited the hotel and enjoyed the food; they told that never had such kind of food anywhere else. Generally, the Erode district in Tamilnadu is meant for agriculture, surrounded by farmlands that are famous for shooting. Whenever a shooting happens in nearby places, the shooting unit visited the UBM for food.

Quality of the Food

Karunaivelu and his wife Swarnalakshmi are much particular in food preparation. They used to check the quality of ingredients, which is being used for cooking. Mr. Karunaivel said the appointment is made either a day before the customer arrives or morning on the day. Based on the appointment, he checked and bought fresh and quality meat from the butchers every day. UBM believes, "Taste, quality, and authenticity is one thing which can't be compromised anymore. The recipe for each dish, which has been modified to cater to making non-veg dishes is a gift passed on from our elders. He gave clear instructions on making the masala pastes and mixes for the food. Since quality is the most important criterion, meat isn't kept in the refrigerator at any circumstances. They did not use any of the readymade spice powder which is available in the market. They ground all masalas in grinding stone as traditionally on a daily basis which is very special in UBM. Mr. Karunaivel's wife is a sole cook; she put utmost care in the quality of the food and taste. Once the preparation is over with the meticulous plan of Mr. Karunaivel, the taste of the food is checked by him, after that food will be served to the customers.

Service

First and foremost once customers entered the hotel, they are welcomed by Mr. Karunaivel and asked to be seated politely based on the crowd for having the food. Big plantain leaf around 2.5 feet is put for serving the food to all customers. His intention was to provide the home atmosphere to each customer while they were



Banana leaf for serving the food

having food. That may be the reason; one big single plantain leaf is put for the whole family members wherein all the dishes were served to the entire family. In fact, this brought the old culture which was being practiced by the ancestors in front of our eyes. For individuals and friends, who were interested to have the food from the different plantain leaf, they served the food individually on smaller leaves. UBM had a clear practice that food was served to the customer only by Mr. Karunaivel and his wife; no other people were allowed to serve the food to the customers. While serving the food, he was wearing a pure white shirt and dhoti and his wife wore starched cotton saree, sacred ash on her forehead, warm smile with high positive energy which portrayed the culture of the region and resembled the state of



Mr. Karunaivel & Ms. Swarnalakshmi serving the food to customers



Karunaivel feeding a chicken leg piece to a customer



Karunaivel and his wife and feeding the food to the people to their heart's content

a mother while serving the food. The motto of his business is, every customer must be considered as a family member, therefore he ensured that complete customer satisfaction while customers were leaving from the hotel. At times, when customers were not much aware of the variety of dishes and their benefits, he explained very passionately and told the advantages of those dishes. As the food is unlimited, he encouraged the customers to have more food and insisted them to ask furthermore in the father's stature. He had spent a good quality of time with each and every customer. Though the crowd was high, he never urged any customer in order to manage the crowd. Since money was not a primary concern, he took only limited orders every day to satisfy the customer. At times any vegetarian comes; he satisfied

them as every day at least enough vegetarian food was available for few people to pass through.

Variety of Food

In plantain leaf salt was kept first followed by one bottle of mineral water is kept, after that small quantity of rice then non-veg dishes started to be served one by one which included mutton, Chicken, Quail, Duck, Egg, Turkey, Fish. Mutton dishes which included blood poriyal, intestines, mutton masal, aattu kaal varuval, liver fry, thalai curry and nalli. For those who prefer poultry, there's chicken biriyani, chicken kolumbu, varuval, pepper chicken, crumb fried drumstick and masal; quail roast, turkey varuval, pigeon masal. Seafood lovers have fish fry, fish kolumbu and uppu kandam, with biriyani, rasam, curd and payasam. After the food, customers were served ice cream and betel leaf. Generally, Mr. Karunaivel told that, once those items were served, immediately customers said “enough” but he said that “kindly take the food very slowly so that you can have more food and enjoy this”. After the food, if customers wanted to take rest for a while, chairs and small wooden cots were put under the trees.



Variety of non-veg dishes

Public relation

Mr. Karunaivel strongly believed that serving food to the people is a gift of God by which we can directly associate with people's hearts. Since Mr. Karunaivel runs the business not only for the profit motto, he gave more attention to customer satisfaction, good service, quality of food, goodwill of the hotel. Generally, UBM hotel did not have any advertisements, websites, everything through word of mouth. New customers were generated through existing customers. Information about the hotel was rapidly passed from existing customers to their network; eventually, they

tend to visit the hotel. It's possible for him to flourish his business to a great level and start as many as branches with ease, but he was not interested. During the interview, "he said categorically that people who are hungry and need quality food, they have to be satisfied. Customers are the great ambassadors; as long as the quality is there we don't want to run behind the customers, a customer will follow us". It's precise that, he never concentrated on the advertisement or any other promotional activities. As customers were coming from faraway places, it was recommended to see the Facebook page to know about the venue of the hotel, testimonials, photos, and ratings which were mentioned much clear about the hotel information to the customers.

TESTIMONIALS

Virundhombal!

1. Eating at UBM Namma veetu saapadu has been in my bucket list for a long time, after seeing photos and reading reviews. And we decided to go there while on our visit to Coimbatore for Sukanya's wedding. We called them and made reservation a day before. Today, we hired a zoomcar and while on our way we asked them if they would accept card, and they answered in negative. But we had already come a long way from Coimbatore by then. With the demonetization effect, a few ATMs on the way and all were closed and we were not able to get from petrol bunks too. We planned to go there, have lunch and hunt for ATMs then as it was already 2:30 PM.

We went there and told them we did not have enough cash and that we would withdraw n give. He simply said, "saapdunga modhala, kaasu daana, enga poyida poringa, apparam paathukalam"(Eat first, and we'll discuss this later, do not worry).

Lunch started with 2 huge banana leaves, with one leaf for 3(Like the banana leaf in senthil's comedy where one can lie on that). He said, "rice dan side dish" while about to start serving. Few quantity of rice, but the non veg varieties were infinite, including chicken, mutton, fish, pigeon, Turkey with a number of options in each, including raththa poriyal, thala kari that I lost track on the number of dishes. Their chicken, fish fry was among the bestest. Everything was cooked properly, making justice to the hotel name. Lunch ended with a complimentary ice cream.

After lunch, we literally wiped our wallets, still we were short of the total amount. And the man was like, "paravala magane idu podum, varuthapada venam," and after taking pics, "muzhusa thodachitinga nu solringa, selavuku iranooru venuma?"

A heavy lunch in a heavenly place, worth a 80 kms drive. A paradise for non vegetarians.

P.S: The hotel is run by an elderly couple, both being vegetarians.

Authentic and tasty non veg food

2. Homely environment, very nice couple.. Primarily had chicken, mutton and fish dishes..the food was awesome..if you are a non vegetarian and love food, you should definitely try this once. worth the money and wait.. Don't forget to reserve ahead.

Gastronomically Surprised

3. The hotel in itself is very non descriptive but the story begins after that. The meal that is served is epic.7-8 types of chicken. 3-4 types of mutton. Egg, Veggies, fish, Rice , biriyani. Food quality is very good although quite spicy. The hospitality extended is beyond par. Superb set of hosts actually make your lunch worthy of it. We travelled from bangalore just for the lunch and boy o boy we were so happy after this. Please call them up and inform about your visit. Must go place. Meal cost is 550 per person
4. Good food. More over awesome people. Hospitality was great. They treat you like their own family members. They Invest at least 10 mins on each person.
5. These are homemade food and they don't have any servers to serve us. They do it by their own. My suggestion is to go on a weekday and the food is worthy than 500Rs. I rate it 5/5, just for their passion towards service.

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Teaching Case:
**ACCEPT THE TENDER OR HOLD ON TO THE STOCK –
SHARMAJI'S DILEMMA**

Pardhasaradhi Madasu*

BACKDROP:

Investors usually invest a good amount of time in making investment decisions. Many times, investors have to analyse data to find a good IPO or to spot a stock with huge growth potential. In addition to these decisions, in a few instances, investors are also required to decide with regards to the tender offer of voluntarily delisting companies. Delisting could happen both voluntarily and on a compulsory basis. Companies go for delisting with different long-term strategic motives. Voluntary Delisting (VDs) happen when promoters want to increase the stake in the business such that some kind of restructuring happens in some cases VDs happen due to mergers or takeovers. Generally, investors face a dilemma when voluntary delisting is going to happen. However, the investors (especially the individual investors) face a challenge in understanding which course of action to choose viz. accept the tender or hold the stock. Many questions would arise in the minds of investors when a company announces corporate action such as voluntary delisting (VD).

In the present situation, Mr Sharma holds a good amount of shares in Vedanta Ltd (VEDL). Which has announced plans of delisting from Indian bourses amid the Covid-19 Pandemic. Sharmaji is an architect by profession and works for a MNC company which is involved in infrastructure projects. He provides services to ten key customers located across the country. Many of these clients have become personal friends and advisors for him with respect to financial matters. Sharmaji has a lot of unanswered questions concerning voluntary delisting of shares and acceptance or rejection of the delisting offer. Before taking any decision Sharmaji wants to get clear answers to these questions from his friends, colleagues or clients.

Voluntary Delisting – Is it a Strategic Move?

Sharma reacted with surprise when he heard about the announcement of Vedanta Resources Ltd. (VRL) proposal to delist its Indian subsidiary Vedanta Ltd. (VEDL) from Indian stock exchanges.¹ Sharmaji recollects that in 2018 VRL (parent company) delisted itself from London Stock Exchange (LSE).² The announcement of buying out the non-promoter stake was made by Anil Agarwal.³ The decision to delist VEDL was announced by VRL in a bid to simplify the group structure.⁴ The news of delisting broke out around May 18, 2020, on which date the Board of the Company provided its consent for delisting.⁵ The surprise of Sharmaji turned

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into curiosity when he heard the news of Shareholders approving the Delisting Offer (DO) on June 24, 2020⁶ and the Company receiving in-principle approvals from both NSE and BSE on September 28, 2020. The filing made by Vedanta with the stock exchanges has revealed that 93.34% of the votes were in favour of the delisting proposal and 6.65% of votes were against it.⁷

Sharmaji never felt a need to understand the implications of delisting to date. Sharma usually preferred to invest in equities through the mutual fund's route (usually SIP). Rarely would he prefer to invest directly into the IPOs or conduct a transaction in the secondary market? On recommendation from a friend he has invested in a few reputed stocks and Vedanta (VEDL) was one of them.⁸ Sharma always took pride in holding these 'Special' stocks and he always felt proud of his decision to invest in these companies. He treated these investments as a part of the retirement corpus. Apart from this Sharmaji has never sold any of his assets (both real and financial) to date. He feels that once investment decision is made investors should stick to the assets. Because he did not sell/transfer any of his assets his knowledge about capital gain taxation is also limited.

But now he has heard that there is a proposal for voluntary delisting (VD) and he was not prepared to react to this kind of news on corporate actions. Sharmaji's first question to himself was whether these kind of voluntary delisting proposals are going to create or destroy value for the shareholders? The second most important question that he wanted to get an answer to was, what factors to consider for deciding on the appropriate price for a tender offer? The third most important question Sharmaji was stuck with was – will all the public shareholders like him take the similar decision of accepting the delisting tender offer or whether a few of them may oppose the delisting offer and retain the shares for themselves?

A quick check by Sharmaji with his colleague, clients and his immediate boss (his reporting boss is a citizen of the US) has resulted in an answer that VDs do happen and few of the delisting offers in past were successful and few VDs have failed.⁹ Sharmaji also learnt that in the case of VDs all the public shareholders such as him will not react in the same way. One of the colleagues of Sharmaji has stated that for the VEDL delisting offer to be successful roughly 134 crores shares out of 169.73 crore shares held by the public have to be tendered. Sharmaji also learnt that not only retail investors but institutional investors such as mutual funds and insurance companies would also have to consider the delisting offer being tendering their investments. Few of the clients of Sharmaji who were into trading of stocks have also referred to tendering of shares even after the delisting process was complete.¹⁰ Apart from the concept of success or failure of VD, the colleague of Sharmaji has also referred to some sort of Delisting Regulations under which public shareholders were entitled to some rights and protection.¹¹ One suggestion that Sharmaji got during his solicitation of information was that the shareholders

can participate in some sort of bidding process (Reverse Book Building) before the final offer price is decided.¹²

Sharmaji also interacted with his boss on the topic of VD and found that in the US, the Securities and Exchange Commission (the SEC) allows certain public companies to opt-out of listing. However, companies that want to opt-out of the listing has to justify that the shareholder base is too small to justify the compliance cost. Sharma understood that in the US companies prefer to delist/deregister themselves without going private and this process is referred to as 'Going Dark'. When companies Go Dark then their share are traded through 'Pink Sheets'.¹³ It was a well-documented fact that companies that have preferred Go Dark have done so because of SEC's highly compliance-oriented SOX provisions [1]. Sharmaji's discussion with the boss also has brought out a point that usually is confusing. The point that is confusing for many investors such as Sharma himself was – Whether voluntary delisting and going private are the same or different?

These discussions of Sharmaji with colleague, clients and boss have made Sharmaji more curious to first understand the framework and implications of voluntary delisting by widely-held companies. After the framework and implication of VDs Sharmaji wanted to get into the process and factors influencing the delisting offer price. He had a linear plan of action for deciding on Vedanta's delisting offer.

In this regard, Sharmaji started to accumulate more information from the internet and also his colleagues and clients. Being a detailed oriented person, Mr Sharma has systematically pulled out some information from the World-Wide Web (WWW) and a few of the queries for which he searched were:

- What is voluntary delisting and how it different from compulsory delisting?
- Could a company go in for voluntary delisting in case of few stock exchanges and still be listed at other stock exchanges in India?
- How to understand the market reaction after the announcement of delisting?
- Would the shareholders get any exit opportunity if the shares are delisting from a few of the stock exchanges and still listed at other stock exchanges such as BSE or NSE?
- What could be the major motives that guide promoters to think of VDs?
- How is the VD different from the company going private?
- How is the tender offer's price determined?
- What is the role of public shareholders in the price discovery process in the VD offer?
- How is the concept of counter-offer from the promoter relevant to VDs?

- How would the companies intend to delist fund or finance the delisting buyback process?
- Should the shareholder's (especially individual shareholders) get consolation from the fact that the companies may offer a buyback offer or tender offer price which is more the prevailing market price of that particular stock?
- How is the success or failure of a VD decided and if the VD is a failure what is the next course of action for the investors who have tendered their shares?
- If the VD is a success, what is the position of the shareholders who did not tender their shares during the bidding process?
- Do investors like Sharmaji have any say in the process of VDs?
- Would there be any tax implications when shares are tendered during the delisting offer?

A lot of information popped up and out of that huge diversified information Sharma has made a detailed note for himself which could be summarised as follows:

An Overview of Motives for Voluntary Delisting:

The first observation made by Sharmaji was that corporate entities usually use the market and economic conditions as a backdrop to make strategic decisions. During the unprecedented pandemic COVID-19 situation, many reputed companies lost their market capitalization due to a fall in their stock prices. Apart from loss in the wealth represented by MCap, few of the listed entities were not in a position to bear the listing annual fees.¹⁴ Sharmaji also understood that situations such as COVID - 19 are many times taken as advantageous by corporates to announce VD. Sharmaji also observed that MNCs which are listed in their home country as well as in some of the prominent financial markets may prefer to delist in markets such as India. The reason why MNCs may prefer to delist from India could be that from their perspective falling exchange rate of INR vis-à-vis USD and declining stock prices may provide an opportunity to make a good deal by offering a low delisting offer. These points have made Sharmaji look for additional information.

One of the online articles that were accessed by Sharmaji [2] stated that corporate announcement such as VDs is a strategic move where the promoters of a publicly-traded entity prefer to delist voluntarily due to various reasons. One of the most frequent reason is the ongoing cost of compliance that the listed entity has to bear under the listing norms. Sharmaji noted that companies that are listed are regularly under the regulatory scanner and have to be vigilant towards the compliance calendar/timelines.¹⁵ The compliance calendar is usually aimed to promote better corporate governance among the listed entities [3].

Listed entities have to continuously face the pressure/obligation of timely financial reporting and other disclosures. Further management is also obliged to maintain a good working relationship with equity analysts and investors. However, to the surprise of Sharmaji, the web-research yielded more information that confirmed that corporates not only go for VDs because the compliance cost has to be incurred. Sharmaji noted that few regulatory changes or volatility in market conditions could also make the top management think of VDs. This information made him more curious and he continued his web search in that direction.

Sharmaji also got into reading empirical research articles. He felt that his web-based research would be helpful not only to him but also would be useful to other investors who do not have much of the skills to understand corporate action. Actually at one point in times of web research Sharmaji has quoted to Mrs Bhabhiji (Sharmaji's spouse) that he would start a blog on corporate action. Sharma felt that people like him who do not possess much of the stock market-related knowledge require a source of information such as a Blog to interact and share their views. On hearing about Blog, Mrs Bhabhiji suggested to Sharmaji to first make an informed decision on their existing delisting offer and later think of Blogs. She also expressed concerns on re-investing the funds received from VEDL if the shares are tendered and the delisting offer is successful.

One of the research article read by Sharmaji [4] has revealed a few more interesting facts on VDs. According to the article, the need to merge, demerge or restructuring a listed entity is also a driver of VD. Delisting may offer the desired flexibility in discovering the implicit true value of the firm in case the market fails to discover the true value of the firm. Sharmaji found another research article that supported the hypotheses of firms discovering true value after VD. In a few cases, a company with the foreign investor as its majority stockholder may delist itself to remain in some other overseas stock exchange where the true value could be discovered. Based on an empirical research article, Sharmaji jotted down a crucial point on VD which says that 'Undervaluation' is the most frequently stated reason for VDs. If a particular market inappropriately undervalues a particular firm than the firm decides not to be stay listed on that market [5].

Sharmaji's research has yielded a few more interesting points with respects to VDs. Alongside the reason for improper valuation of the firms being the reason for delisting voluntarily, the fact of highly debt-burdened firms preferring for VD was well-documented in the empirical research. Research conducted on the firm delisted from London Stock Market (LSE) has shown that when firms were listed on the exchanges their leverage remained very high and they were not in a position to raise equity. This was one of the reasons that the firms preferred to delist. One of the hypotheses that were tested in this regard was that of – Whether firms delist because they are not in a position to obtain funding from equity capital due to their high

leverage with low growth opportunities [6]. Sharmaji co-related the high leverage concept with the VD intention of VEDL.

The systematic research approach of Sharmaji has made him understand that VDs are part of a strategy that firms adopt to benefit from the market situations. Further, Sharmaji also realised that the usual good feeling related to being a public firm is diminishing in a few of the developed economies.¹⁶ Research conducted in US stock markets has shown that there are more delistings than the new listing of firms. Firms are finding that the 'net benefits' from being listed are considerably less and delisting is preferred as a good option [7].

As far as the point of whether VRL's decision to delist VEDL from Indian stock markets is considered, Sharmaji was yet to be convinced with the motives of VEDL going in for unlisted status. The next questions that he started to comprehend were the fixation of the bidding price, reverse book building (RBB) process and finally whether or not to accept the tender offer. These questions have led to pursue of further research. At this point in time, Sharmaji also started his Blog for disseminating the information on corporate actions such as VDs.

Brief Note on Price Discovery Process (RBB):

Sharmaji's research about the price discovery process in a VD has started once the motives of VDs were understood. The first thing Sharmaji started to note down in his diary was the market reaction to the VRL's announcement of VEDL delisting. He also made a spreadsheet model ready to record and analyse the market reaction on a day-to-day basis.¹⁷ Concerning the price discovery process in the Delisting offer, Sharmaji noted that in general terms the floor price for delisting is computed based on the Delisting Regulations and announced to the public later the Public Shareholders are required to bid at a price which is either same or above the floor price. In the case of VEDL, the floor price determined was INR 87.25.¹⁸ Sharmaji understood that neither IOP nor floor price is the final delisting exit offer price. The final exit offer price is determined using the 'Reverse Book Building' (RBB) process. Sharmaji also learnt that the bidding period for public shareholders is open for five days and the period of bidding opens within seven working days of Public Announcement (PA). Few more points that Sharmaji attracted the attention of Sharmaji were: a) even after the discovery of the final exit offer price, the Promoter has an option to either accept or reject the exit offer price, b) if the Promoter is not in a position to accept the exit offer price, there is a possibility of a counter-offer within two working days from the discovery of the final exit offer price¹⁹ and c) Public Shareholders who did not tender their shares during the first RBB process can tender their shares based on the counter-offer price of the Promoter.

After understanding the RBB process, Sharmaji now started to put his best efforts to understand more about the transparency in RBB. He has taken up this

task because at one point in time during his interactions with colleagues and clients on VDs he heard that sometimes RBB may be 'Rigged' by investors who form cartels. He did not believe this but still, he wanted to make himself sure that the RBB are transparent and help inappropriate discovery of exit price. Few of the experts told Sharmaji that in the initial days of RBB being introduced in India, there were arguments against the RBB process. Corporates expressed fears that few savvy investors would have the ability to manipulate the process. Then, SEBI addressed this issue by mandating that the discovered price will be one at which the major number of bids are received. SEBI advocated that this step would eliminate the possibility of a few investors taking control of RBB is eliminated [8].

Sharmaji also read a discussion paper issued by SEBI in 2018 [9]. Few of the key concerns expressed in the discussion paper have attracted the attention of Sharmaji. It has been noted that there is a possibility of investors who are seeking arbitrage advantage may participate in the RBB and also few of the shareholders can form groups such that they together influence the final exit price of the VD. It was surprising for Sharmaji to hear from one of the colleagues that in 2006 companies such as Ingersoll Rand, Herbertson's and SKF India received a very low response for the buybacks announced by the respective companies. It was stated that then companies used to complain that the RBB system was being misused by investors who were bidding at unusually high prices. The media news reported that in the RBB process the interests of minority shareholders may not be protected. Shareholders' who had major holdings may be bid at higher price and try to manipulate the share prices' [10]. Sharmaji was worried about the proper fixation of the delisting floor price. One of the clients of Sharmaji advised him to have a look at the SEBI's order in two specific recent cases of AstraZeneca Pharma India Limited (AZPIL) and ECE Industries Limited.20

One more report published in March of 2014 has further strengthened the point of few major investors with vested interest trying to influence the RBB. Sharmaji's web research has made him think on the statement made in the report that – "In few instances, shareholders with vested interests may hold a company to ransom and expect the company to pay an unfair price during buyback process. In these cases, delisting in India usually takes place at a significant premium to market values" [11]. Sharmaji also learnt that MNCs who wish to delist their subsidiaries in India would find alternative ways. Sharmaji wanted to churn out lot of debate on his Blog with regards to how RBB could be influenced by group of investors who have vested interests?

After understand the RBB process and the allied issues, Sharmaji, accessed few publicly available reports of stock broking houses. One of such report published in media stated that bidding price for VEDL delisting could be between INR 200 – INR 250 per share. Sharmaji found that the few of the news articles advised

investors to bid at a very high price in the price range of INR 236 – INR 310 [12]. Few reports and media articles were discussing on the stake of VEDL in Hindustan Zinc and its value to be included in the bidding price.

The final aspect on which Sharmaji wanted to get clarity was on how corporates would finance the VD and would the possible sources of finance in the buyback process have an impact on the success or failure of the tender offer?

Future Course of Action – Tender or Hold?

Sharmaji also heard that in similar situations few stockbrokers would call up the clients and advise them to buy a stock because it is going to be delisted and the investors may make a short-term gain. Usually, this kind of pieces of advice would be given before the delisting announcement is made.²¹ Generally, the announcement of VD would lead to a shoot up in stock prices because the investors feel that short-term gain is possible in the case of buy-back offers. On the other hand, if the company is not able to generate interest among the shareholders through its offer price, the possibility of delisting to materialize is minimum. If the VD does not succeed after the announcement, there is a great possibility of stock prices crashing.²² One interesting point that Sharmaji noted down was that the VDs would success in depressed market conditions where the investor can expect a good premium over-and-above the existing stock prices.

After conducted systematic web-based research alongside seeking suggestions from colleagues, clients and boss, Now Sharmaji has to decide on whether he would be tendering the shares or would be holding on to them? Sharmaji also has to decide on the bidding price he has to quote. He is facing a dilemma on should he accept indicate bidding price being published in the media or should be approach any specialist. Apart from the decision to tender or not, Sharmaji has a related question that has to be answered. Sharmaji's colleague has hinted that if the shares are tendered and he receives the sale proceeds from VEDL there would be a need to pay Long-Term Capital Gain Tax. So, Sharmaji also wanted to get some inputs on the tax implications of tendering shares during a VD.²³ Being a very detailed oriented and cautious person, Sharmaji may approach someone such as you for your suggestion on tendering or holding on to the VEDL shares. Sharmaji could also seek inputs on the appropriate bid price. You got to be ready with the best possible suggestion for him.²⁴ Apart from approaching a person like you, Sharmaji is also ready to post all these research data on his Blog for which he is expecting a lot of response.

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ENDNOTES

- 1 Vedanta Limited is a globally diversified natural resources company (deals in Zinc-Lead-Silver, Copper, Iron Ore etc.) based in India and having the majority of its operations in Odisha, Karnataka, Goa and Rajasthan. Vedanta Ltd. has a humble beginning in the form of Sterlite Industries in the 1980s.
- 2 Sharmaji also remembers that at the time VRL got delisted from LSE it was facing some kind of public protests for the events that took place at Thoothukudi of Tamil Nadu State. The public protests were specifically against the Sterlite factory in Thoothukudi. However, at that point in time Sharmaji did not bother to get more information on this aspect because he felt that VRL's delisting may not have any impact on VEDL's operations in India.
- 3 Under the Delisting Regulations, VDs could be initiated by a promoter (i.e. controlling shareholder) or an Acquirer.
- 4 VRL holds a 50.1 per cent effective stake in VEDL. One of the major reasons for the delisting of VEDL as per the press releases of VRL is that by simplifying the Group structure the that leverage of the Group could be brought closer to the operating cash flows.
- 5 Vedanta Resources Limited (VRL), in connection to the delisting letter dated May 12, 2020, expressed its intention to the Board to acquire the Offer Shares and consequently voluntary delist the Equity Shares from the Stock Exchanges by making a Delisting Offer (DO). VRL also has planned that if the delisting offer is successful in India, then to also delist the American Depository Shares (ADS) from NYSE and deregister the Company from the SEC.
- 6 The Shareholders approval was obtained using postal ballot notice on May 25, 2020. The special resolution was passed using e-voting and postal ballot.
- 7 As per the regulations this kind of proposals required at least 66.7% of minority shareholders' approval.

- 8 Other stocks held by him were: L&T, ITC, SBI, DRL and HDFC.
- 9 The success or failure of the VD could be measured by the post-offer promoter shareholding (90% shareholding threshold – in other words, the shareholding of the Promoter along with the persons acting in concert should at least be 90% of the paid-up equity share capital of the company) and the percentage of public shareholders who participate in the approval process of delisting proposal.
- 10 Post-Delisting also the shareholders who did not surrender the shares during the bidding process could tender their shares at the final exist offer price.
- 11 The Delisting process in India is primarily governed by the SEBI's (Delisting of Equity Shares) Regulations, 2009, as amended (the "Delisting Regulations").
- 12 Generally, a floor price for delisting is calculated as per the provisions of Delisting Regulations and later the public shareholders are required to bid at the price either at or above the floor price. This process is referred to as reverse book-building.
- 13 Pink Sheets trading is Over-the-Counter trading and the OTC Bulletin Board data are not included in the conventional securities research database such as CRSP and TAQ. Pink sheets trading also have limited analyst's coverage.
- 14 BSE SME charges INR 25,000 or 0.01 per cent of the total market capitalisation of the Company, whichever is higher as the annual listing fees. However, to provide some relief to small companies during COVID-19 a relaxation of a 25 per cent decrease in annual fee was provided at BSE SME. In the case of companies listed at NSE, the listing fee/annual fee is based on Paid-Up-Capital as well as fee-based on Market Capitalisation. For example, Companies that have a paid-up share, bond and /or debenture and/or debt capital etc. of more than ₹1,000 crores will pay minimum fees of ₹ 12, 20,000/- and an additional listing fee of ₹5,125/- for every increase of ₹5 crores or part thereof in the paid-up share, bond and/debenture and/or debt capital, etc. and incremental Fee shall be levied for listed companies with a market capitalization above ₹2500 crores as follows - ₹4000 per ₹1000 Crores.
- 15 Listed entities have to comply with the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018. The non-compliance with these norms can lead to a levy of penalty by the respective stock exchange on the Company on a per-day basis [3].
- 16 Sharmaji also read the tweets made by Elon Musk during mid of August 2018. Elon Musk shocked employees and other stakeholders of Tesla Motors by stating that he was considering the make the company a private entity. Surprising Tesla's stock price rose by 11% following the announcement.
- 17 MS-Excel (spreadsheet program) is now having ability to capture the data related to stocks, bonds, currency and cryptocurrencies. New feature such as 'Data Types' has been added to spreadsheets. Anyone can select the tickers, then click the Data > Stocks command in the Data Types group. When this is done, Excel attempts to convert those static text values into stocks and related data is captured.
- 18 The Promoter has communicated the Indicative Offer Price (IOP) as INR 87.50 in the Letter-of-Offer (LOF).
- 19 If the exit price that is discovered by RBB is accepted by the Promoter then the shareholders must be paid within ten working days. On the contra, where the bids are not accepted by the Promoter the tendered shares must be returned in ten working days.
- 20 In 2019 SEBI fined merchant bankers Corporate Professionals Capital for wrong calculation of the floor price in the VD offer process of ECE Industries during 2016. It is reported that due to the wrong calculation some investors have wrongly participated in the delisting process. It was reported that the delisting offer floor price was INR 233.66 instead of INR 202.56 as computed by the merchant bankers. In another case of AZPIL, it was observed that two companies have colluded through a private arrangement to sail through the delisting process.

- 21 Sharmaji's research in this regard showed that in 2011 when US-based iGate Corporation wanted to delist its Indian subsidiary Patni Computers there was a sudden spike in the trading volumes. There was a sudden spurt in the volumes from 72,500 shares being traded a day before the announcement the trading volumes have gone up to 20 lakh shares per day after the declaration of delisting.
- 22 In 2011, Mahindra Satyam announced to delist from the NYSE and got a poor response. Its share price of listed ADRs lost 24% on NYSE on the day of the announcement.
- 23 Long-Term Capital Gains or Losses are related to those financial assets which are held by the investor/assessee for more than 12 months.
- 24 Sharmaji already has noted down that even the success of VD may not lead to a squeeze out of all minority shareholders and promoters may still have to resort to selective buyback of minority shareholders portion who did not tender or the promoters may resort to the new provisions u/s 230 of Companies Act 2013. As of now, there is a possibility of acquiring the shares of remaining minority shareholders through a court-approved compromise.

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